



REVIEW OF THE
DEPARTMENT OF CORRECTIONS
CROSSROADS CORRECTIONAL CENTER

**From The Office Of State Auditor
Claire McCaskill**

Report No. 2000-78
August 23, 2000
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AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

August 2000

www.auditor.state.mo.us

The following problems were discovered as a result of a review conducted by our office of the Department of Corrections, Crossroads Correctional Center.

The Crossroads Correctional Center, which opened in March 1997, is located one-half mile north of Cameron, Missouri and is a maximum security facility. This facility has a maximum capacity of 1,500 inmates which are housed in six housing units. The facility is situated on 60 acres, of which, approximately 40 acres lie within the perimeter of the facility.

The Crossroads Correctional Center (CRCC) maintains an armory of firearms and ammunitions which are accessed via the armory sergeant or shift supervisor at the control center. To account for the issuance of these firearms and ammunitions, the armory sergeant maintains an armory log which is a written record of routine and emergency distributions of firearms. A review of the armory log for the periods of January, November, and December 1999 revealed several instances in which issuance information was not properly documented. Instances of improper documentation included: indicating the area rather than the individual the firearm was issued to; not indicating the date and time the firearm was checked out and back in; and, not always documenting the individual who issued the firearm.

In addition, firearm certification cards are not checked prior to issuing firearms to staff. This is in direct violation of department procedures which state that, prior to being issued a firearm, staff must present a firearms certification card for the firearm being issued.

To properly account for all firearms and ammunitions at any given time, a properly completed armory issuance log should be maintained. In addition, to enhance the safety and security of all staff and inmates, current firearm certification cards should be requested and reviewed prior to issuing firearms.

In July 1997, the Department of Corrections, Division of Offender Rehabilitative Services entered into a contract with Missouri Western State College to provide adult basic education to CRCC inmates. Contract expenditures totaled approximately \$740,000 and \$616,000 for the fiscal years ended June 30, 1999, and 1998, respectively.

(over)

YELLOW SHEET

Each month the CRCC receives an invoice accompanied by an itemized listing of all program expenses and a payroll report. Supporting documentation is not routinely provided for the non-payroll expense entries, such as travel costs, educational and data processing supplies, telephone, etc. As a result, significant payments (now exceeding \$60,000/month) are being approved without obtaining supporting documentation.

A careful review of supporting documentation is necessary, at least on a periodic basis, to substantiate the validity, propriety, and reasonableness of amounts billed by the college. Because CRCC personnel are more familiar with the college personnel and services being provided, it appears essential that these detailed comparisons of billings to supporting documentation be performed at the correctional center prior to transmitting the billing to the Department of Corrections – Central Office for payment.

Our review of the CRCC's fire safety plan found that it did not outline procedures for conducting monthly fire safety inspections, quarterly evacuation drills, or weekly inspections of detection and warning systems, which are required by department guidelines. Also, we found that monthly fire safety inspections were not performed from September 1999 through February 2000, and there was no documentation to indicate the CRCC was performing any quarterly evacuation drills.

A comprehensive fire safety plan would help provide CRCC staff with specific guidance on how to better protect employees, inmates, visitors, and prison property in the event of a fire emergency. In addition, the CRCC needs to immediately implement the performance of monthly fire safety inspections and quarterly evacuation drills as required by department policy.

Other items noted in the report included:

- Inventories for some food items were overstocked. No one independent of the food service section verifies the month-end physical inventory counts. Invoices are not stamped with the conditional acceptance stamp at the time the goods are delivered.
- Month-end physical inventory counts of canteen food and personal items are not compared to any records and no one independent of the canteen verifies the inventory counts.
- Vending machine commissions paid to the facility did not comply with the written agreement, resulting in an approximate underpayment of over \$1,600 from March 1997 through February 2000.
- Cell searches within the administrative segregation housing units were not completed as frequently as required by CRCC policy. In addition, cell search documentation was unclear, making it difficult to determine which cells had or had not been searched.
- Duties related to the purchasing and receiving of raw materials and tools for the furniture factory are not adequately segregated.

REVIEW OF THE
DEPARTMENT OF CORRECTIONS
CROSSROADS CORRECTIONAL CENTER

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STATE AUDITOR'S REPORT



CLAIRE C. McCASKILL
Missouri State Auditor

Honorable Mel Carnahan, Governor
and
Dora Schriro, Director
Department of Corrections
and
Mike L. Kemna, Superintendent
Crossroads Correctional Center

We have conducted a review of the Department of Corrections, Crossroads Correctional Center. The scope of our review included, but was not necessarily limited to, the years ended June 30, 1999 and 1998. The objectives of this review were to:

1. Review certain management practices and financial information for compliance with applicable constitutional provisions, statutes, regulations and administrative rules.
2. Review the efficiency and effectiveness of certain management practices.
3. Review certain revenues received and certain expenditures made by the correctional center.

