MICHIGAN

OFFICE OF THE AUDITOR GENERAL

AUDIT REPORT

PERFORMANCE AUDIT
OF

PRISONER TRANSPORTATION

DEPARTMENT OF CORRECTIONS

December 2008

THOMAS H. MCTAVISH, C.P.A.
AUDITOR GENERAL

471-0623-07L

The auditor general shall conduct post audits of financial transactions and accounts of the state and of all branches, departments, offices, boards, commissions, agencies, authorities and institutions of the state established by this constitution or by law, and performance post audits thereof.

– Article IV, Section 53 of the Michigan Constitution

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REPORT SUMMARY

Performance Audit

Prisoner Transportation

Department of Corrections

Report Number:
471-0623-07L

Released:
December 2008

Within the Department of Corrections (DOC), the Correctional Facilities Administration is responsible for facility operation, including prisoner transportation services. DOC's goal is to provide the greatest amount of public protection while making the most efficient use of the State's resources.

Audit Objective:
To assess the effectiveness of DOC's efforts to manage prisoner transportation costs.

Audit Conclusion:
We concluded that DOC's efforts to manage prisoner transportation costs were moderately effective. We noted five reportable conditions (Findings 1 through 5).

Reportable Conditions:
DOC had not developed a standardized method to identify, account for, document, and report prisoner transportation activity (Finding 1).

DOC had not fully implemented its computerized prisoner transportation system to prioritize, schedule, route, and coordinate its prisoner transportation services (Finding 2).

DOC had not established a central transportation coordinator, with the appropriate level of authority, to work with the regional transportation hubs, the individual facility transfer coordinators, and the medical and records office staff at each facility (Finding 3).

DOC should continue to seek the cooperation of the State Court Administrative Office and its medical service providers to fully use existing technology to conduct videoconferencing for court and medical appointments (Finding 4).

DOC had not fully implemented DOC's internal control assessment recommendations, DOC's transportation committee recommendations, or the prior Office of the Auditor General audit report recommendations (Finding 5).

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Agency Response:

Our audit report includes 5 findings and 5 corresponding recommendations. DOC's preliminary response indicated that it agrees at least in part with all of the recommendations and that it has complied or is in the process of complying with them.

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A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: http://audgen.michigan.gov

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THOMAS H. MCTAVISH, C.P.A.
AUDITOR GENERAL

December 30, 2008

Ms. Patricia L. Caruso, Director
Department of Corrections
Grandview Plaza Building
Lansing, Michigan

Dear Ms. Caruso:

This is our report on the performance audit of Prisoner Transportation, Department of Corrections.

This report contains our report summary; description of services; audit objective, scope, and methodology and agency responses and prior audit follow-up; comment, findings, recommendations, and agency preliminary responses; four exhibits, presented as supplemental information; and a glossary of acronyms and terms.

The agency preliminary responses were taken from the agency's responses subsequent to our audit fieldwork. The *Michigan Compiled Laws* and administrative procedures require that the audited agency develop a formal response within 60 days after release of the audit report.

We appreciate the courtesy and cooperation extended to us during this audit.

Sincerely,

Thomas H. McTavish

Thomas H. McTavish, C.P.A.
Auditor General

471-0623-07L

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DEPARTMENT OF CORRECTIONS

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GLOSSARY

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Description of Services

The Department of Corrections' (DOC's) goal* is to provide the greatest amount of public protection while making the most efficient use of the State's resources. As of September 30, 2007, DOC had 51 facilities (42 correctional facilities and 9 camps) located throughout the State and was responsible for the custody and safety of 51,165 prisoners, on average, during fiscal year 2006-07. Within DOC, the Correctional Facilities Administration (CFA) is responsible for facility operation, including prisoner transportation services. The Field Operations Administration (FOA) is responsible for parole and probation oversight, including requesting parolee* and probationer* transportation. CFA divided the facilities into three geographical regions*. Each region has a regional prison administrator who is responsible for overseeing the operations of the facilities within the respective regions. At the facility level, the wardens are responsible for overseeing daily operations, including prisoner transportation services.

CFA transports prisoners for four major reasons: interfacility transfers*, off-site medical appointments, court appointments, and FOA transportation for parolees and probationers. CFA created three regional transportation hubs* to facilitate prisoner transportation in its three regions: Kinross Correctional Facility in Kinross, Riverside Correctional Facility in Ionia, and Charles Egeler Reception and Guidance Center in Jackson. These regional transportation hubs employed 84 full-time equated corrections transportation officers (CTOs) during fiscal year 2006-07. In addition to the three regional transportation hubs, 19 correctional facilities had 135 full-time equated CTOs as of September 30, 2007 (see Exhibit 2, presented as supplemental information). CTOs at the regional hubs work 8-hour shifts on Monday through Friday; custody officers transport prisoners when the CTOs are not available to complete the transport.

CFA dictates when interfacility transfers take place based on programming needs, security level, and classification of prisoners. The Bureau of Health Care Services and a private contractor dictate the time and location of medical appointments, and the courts dictate the time and date of court appointments. FOA dictates parole violators' transfers on an as-needed basis from local or county jails or from parole and probation centers.

* *See glossary at end of report for definition.*

During fiscal year 2006-07, the cost of prisoner transportation was $23.6 million. Transportation costs included salaries and wages, equipment purchases, uniforms, dry cleaning, meals, lodging, telephone charges, office supplies, vehicle lease payments (including insurance and mileage), and other miscellaneous costs. DOC used 292 vehicles for prisoner transportation during fiscal year 2006-07.

Audit Objective, Scope, and Methodology and Agency Responses and Prior Audit Follow-Up

Audit Objective

The objective of our performance audit* of Prisoner Transportation, Department of Corrections (DOC), was to assess the effectiveness* of DOC's efforts to manage prisoner transportation costs.

Audit Scope

Our audit scope was to examine the program and other records related to prisoner transportation. Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances. Our audit procedures, conducted from July 2007 through July 2008, generally covered the period October 1, 2004 through July 31, 2008.

Specifically, we reviewed records related to prisoner transfer scheduling, prisoner medical appointment scheduling, vehicle usage, overtime hours, and prisoner transportation costs and other related records at DOC central office, the three regional transportation hubs (Kinross Correctional Facility in Kinross, Riverside Correctional Facility in Ionia, and the Charles Egeler Reception and Guidance Center in Jackson), three transportation cadres* (the Muskegon cadre; the St. Louis cadre; and the Ryan Regional cadre, which is located in Detroit), and nine correctional facilities (Bellamy Creek, Earnest C. Brooks, G. Robert Cotton, Hiawatha, Kinross, Mid-Michigan, Muskegon, Ryan, and St. Louis Correctional Facilities). We judgmentally selected and performed on-site visits at the nine correctional facilities based on their geographical location, facility characteristics, and other data.

Supplemental information was provided by DOC and is presented in Exhibits 1 through 4. Our audit was not directed toward expressing a conclusion on this information and, accordingly, we express no conclusion on it.

Audit Methodology

Our audit methodology included a preliminary review of prisoner transportation. This included interviewing DOC staff and reviewing applicable statutes, DOC policy

* *See glossary at end of report for definition.*

directives, operating procedures, the Transportation Manual, and DOC's transportation committee minutes and recommendations. In addition, we visited a correctional facility and a regional transportation hub to conduct additional interviews with DOC staff and to review documents related to prisoner transportation activity.

To accomplish our audit objective, we interviewed Correctional Facilities Administration staff, including staff at the DOC central office, all three regional transportation hubs, and nine correctional facilities. We examined DOC's process for identifying, collecting, analyzing, monitoring, and reporting prisoner transportation activity and costs. We analyzed selected daily transportation activity for two weeks of our audit period, including corrections transportation officer and custody officer overtime and vehicle usage. We also assessed the accuracy of transportation costs as recorded in the accounting records.

Agency Responses and Prior Audit Follow-Up

Our audit report includes 5 findings and 5 corresponding recommendations. DOC's preliminary response indicated that it agrees at least in part with all of the recommendations and that it has complied or is in the process of complying with them.

The agency preliminary response that follows each recommendation in our report was taken from the agency's written comments and oral discussion subsequent to our audit fieldwork. Section 18.1462 of the *Michigan Compiled Laws* and the State of Michigan Financial Management Guide (Part VII, Chapter 4, Section 100) require DOC to develop a formal response to our audit findings and recommendations within 60 days after release of the audit report.