Our review was made in accordance with applicable generally accepted government auditing standards and included such procedures as we considered necessary in the circumstances. In this regard, we reviewed the correctional center's revenues, expenditures, contracts, applicable legal provisions, rules and regulations, and other pertinent procedures and documents, and interviewed correctional center and other state personnel.

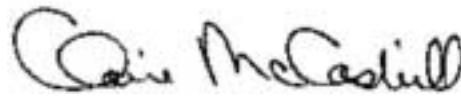
As a part of our review, we assessed the correctional center's management controls to the extent we determined necessary to evaluate the specific matters described above and not to provide assurance on those controls. With respect to management controls, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation and we assessed control risk.

Our review was limited to the specific matters described above and was based on selective tests and procedures considered appropriate in the circumstances. Had we performed

additional procedures, other information might have come to our attention that would have been included in this report.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the correctional center's management and the Statewide Accounting for Missouri (SAM) system and was not subjected to the procedures applied in the review of the Department of Corrections, Crossroads Correctional Center.

The accompanying Management Advisory Report presents our findings and recommendations arising from our review of the Department of Corrections, Crossroads Correctional Center.



Claire McCaskill
State Auditor

March 16, 2000 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Kenneth W. Kuster, CPA
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MANAGEMENT ADVISORY REPORT SECTION

REVIEW OF THE
DEPARTMENT OF CORRECTIONS
CROSSROADS CORRECTIONAL CENTER
SUMMARY OF FINDINGS

1. Food Inventories (pages 7-9)

Inventories for some food items were overstocked. No one independent of the food service section verifies the month end physical inventory counts. Invoices are not stamped with the conditional acceptance stamp at the time the goods are delivered.

2. Canteen Procedures (pages 9-10)

Month-end physical inventory counts of food and personal items are not compared to any records and no one independent of the canteen verifies the month end physical inventory counts.

3. Vending Machine Commissions (pages 10-12)

Commissions paid to the facility by the vending machine company did not comply with their agreement and resulted in an approximate underpayment of \$1,606 from March 1997 through February 2000.

4. Fire Safety Policies and Procedures (pages 12-13)

Monthly fire inspections have not been performed for the period of September 1999 through February 2000. In addition, there was no documentation indicating quarterly evacuation drills were performed.

5. Firearm Issuance Procedures (pages 13-14)

Armory issuance logs do not properly document all firearm issuances. In addition, firearm certification cards are not reviewed prior to issuing staff firearms.

6. Administrative Segregation Cell Searches (pages 14-15)

Administrative segregation cells are to be searched on a bi-weekly basis. Our review noted some cells were not being searched as policy requires. These cell searches are not documented in a manner to allow easy identification of cells which have or have not been searched.

7. Education Contract with Missouri Western State College (pages 15-16)

The Crossroads Correctional Center approves monthly invoices submitted by the college for payment without obtaining or reviewing sufficient supporting documentation.

8. Furniture Factory (pages 16-17)

Duties related to the purchasing and receiving of raw materials and tools are not adequately segregated.

REVIEW OF THE
DEPARTMENT OF CORRECTIONS
CROSSROADS CORRECTIONAL CENTER
MANAGEMENT ADVISORY REPORT –
STATE AUDITOR’S RECOMMENDATIONS

1.	Food Inventories
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During the year ended June 30, 1999, the Crossroads Correctional Center (CRCC) served over 1,580,000 meals to inmates at a cost of approximately \$1,211,900. Our review of internal controls and inventory methods and procedures over food inventories indicated the following areas where improvements are needed:

- A. The CRCC orders canned and dry foods every three months. Department policy also allows each institution a six week emergency supply of grocery items. Thus, institutions should stock a supply of canned and dry foods to meet its needs for approximately three months, in addition to the six week emergency supply.

Considering the abovementioned ordering timeframes and recommended emergency supply to be maintained, a comparison of fiscal year 1999 food usage to February 2000 inventory on hand identified several items which appear to be overstocked:

<u>Food Item</u>	<u>Quantity On Hand February 2000</u>	<u>Quantity Used During Fiscal Year 1999</u>	<u>Number of Months Supply On Hand</u>
Juice - Grapefruit	75 cases	2 cases	450
Juice - Grape	56 cases	2 cases	336
Juice - Cranberry	111 cases	1 case	1332
Baking Powder	43 cases	21 cases	25
Cranberry Sauce	68 cases	40 cases	20
Garlic Powder	351 cases	97 cases	43
Cocoa	5 cases	3 cases	20
Coconut	13 cases	1 case	156
Cornstarch	60 cases	76 cases	9
Dressing French	186 cases	101 cases	22
Farina – Cereal	77 cases	16 cases	58
Flavoring Vanilla	9 cases	11 cases	10
Food Color - Egg	4 cases	2 cases	24
Liquid Smoke	14 cases	8 cases	21

Maintaining food inventories at levels of expected usage, given the reorder time frames, is necessary to reduce the potential for spoilage, misuse, or loss. In addition, carrying excessive inventories may result in increased costs.