We released our performance audit of Prisoner Transfers and Transportation, Department of Corrections (47-390-95), in May 1996. Within the scope of this audit, we followed up 11 of the 12 prior audit recommendations. DOC complied with 4 prior audit recommendations. The other 7 prior audit recommendations that we followed up were combined and repeated in this report.

COMMENT, FINDINGS, RECOMMENDATIONS, AND AGENCY PRELIMINARY RESPONSES

PRISONER TRANSPORTATION

COMMENT

Audit Objective: To assess the effectiveness of the Department of Corrections' (DOC's) efforts to manage prisoner transportation costs.

Audit Conclusion: We concluded that DOC's efforts to manage prisoner transportation costs were moderately effective. Our assessment disclosed five reportable conditions* related to transportation activity and costs, the computerized prisoner transportation system, central coordination of transportation activity, videoconferencing, and implementation of recommendations (Findings 1 through 5).

FINDING

1. **Transportation Activity and Costs**

   DOC had not developed a standardized method to identify, account for, document, and report prisoner transportation activity. As a result, DOC's ability to monitor prisoner transportation was limited and its actual prisoner transportation costs were misclassified in DOC's accounting records.

   During fiscal year 2006-07, DOC recorded $23.6 million for corrections transportation officers' (CTOs') salaries and wages, vehicle costs to transport prisoners, and other miscellaneous transportation costs. These costs were for a total of 4,601,300 vehicle miles and approximately 102,000 overtime hours.

   We reviewed transportation cost data and transportation miles reported by all correctional facilities and camps to the DOC central office. We also reviewed documentation for transportation activity and overtime data at the 3 regional transportation hubs and 13 correctional facilities. Our review disclosed:

   a. DOC did not consistently or accurately identify prisoner transportation costs or the total number of miles traveled to transport prisoners. As a result, DOC

* *See glossary at end of report for definition.*

could not rely on this information to monitor transportation activity and control costs. We noted:

(1) One of the 42 correctional facilities did not report any transportation miles traveled during fiscal year 2006-07 even though it had CTOs assigned and it recorded transportation costs of $429,000 during the fiscal year.

(2) Four of the 13 correctional facilities that we visited recorded 95,777 in transportation mileage at a cost of $29,576 for perimeter vehicles, produce trucks, and other State vehicles that would not typically be used for transporting prisoners. As a result, the total vehicle miles for prisoner transportation reported to the DOC central office was inaccurate and could not be relied on to monitor prisoner transportation activity.

(3) The salaries for facility transportation activity performed by custody officers were not reported as transportation costs. When a CTO is not available, custody officers are routinely assigned to transport prisoners. For the 10 days included in our review, we noted 324 regular hours and 611 overtime hours of custody officer transportation activity, costing $21,352, that were not recorded as prisoner transportation costs. As a result, total prisoner transportation costs were likely understated and could not be relied on to monitor transportation activity.

b. DOC did not collect complete and consistent prisoner transportation data from its three regional transportation hubs. In addition, DOC did not collect data similar to that collected from the regional transportation hubs from its other correctional facilities. For example, one regional transportation hub reported only overtime hours in its monthly report, while the other two regional transportation hubs reported details such as the number and type of transportation runs, number of prisoners moved, custody staff hours, and transportation staff regular and overtime hours. Also, facilities did not utilize transportation schedules, logs, or trip sheets similar to those used by the regional transportation hubs to document transportation activity performed by custody officers. Not documenting and collecting comparable and complete data decreases DOC's ability to monitor and analyze transportation activity.

Section 914, Act 124, P.A. 2007, which covers fiscal year 2007-08 appropriations, states that funds appropriated for transportation are appropriated for costs incurred

by DOC in transporting offenders. The Act also states: "It is the intent of the legislature that costs of offender transportation be met through expenditure of the line item for transportation . . . ."

Our May 1996 performance audit of Prisoner Transfers and Transportation, Department of Corrections (47-390-95), reported that DOC had not developed a methodology to maintain sufficient, standardized documentation of prisoner transportation services and that DOC did not have a methodology to identify, account for, report, and monitor the costs of prisoner transportation. DOC indicated that it agreed with our recommendations and would comply. However, DOC has not fully complied with these prior audit recommendations.