- B. The CRCC food service employees perform the monthly food physical inventory counts. These employees also have custody of the inventory.

This practice is not in accordance with Department of Corrections (DOC) Procedure No. IS10-1.15, Section III.B.1, which requires an employee, who is not assigned to the food service section, to verify the physical inventory counts by comparing them against the perpetual inventory record.

An independent verification enhances controls over the institution's food inventories. Since this control is not in place, food inventories could more easily be misappropriated without detection.

- C. During our review of food service invoices, we found that the food service storekeeper does not stamp the invoices with the conditional acceptance stamp as food items are delivered. An internal audit conducted by DOC in July 1999 found that the stamp was only being used for invoices relating to meat purchases. Since this DOC audit, there has been turnover in the storekeeper position and currently no invoices are being stamped.

The food service storekeeper should stamp all invoices with the conditional acceptance stamp, as required by DOC Procedure No. IS10-1.14.

WE RECOMMEND the CRCC:

- A. Order food items based on expected usage and attempt to reduce excessive food inventories. The institutions should transfer appropriate excessive stock of food items to the DOC central warehouse for redistribution.
- B. Assign an employee independent of the food service section to verify physical inventory counts performed by the food service section.
- C. Stamp all invoices with the conditional acceptance stamp as the items are delivered.

AUDITEE'S RESPONSE

- A. *We concur with the auditor's findings that several food items were overstocked. Corrective action has been taken.*
- ◆ *Beginning in November 1999, the Food Service Storekeeper utilizes inventory records to determine monthly usage of each food item. Current inventory levels and pending orders are considered when determining quantities to order.*

- ◆ *Beginning in December 1999, CRCC has been reducing excessive food inventories to appropriate levels specified by policy through normal food usage at CRCC and by transferring food items to other facilities.*
- B. *We concur with the auditor's findings that no one independent of the food service section verifies the month end inventory counts. Beginning with the July 2000 inventory, the Assistant Superintendent of Operations will assign a Business Office staff person each month to verify the monthly food service inventory counts.*
- C. *We concur with the auditor's finding that all food service invoices were not stamped with the conditional acceptance stamp upon delivery of the goods. Beginning March 16, 2000, the Food Service Storekeeper stamps all invoices with the conditional acceptance stamp as the items are delivered.*

2.

Canteen Procedures

The CRCC operates a canteen for the inmates' benefit. Perpetual inventory records are not maintained for all canteen items. Perpetual inventory records are maintained for expensive or high-risk items, such as radios, tape players, televisions, and cigarettes; however, perpetual records are not maintained for food and personal use items.

As required by department policy, the canteen employees perform physical inventories of all canteen items held for resale at each month-end. Because no perpetual inventory records are maintained for food and personal use items, the results of these counts are not compared to any records. It was also noted that the employees performing the month-end counts also have custody of the inventory and no verification by someone independent of canteen responsibilities is performed. As a result of these various concerns, there is limited monitoring of changes in canteen inventory and the benefit of month-end physical inventory procedures is lessened without comparison to perpetual inventory records and independent verification.

Deficiencies with the current automated canteen system, such as the improper handling of voided sales and problems with the entry of some item codes, have contributed to the inventory monitoring problems. Discussions with Department of Corrections personnel indicate they are aware of the limitations of the current canteen inventory system and are working toward implementation of a new inventory system which will provide perpetual inventory records. This new system had been installed in one facility as of May 2000. Once the new inventory system is in place, monthly inventory counts of all items held for resale should be compared to the perpetual inventory record to lessen the possibility that instances of loss, misuse, or theft of canteen inventory will not go undetected. In the meantime, the CRCC should consider utilizing data available from the various canteen reports to verify the month-end balances of selected canteen items and ensure that month-end counts are verified by an institutional employee not assigned to the canteen.

WE RECOMMEND the CRCC reconcile month-end physical inventory counts to the new perpetual inventory records once this system is implemented. Until this time, however, records currently available should be utilized to verify month-end counts for some canteen items (at least on a test basis). In either case, any discrepancies should be investigated in a timely manner. Also, assign an employee independent of the canteen to verify physical inventory counts performed by the canteen.