RECOMMENDATION

WE AGAIN RECOMMEND THAT DOC DEVELOP A STANDARDIZED METHOD TO IDENTIFY, ACCOUNT FOR, DOCUMENT, AND REPORT PRISONER TRANSPORTATION ACTIVITY.

AGENCY PRELIMINARY RESPONSE

DOC agrees with the recommendation and informed us that it has taken steps to comply. DOC indicated that the Correctional Facilities Administration (CFA) is conducting a self-audit to ensure that prisoner transportation vehicles and mileage are appropriately charged to prisoner transportation. Also, the Bureau of Fiscal Management will remind facility business offices to ensure that vehicle costs and mileage are charged to proper accounts based on vehicle use. In addition, DOC informed us that CFA has taken steps to standardize monthly reporting of prisoner transportation activities performed by regional and facility transportation staff and that CFA and the Bureau of Fiscal Management are working together to establish a system to track prisoner transportation activity performed by facility custody officers. Furthermore, DOC stated that these reports will be analyzed by the transportation manager on a monthly basis.

However, regarding item a.(3), DOC agrees in part. DOC informed us that it tracks and monitors overtime earned by non-transportation officers to transport prisoners by using the Statewide daily personnel reconciliation system, which is tied to DOC's staffing relief factor, and the State's Data Collection and Distribution System (DCDS). DOC indicated that it will charge these overtime costs to the prisoner transportation appropriation line item beginning in fiscal year 2008-09. Also, DOC

informed us that it is piloting a system to track and monitor regular hours incurred by non-transportation officers to transport prisoners and to estimate the costs associated with these regular hours. If the pilot demonstrates that these costs are material and feasible to track and estimate, DOC stated that it will begin to charge these costs to the prisoner transportation appropriation line item.

FINDING

2. Computerized Prisoner Transportation System

DOC had not fully implemented its computerized prisoner transportation system to prioritize, schedule, route, and coordinate its prisoner transportation services. Such a system, when fully implemented, could provide DOC with a tool to ensure consistent and standardized reporting of transportation activity, enhance monitoring, prioritize transfers based on established rules, and actually identify and reserve space at facilities and on vehicles for prisoners who need to be transferred. In addition, a fully implemented system would decrease the number of man-hours required to perform the preceding duties manually.

During our site visits, we obtained various forms of documentation for transportation activity for our selected testing period. We determined that scheduling daily transportation runs, including assigning the runs to CTOs and custody officers and identifying all the prisoners who require transportation, is labor intensive and that maintaining all documentation related to the runs is cumbersome. As a result, for many of the transportation runs we reviewed, there was insufficient documentation to determine the CTOs and custody officers who performed the runs, the prisoners who were on the runs, the number of miles traveled, the vehicles used, and the time it took to complete the runs. Also, based on conversations with transportation staff, transfer coordinators, and Bureau of Health Care Services staff, most of the arrangements were ultimately made through telephone calls and e-mail.

In January 2001, DOC began implementing a computerized prisoner transportation system known as the Transfer Request and Transportation System (TRATS) within the Offender Management Network Information System (OMNI). However, according to DOC staff, TRATS was never fully implemented. TRATS is used to request DOC approval for prisoner transfers, but it is not used to schedule those transfers. In addition, DOC does not use TRATS to request or schedule medical or

court appointments. TRATS includes basic prisoner information, such as prisoner name, prisoner number, date of transfer, prisoner location, and reason for transfer. Additional fields available in TRATS that could be used to collect specific transportation-related information for each transport include the vehicle, vehicle miles, number of officers, and overtime hours.

Our May 1996 performance audit of Prisoner Transfers and Transportation, Department of Corrections (47-390-95), reported that DOC had not developed a computerized prisoner transportation system to prioritize, schedule, route, and coordinate its prisoner transportation services. DOC indicated that it agreed with our recommendation and would comply; however, DOC has not fully complied with this prior audit recommendation.

RECOMMENDATION

WE AGAIN RECOMMEND THAT DOC FULLY IMPLEMENT ITS COMPUTERIZED PRISONER TRANSPORTATION SYSTEM TO PRIORITIZE, SCHEDULE, ROUTE, AND COORDINATE ITS PRISONER TRANSPORTATION SERVICES.