AUDITEE'S RESPONSE

We concur with the auditor's findings that month-end physical inventory counts of food and personal items are not compared to any records and no one independent of the canteen verifies the month-end physical inventory counts. As part of a comprehensive upgrade to our canteen operations, a new automated canteen system has been developed over the past six months which corrects these deficiencies. Implementation at all DOC institutions is currently underway. As an interim corrective step, beginning in July 2000, the Daily Canteen Item Movement reports are being utilized to conduct spot checks on inventory and to verify month-end item counts. Also, beginning with the June 2000 inventory, an employee independent of the canteen operation is assigned on a rotating basis to verify physical inventory counts performed by the canteen. Any discrepancies will be investigated.

3. Vending Machine Commissions

Since opening in March 1997, the CRCC has utilized the same private vendor to provide and service vending machines at the facility. Each month the vendor provides a commission statement and remits two checks (one payable to the facility's personnel club account and one payable to the inmate canteen fund) to the CRCC. The October 1996 contract indicates the vendor is to remit commissions as a percentage of total gross sales. Vending machine commissions paid to the CRCC from March 1997 through February 2000 totaled approximately \$96,725. The DOC Procedure No. D4-4.4, Section III.C. establishes the guidelines for the income from vending machines to be allocated between the inmate canteen fund and an authorized employee organization or activity.

Our review of the vending arrangement noted that the abovementioned contract indicates that the CRCC will receive commissions monthly with commission rates being based on the type of vending item sold. Both the CRCC and vendor personnel indicated that commission percentages have been the same since March 1997. Our review of the commission statements for the period of March 1997 through February 2000 noted that the vendor was using incorrect commission rates for some items when calculating the CRCC's monthly commission revenue. The following schedule shows the commission rate discrepancies determined:

<u>Vending Item</u>	<u>Commission Rate Per Contract</u>	<u>Commission Rate Actually Received March 1997 through September 1998</u>	<u>Commission Rate Actually Received October 1998 through March 2000</u>
Candy, chips, popcorn, pastries	29.0%	29.0%	28.5%
Soup and Sandwiches	20.0%	28.0%	20.0%
Beverages	32.0%	28.0%	32.0%
Cigarettes	32.0%	28.0%	32.0%

It was also noted that commissions on one cigarette machine during the period October 1998 to January 1999 were calculated on net sales (gross sales after sales taxes had been withheld) rather than total gross sales as required by the contract terms.

Incorrect commission rates used by the vendor along with the incorrect computations of total gross cigarette sales resulted in the vendor owing the staff personnel club approximately \$170 and the inmate canteen fund approximately \$1,436.

After we brought this matter to CRCC's attention, institution staff contacted the vendor. The vendor indicated that all commission payments since March 1997 would be recalculated and any underpayment of commissions would be forwarded to the CRCC. As of May 2000, the CRCC has yet to receive recalculation information and payment for past commission errors.

Although monthly commission statements had been provided by the vendor, none of the errors noted above had been detected by the CRCC business office. In addition to not adequately reviewing the vendor's monthly commission statements, the CRCC also has no procedures in place to verify reported sales on which commissions are based. Thorough reviews are necessary to ensure the propriety of commissions received and compliance with contract terms.

WE RECOMMEND the CRCC establish procedures to verify the reported sales, implement a review procedure that will ensure compliance with contract terms, check the accuracy of commission statements and amounts remitted, and continue to pursue payment for past commission errors from the vendor.

AUDITEE'S RESPONSE

We concur with the auditor's findings that commissions paid to the facility by the vending machine company did not comply with their contractual agreement which resulted in an approximate underpayment of \$1,606 from March 1997 through February 2000.

- ◆ *To correct this item, the vending contract was rebid with more specific commission rate language. Beginning June 1, 2000, a flat commission rate for all vended items was established and meter readings are provided for all vending machines.*
- ◆ *Beginning in July 2000 staff compare sales with commissions on a minimum of three items each month. Different items will be selected monthly.*
- ◆ *The institution is developing a payment plan with the vendor to collect the past due commission payment within the next 90 days.*

4. Fire Safety Policies and Procedures

The DOC Procedure No. D4-2.1, Section III.C. provides that all facilities shall develop and maintain a fire safety plan. The components to be addressed in this plan shall strictly follow the guidelines listed in the DOC Fire Safety Plan Guidelines for Institutions. These guidelines state that the fire safety plan shall address monthly fire safety inspections. Our review of the CRCC's fire safety plan found that it did not address procedures for conducting monthly fire safety inspections. For the period of September 1999 through February 2000, monthly fire safety inspections were not performed. CRCC indicated that the facility's fire and safety specialist is responsible for performing monthly fire safety inspections; however, this individual resigned in September 1999 and his duties were not reassigned.

In addition to monthly fire safety inspections, the DOC Fire Safety Plan Guidelines state that evacuation procedures are to be tested quarterly and detection and warning systems checked weekly. Our review of the CRCC's fire safety plan found that it did not outline procedures for conducting quarterly evacuation drills or weekly inspections of detection and warning systems. Also, we found no documentation that would indicate the CRCC was performing any quarterly tests.

A comprehensive and detailed fire safety plan, which addresses procedures for conducting fire safety inspections, evacuation drills, and inspections of detection and warning systems, would help provide CRCC staff with specific guidance on how to better protect employees, inmates, visitors, and prison property in the event of a fire emergency. In addition, the CRCC needs to immediately implement the performance of monthly fire safety inspections and quarterly evacuation drills as required by department policy. To facilitate policy and performance improvements in this area, the fire and safety specialist position needs to be filled or the required duties reassigned.

WE RECOMMEND the CRCC review their fire safety plan to ensure compliance with departmental guidelines. In addition, the CRCC needs to begin performing the various

inspections and drills immediately with the results documented. Also, the CRCC needs to fill the fire and safety specialist position or reassign the position's required tasks.

AUDITEE'S RESPONSE

We concur with the auditor's findings that inadequate documentation was maintained indicating quarterly evacuation drills.

- ◆ *Beginning May 2, 2000, quarterly evacuation drills and monthly fire safety inspections are being conducted and documented.*
- ◆ *Fire detection and alarm devices are integrated into the institution's Central Alarm Control System. This allows for continuous, rather than weekly, operational status monitoring of detection and alarm devices. Departmental procedures are in the process of being revised to reflect current technology and practice in the area of detection and alarm devices.*

5. Firearm Issuance Procedures

The CRCC maintains an armory of firearms and ammunitions which are accessed via the armory sergeant or shift supervisor at the control center. To account for the issuance of these firearms and ammunitions, the armory sergeant maintains an armory log which is a written record of routine and emergency distribution of firearms. We reviewed the armory log for the periods of January, November, and December 1999 and found several instances in which issuance information was not properly documented. Instances of improper documentation included: indicating the area rather than the individual the firearm was issued to; making general rather than specific references regarding the location of the firearm, such as, "CRCC"; not indicating the date and time the firearm was checked out, as well as, the date and time the firearm was checked in; and not always documenting the individual who issued the firearm. DOC Procedure No. IS20-2.1, Section III.E.2. states that each institution shall maintain an armory log providing written records of routine and emergency distribution of firearms.

In addition, the armory sergeant indicated that firearm certification cards are not checked prior to issuing staff firearms. This is in direct violation of DOC Procedure No. IS20-2.1, Section III.D.4. which states that, prior to being issued a firearm, staff must present a firearms certification card for the firearm being issued.

To properly account for all firearms and ammunitions at any given time, a properly documented armory issuance log should be maintained which includes the issuer's name, the name of the person being issued a weapon, the location of the weapon, and the date and time of check out and check in of the weapon. In addition, to ensure the safety and security of all staff and inmates, a current firearm certification card should be requested and reviewed prior to issuing staff a firearm.

WE RECOMMEND the CRCC maintain a complete and properly documented armory issuance log. In addition, firearm certification cards should be requested and reviewed prior to issuing staff a firearm.

AUDITEE'S RESPONSE

We concur with the auditor's findings that armory issuance logs do not properly document all firearm issuances and firearm certification cards are not always reviewed prior to issuing staff firearms.

- ◆ *In April 2000, the institution implemented procedures requiring that each time a firearm is issued, the issuing officer must ensure that the receiving officer has a valid firearm certification card and the armory log is completed in detail each time a firearm is issued or returned.*
- ◆ *In addition, effective July 2000, CRCC established a requirement that firearm certification for officers assigned to a patrol vehicle be verified during each shift.*

6. Administrative Segregation Cell Searches
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The Chief of Custody at the CRCC has developed a set of policies and procedures referred to as "Post Orders." These Post Orders were developed to provide the security staff at the CRCC with a set of security and reporting guidelines to be followed in the performance of their duties. We reviewed Post Order 21.04, which addresses procedures for security measures within the administrative segregation housing units. Post Order 21.04 II. D. states that cell searches are to be completed for every cell in the administrative segregation unit on a bi-weekly basis. We reviewed cell search documentation for administrative segregation housing unit one for the month of January 2000. The results of our review found that out of 60 cells in housing unit one, only 24 cells were searched on a bi-weekly basis. Examples of items that were confiscated included, but were not limited to, a lighter, expired medications, sugar, string, ink pens, wicks, extra clothes, soap, and food trays.