AGENCY PRELIMINARY RESPONSE

DOC agrees in part with the recommendation and informed us that it is taking steps to improve the process for prioritizing, scheduling, routing, and coordinating prisoner transportation. DOC indicated that it is in the process of contracting with a vendor to assist DOC in developing a logistics network strategy. DOC stated that this logistics network strategy may or may not include full implementation of TRATS and that the focus of the strategy will be more comprehensive than only prisoner transportation and will look to increase efficiency in several areas of logistical management within DOC.

Also, DOC stated that as part of a logistics network strategy, DOC will transform its communication processes to allow facility transportation coordinators, medical schedulers, and records office staff to effectively prioritize and schedule prisoner transfers or appointments to allow better coordination of prisoner transports across multiple geographical areas. Furthermore, DOC indicated that the communication processes will also allow prisoner transportation supervisors to efficiently schedule, route, and coordinate prisoner transportation runs across multiple geographical areas.

FINDING

3. **Central Coordination of Transportation Activity**

DOC had not established a central transportation coordinator, with the appropriate level of authority, to work with the regional transportation hubs, the individual facility transfer coordinators, and the medical and records office staff at each facility. Without central coordination of transportation, DOC could not ensure that it provided the most efficient* prisoner transportation.

All facility transfer coordinators, medical schedulers, and records office staff prioritized and scheduled their own prisoner transportation needs. DOC central office staff worked with facility transfer coordinators to locate available bed space and approve prisoner transfers but did not assist in coordinating prisoner transportation with the scheduling of medical and court appointments and transportation arrangements for parolees and probationers. We observed:

a. DOC did not centrally coordinate or schedule medical and court transportation runs. As a result, DOC could not effectively monitor and correct inefficient or costly planned transfers or transportation activity identified by regional and facility staff.

   We reviewed 663 transportation runs (see Exhibit 4, presented as supplemental information), of which 108 (16%) were interfacility transfers, 397 (60%) were scheduled medical appointments, and 75 (11%) were scheduled court appointments. Of the 397 scheduled medical appointments, 161 (41%) required 674 overtime hours. Of the 75 scheduled court appointments, 45 (60%) required 233 overtime hours. We estimated that the overtime costs for these scheduled medical and court appointments for the 10 days included in our review totaled $31,094.

   We were informed that staff at the Charles Egeler Reception and Guidance Center routinely scheduled medical appointments in the Jackson area even though the prisoner would be transferred to another facility, sometimes across the State, prior to the date of the appointment. In these instances, the facility receiving the prisoner had to provide transportation back to the Jackson area for the medical appointment, often incurring overtime costs. We also noted

* *See glossary at end of report for definition.*

that medical staff scheduled appointments based on doctors' requests without considering transportation priorities or scheduling. Furthermore, we noted that 61 (15%) scheduled medical appointment runs exceeded 150 miles round trip and 38 (51%) scheduled court appointment runs exceeded 150 miles round trip.

b. DOC did not require CTOs to utilize alternative work schedules to reduce overtime costs. As a result, DOC incurred overtime costs that could have been avoided.

For the 10 days we reviewed, the 3 regional transportation hubs, 3 transportation cadres, and 7 correctional facilities incurred overtime costing at least $63,299 (1,847 hours), an average of $6,330 of overtime per day. We estimated that for 166 of the 1,847 hours, DOC could have saved $1,901 in overtime costs if CTOs had flexible work schedules starting as early as 5:00 a.m. and others ending as late as 6:00 p.m.

CTOs at the three regional transportation hubs were generally scheduled to work 8-hour shifts from Monday through Friday; however, the shifts varied at each hub. For example, at one hub, the CTOs' shift was from 6:30 a.m. to 2:30 p.m.; at the second hub, the shift was from 7:00 a.m. to 3:00 p.m.; and at the third hub, the shift was from 7:30 a.m. to 3:30 p.m. However, these CTOs often worked several hours before their normal shift started or several hours after their normal shift ended to accommodate scheduled medical or court appointments, resulting in the payment of overtime to accommodate the transport. A central transportation coordinator, in monitoring activity Statewide, could determine which facilities have the volume of transfers to support shifts that start sooner or end later and could develop an alternative work schedule to accommodate those transfers.

c. DOC did not ensure that facilities reported their transportation activity to the transportation lieutenant within their region. As a result, consistent Statewide transportation activity was not available for DOC central office management's review and analysis.