Cell searches are documented on a DOC institutional search report. During our review of housing unit one cell searches, we also found that the CRCC staff was not documenting cells searched in any particular order, making it very difficult for staff to determine which cells had and had not been searched. Not documenting cells searched in any systematic order on the DOC institutional search report may have contributed to only 24 out of 60 administrative segregation cells being searched bi-weekly during January 2000.

Bi-weekly searches of administrative segregation units allows staff to identify and confiscate illegal contraband in the inmates possession, thus creating a safe environment for all staff and inmates.

WE RECOMMEND the CRCC perform administrative segregation cell searches in accordance with facility policy and develop an institutional search report that will readily document that the required searches have been performed and/or clearly identify cells not searched and the reasons searches were not performed.

AUDITEE'S RESPONSE

We concur with the auditor's findings that some administrative segregation cells were not always being searched bi-weekly as policy requires and the cell searches are not documented in a manner to allow easy identification of cells that have been searched.

- ◆ *The post orders will be revised during July 2000 to comply with the Standard Operating Procedure 20-1.3-Searches, which requires "Unannounced, random searches of all occupied inmate cells in each housing unit to include a tunnel search should be performed at least once each month by officers on each shift."*

- ◆ *Cell search reports are now formatted in numerical order by cell.*

7.

**Education Contract with
Missouri Western State College**

In July 1997, the DOC, Division of Offender Rehabilitative Services entered into a contract with Missouri Western State College to provide adult basic education to CRCC inmates. Contract expenditures totaled approximately \$740,000 and \$616,000 for the fiscal years ended June 30, 1999, and 1998, respectively. There are several individuals employed full-time by the college to provide the adult basic education services and costs associated with the program are accumulated by the college's business office throughout the month. These individuals work out of office space maintained at the CRCC. We reviewed the contract terms, monthly billings, and supporting documentation, and noted some concerns.

Each month the CRCC receives an invoice accompanied by an itemized listing of all program expenses and a payroll report. Supporting documentation is not routinely provided for the non-payroll expense entries such as travel costs (motel, mileage, meals), educational and data processing supplies, postage, telephone, furniture/equipment, publications/books, etc. The CRCC Superintendent of Inmate Management receives the college's invoice and reviews for unusual or questionable items prior to forwarding to the department for approval, processing, and payment. The CRCC does not obtain supporting documentation to assist in its review and approval process. We obtained the college's invoices and reviewed the itemized listings of program expenses and payroll reports for the months of June 1999 and 1998. A comparison of this information to supporting documentation (ie; invoices, expense reimbursement claims, etc.) on file at the college revealed no discrepancies.

Significant payments (now exceeding \$60,000/month) are being approved without obtaining supporting documentation. A careful review of supporting documentation (invoices, expense reimbursement claims, etc.) is necessary, at least on a periodic basis, to substantiate the validity, propriety, and reasonableness of amounts billed by the college for monthly program expenses. Because CRCC personnel are more familiar with the college personnel and services being provided, it appears essential that these detailed comparisons of billings to supporting documentation be performed at the correctional center prior to transmitting the billing to the DOC – Central Office for payment. Without such procedures in place, inappropriate billings and/or errors could occur and go undetected.

WE RECOMMEND the CRCC work with the college to obtain and/or review, at least on a periodic basis, all supporting documentation for charges billed and resolve any questions or discrepancies prior to approving the college invoices for payment.

AUDITEE'S RESPONSE

We concur with the auditor's findings that monthly invoices submitted by the college were not accompanied by supporting documentation. As a result of the auditor's findings, procedures were amended to comply with the auditor's recommendation starting with the February 2000 invoice.

- ◆ *Staff at the Department's institutions reviewed invoices submitted by Missouri Western State College and then submitted them to the Department's Central Office with documentation available to them attached to the invoice.*
- ◆ *All interagency agreement invoices for education services between the Department and contractors were forwarded to the Coordinator for Education Interagency Agreements in the Division of Offender Rehabilitative Services, Missouri Department of Corrections. The coordinator reviewed each invoice and ensured that sufficient documentation was present prior to processing accordingly. The coordinator also requested any documentation needed to resolve concerns and made adjustments as deemed necessary prior to submitting the invoices for payment.*
- ◆ *Effective immediately this process will be amended and all documentation and billings will accompany the invoices when submitted from the education contractor to the Department's institution. The institutional staff will ensure that all documentation is verified at the local level. The process described in this paragraph will ensure that there is double checking of the invoices, and that each institution as well as the Department's Central Office has a full set of documentation for each invoice.*

8.

Furniture Factory

The Missouri Vocational Enterprises operates a furniture factory at CRCC. The furniture factory employs approximately 80-100 inmates which produce wood and laminate office furniture. A review of the furniture factory revealed there is a lack of segregation of duties related to the purchasing and receiving of raw materials and tools. Both these duties are performed by the factory manager.

To safeguard against possible loss or misuse of raw material and tool inventories, internal controls should provide reasonable assurance that all assets are adequately safeguarded. Proper segregation of duties helps to provide this assurance.

WE RECOMMEND the CRCC properly segregate the purchasing and receiving duties regarding the raw material and tool inventories.

AUDITEE'S RESPONSE

We concur with the auditor's findings that duties related to the purchasing and receiving of raw materials and tools are not adequately segregated. Effective immediately the person responsible for signing purchase orders will be different from the person responsible for signing receiving reports.

This report is intended for the information of the management of the Crossroads Correctional Center and other applicable governmental officials. However, this report is a matter of public record and its distribution is not limited.

STATISTICAL SECTION

History, Organization, and
Statistical Information

DEPARTMENT OF CORRECTIONS
CROSSROADS CORRECTIONAL CENTER
HISTORY, ORGANIZATION, AND STATISTICAL INFORMATION

The Crossroads Correctional Center (CRCC), which opened in March 1997, is located one-half mile north of Cameron, Missouri and is a maximum security facility. This facility has a maximum capacity of 1,500 inmates which are housed in six housing units. The facility is situated on 60 acres, of which, approximately 40 acres lie within the perimeter of the facility. The perimeter consists of a three fence system, an electric motion detection system on the interior chain link fence, a lethal electric fence, and a razor wire covered outer chain link fence. In addition to the perimeter fencing, an armed vehicular patrol provides additional perimeter security on a 24-hour basis.

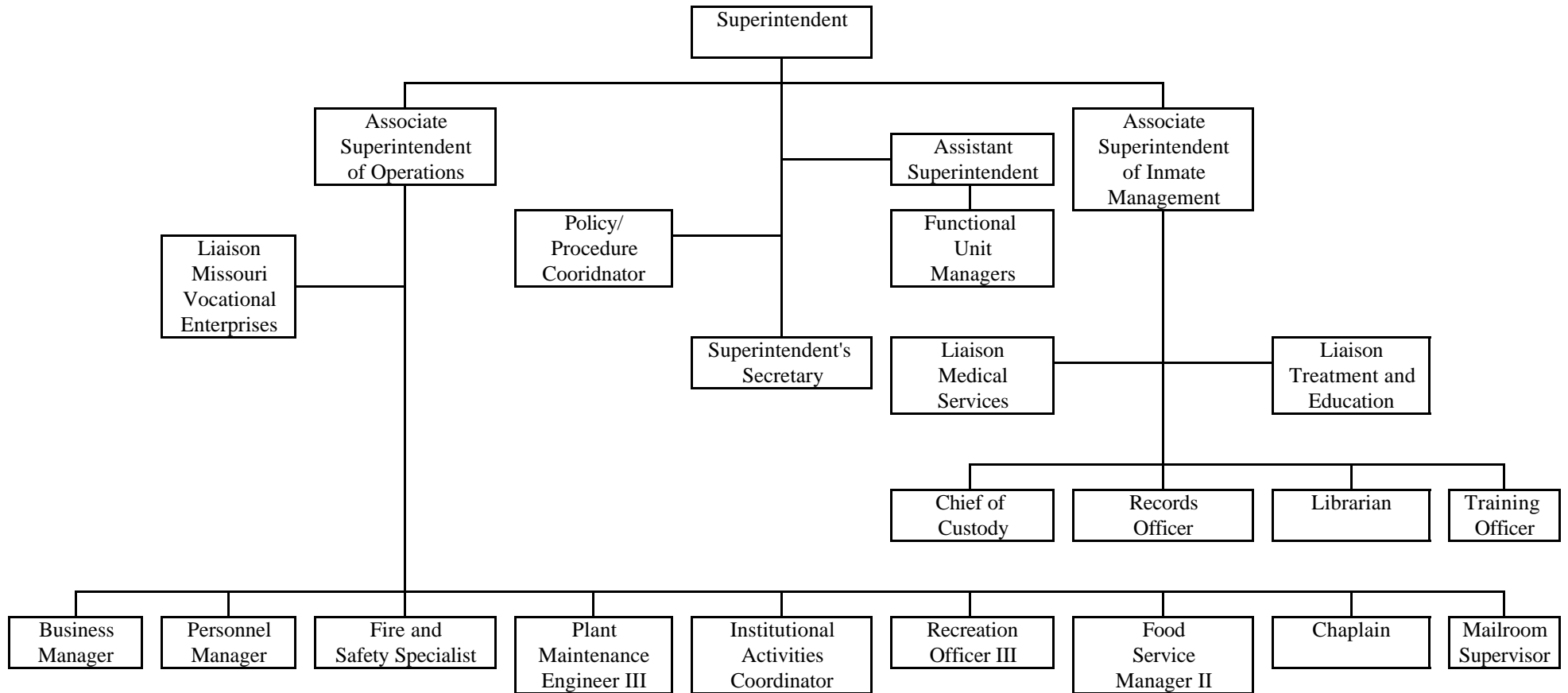
The administration of the CRCC consists of one superintendent, two associate superintendents, and one assistant superintendent. The associate superintendent of operations is responsible for inmate food services, recreation, institutional activities, facilities maintenance, and fire and safety, as well as the operations of the business office, mailroom, and personnel office. The associate superintendent of operations also acts as a liaison between the Department of Corrections and the Missouri Vocational Enterprises personnel working at the facility. The associate superintendent of inmate management is responsible for inmate custody, inmate records, officer training, and acts as a liaison between the Department of Corrections and Missouri Western State College personnel working at the facility. The assistant superintendent is responsible for inmate classification and supervision of the housing unit functional unit managers.