For the 10 days we reviewed, the regional transportation hubs documented and reported only 67% of the total transportation activity to DOC central office. Therefore, 33% of the regional transportation activity that took place at

facilities was omitted from the regions' monthly reports and not subject to monitoring and review by central office staff. Reporting all transportation activity to the regional transportation lieutenants, who then report to the DOC central office, would help in centrally coordinating runs between regions and could result in more efficient transportation runs. For example, if a facility transportation team was completing a run in one area, another facility in that area could request that the team pick up one of its prisoners along that route. Furthermore, DOC's December 2003 transportation committee report also indicated that daily monitoring by the regional transportation lieutenant would help to create a system that would allow DOC to capitalize on planned runs.

Our May 1996 performance audit of Prisoner Transfers and Transportation, Department of Corrections (47-390-95), reported that DOC had not consolidated the responsibility and authority for prioritizing, scheduling, and routing all prisoner transportation services with a central transportation coordinator. In addition, we reported that DOC had not effectively coordinated its prisoner transportation services with the scheduling of prisoners' off-site medical appointments to maximize its utilization of prisoner transportation resources. DOC indicated that it agreed with our recommendations and would comply. However, DOC has not fully complied with these recommendations.

RECOMMENDATION

WE AGAIN RECOMMEND THAT DOC ESTABLISH A CENTRAL TRANSPORTATION COORDINATOR, WITH THE APPROPRIATE LEVEL OF AUTHORITY, TO WORK WITH THE REGIONAL TRANSPORTATION HUBS, THE INDIVIDUAL FACILITY TRANSFER COORDINATORS, AND THE MEDICAL AND RECORDS OFFICE STAFF AT EACH FACILITY.

AGENCY PRELIMINARY RESPONSE

DOC agrees with the recommendation and informed us that it has complied. DOC indicated that it established and filled a full-time central office transportation manager position to provide additional resources toward improving prisoner transportation efficiency. Also, DOC indicated that the transportation manager has the authority and responsibility to monitor and make necessary changes to increase the efficiency of prisoner transportation and to work with the regional transportation hubs, facility transfer coordinators, and medical and records office staff in the coordination and scheduling of prisoner transportation activity.

Regarding item b., DOC agrees in part. DOC indicated that some regional CTOs already work flexible schedules where they start working several hours before their normal shift starts and leave several hours before their normal shift ends to minimize overtime. Also, DOC indicated that it will monitor and review transportation activities and staff scheduling to determine and implement the most cost-effective work schedules, including alternative work schedules as necessary, while complying with the provisions of the Michigan Corrections Organization (MCO) contract.

Regarding facility transportation activity, DOC informed us that facility transportation staff now report to regional supervisors and that CFA has established standardized transportation activity reports.

FINDING

4. Videoconferencing

DOC should continue to seek the cooperation of the State Court Administrative Office (SCAO) and its medical service providers to fully use existing technology to conduct videoconferencing for court and medical appointments. Videoconferencing allows for a prisoner to participate in court proceedings or a medical appointment without leaving the facility. Taking advantage of new technologies would greatly impact the safety and security of the public and DOC employees because the prisoner would not leave the secure prison environment. Also, videoconferencing may help reduce transportation costs by reducing the number of transportation runs.

For the 10 days included in our review of prisoner transportation activity, 75 (11%) of the 663 runs reviewed were for scheduled court appointments. These runs accounted for 12,671 miles and utilized 233 overtime hours at an estimated cost of $7,986. Many of these court appointment runs could have been avoided if the facility had been able to use videoconferencing. The courts dictate when an appointment can be handled via videoconferencing and, as of November 2008, neither DOC nor the SCAO could identify how many of Michigan's 238 courts had videoconferencing capabilities. We determined that, for the six-month period from January through June 2008, only 121 (5%) of 2,411 court appointments were held via videoconferencing. If a court does not have videoconferencing capabilities or refuses to use them, DOC must physically transport the prisoner to the court

because DOC is legally responsible for ensuring a prisoner's presence at a scheduled court appointment.