The Department of Corrections has entered into an inter-agency agreement with Missouri Western State College. Through this agreement the college provides adult basic education to the facility's inmates. At June 30, 1999, approximately 364 inmates participated in the adult basic education program. The adult basic education program is overseen by the continuing education department at Missouri Western State College and is certified by the Department of Elementary and Secondary Education.

Sentences of CRCC inmates range from two years to life without parole, and are for all types of crimes. The average commitment age is approximately twenty-eight years, and average current age is approximately thirty-five years. The average sentence length is approximately 275 months. Nearly two-thirds of the inmates at the Crossroads Correctional Center were sentenced in the St. Louis and Kansas City areas.

Mike Kemna has served as the facility superintendent since its opening in March 1997. The CRCC employed approximately 408 employees assigned to various administrative, service, and security functions as of June 30, 1999. Missouri Western State College had approximately 27 employees assigned to the adult basic education program at the facility as of June 30, 1999. An organization chart follows.

DEPARTMENT OF CORRECTIONS
 CROSSROADS CORRECTIONAL CENTER
 ORGANIZATION CHART
 JUNE 30, 1999



Appendix A

DEPARTMENT OF CORRECTIONS
 CROSSROADS CORRECTIONAL CENTER
 COMPARATIVE STATEMENT OF APPROPRIATIONS AND EXPENDITURES (See Note)

	Year Ended June 30,					
	1999			1998		
	Appropriations	Expenditures	Lapsed Balances	Appropriations	Expenditures	Lapsed Balances
GENERAL REVENUE FUND - STATE						
Personal Service	\$ 5,187,571	5,164,805	22,766	7,714,008	7,596,486	117,522
Expense and Equipment	91,308	87,105	4,203	1,108,672	1,025,567	83,105
Total General Revenue Fund - State	\$ 5,278,879	5,251,910	26,969	8,822,680	8,622,053	200,627

Note: The appropriations presented above are used to account for and control the facility's expenditures from amounts appropriated to the facility by the General Assembly. The facility administers transactions from the appropriations presented above. However, the state treasurer as fund custodian and the Office of Administration provide administrative control over the fund resources within the authority prescribed by the General Assembly. This does not represent all expenditures of the facility. Some expenditures relating to individual facilities are charged to department-wide appropriations and are not identified by facility (including some purchases of food inventory, computer equipment, and paper products). Expenditures charged to department-wide appropriations that are identified to the facility are noted in Appendix B.

Appendix B

DEPARTMENT OF CORRECTIONS
 CROSSROADS CORRECTIONAL CENTER
 COMPARATIVE SCHEDULE OF EXPENDITURES (FROM APPROPRIATIONS) (See Note)

	Year Ended June 30,			
	1999		1998	
	Expenditures From Facility Appropriations	Expenditures From Department-wide Appropriations for CRCC	Expenditures From Facility Appropriations	Expenditures From Department-wide Appropriations for CRCC
Salaries for permanent employees	\$ 5,154,451	4,079,239	7,551,248	173,864
Wages for temporary employees	10,354	56,486	45,238	21,083
Travel and vehicle expense	4,301	0	16,100	0
Office expense	11,605	0	63,428	17
Office and communication equipment purchase	0	0	9,807	0
Communication expense	620	0	5,098	0
Institution and physical plant expense	36,221	645,487	669,424	0
Institution and physical plant purchase	14,310	14,777	189,705	0
Data processing expense and equipment	2,249	0	15,286	0
Professional services	345	752,787	17,365	616,200
Other expense	17,454	0	39,354	149,941
Total Expenditures	\$ <u>5,251,910</u>	<u>5,548,776</u>	<u>8,622,053</u>	<u>961,105</u>

Note: Not included in this schedule are expenditures paid from department-wide appropriations that do not specify amounts by facility.

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