In addition, the National Commission on Correctional Health Care released a report in January 2008 entitled "A Comprehensive Assessment of the Michigan Department of Corrections Health Care System." The Commission reviewed telemedicine (a form of videoconferencing) at correctional facilities and concluded that "none of the facilities exploits the technology to a fraction of its potential." Furthermore, the report concluded that increasing the use of telemedicine could result in substantial cost savings to DOC by reducing transportation time.

RECOMMENDATION

We recommend that DOC continue to seek the cooperation of the SCAO and its medical service providers to fully use existing technology to conduct videoconferencing for court and medical appointments.

AGENCY PRELIMINARY RESPONSE

DOC agrees with the recommendation and informed us that it has been working with the SCAO and the courts to determine which courts have video equipment that is compatible with videoconferencing industry standards. DOC indicated that, in cooperation with the Michigan Department of Information Technology, it has developed a method for courts with compatible equipment to connect with prison facilities utilizing Internet protocol for video traffic. DOC stated that nine counties have been certified for in-bound video traffic, in addition to a number of courts that are conducting videoconference hearings using older Integrated Service Digital Network (ISDN) network technology. Also, DOC informed us that the SCAO has been assisting DOC by advocating the use of court videoconferencing and explaining the connectivity process to the courts and that it will continue to work with legislators to establish incentives for counties to minimize transportation costs by using available technologies.

DOC noted that it, and the courts, used telephone conferencing 1,256 times between January and June 2008 and that it will continue to use telephone conferencing whenever allowed by the courts.

In addition, DOC indicated that it has been using telemedicine since 1996 and that currently there are two subspecialties (nephrology and infectious disease) that are

almost exclusively done using telemedicine because they are largely driven by laboratory results instead of physical examination findings. DOC also indicated that dietary consults and emergency psychiatric evaluations have been increasingly done using telemedicine. DOC would like to clarify that physicians, not facilities, determine which cases can be seen through telemedicine. DOC is in the process of negotiating incentives for the managed care contractor to maximize the use of telemedicine. DOC stated that it has installed additional telemedicine units and performed upgrades in preparation for the new managed care contract. DOC also stated that, while it currently averages 75 telemedicine encounters a month, this average will rise significantly when telemedicine is established in 12 subspecialties.

FINDING

5. **Implementation of Recommendations**

DOC had not fully implemented DOC's internal control assessment recommendations, DOC's transportation committee recommendations, or the prior Office of the Auditor General (OAG) audit report recommendations. As a result, DOC could not ensure that it delivered transportation services in the most effective manner.

Sound management practices dictate that when management identifies the need for improvements and develops viable recommendations to address those needs, it should make an effort to implement the recommendations in a timely manner.

We noted that DOC's May 2006 biennial internal control evaluation (ICE) identified several recommendations that are also identified in DOC's December 2003 transportation committee report, this OAG audit report, and the prior OAG audit report. These recommendations included recognizing the full cost of transportation departmentwide (Finding 1), establishing a full-time central transportation coordinator position (Finding 3), and completing DOC's transportation committee recommendations, which included requiring each facility/complex to report its schedule to the regional transportation lieutenant daily (Finding 3.c.) and requiring all CTOs to be on a minimum of two hours of flex time (Finding 3.b.).

The ICE document is management's assessment of risk in its operations. The ICE document noted, as a risk factor, that failure to enact/implement prior committees'

recommendations results in acceptance of current efficiency, effectiveness, and safety levels. The ICE document also noted, as a risk factor, that even when problems were communicated to management, it did not seem to achieve problem resolution.

Our May 1996 performance audit of Prisoner Transfers and Transportation, Department of Corrections (47-390-95), reported that DOC did not assign a high priority to implementing the recommendations contained in evaluation reports on prisoner transfers and transportation. DOC indicated that it agreed with our recommendation and would comply.

As of July 2008, 12 years after the OAG's performance audit of Prisoner Transfers and Transportation (47-390-95), 5 years after the 2003 transportation committee report, and 2 years after DOC's ICE, DOC had not fully implemented several of the key recommendations made.

RECOMMENDATION

WE AGAIN RECOMMEND THAT DOC FULLY IMPLEMENT DOC'S INTERNAL CONTROL ASSESSMENT RECOMMENDATIONS, DOC'S TRANSPORTATION COMMITTEE RECOMMENDATIONS, AND OAG AUDIT REPORT RECOMMENDATIONS.

AGENCY PRELIMINARY RESPONSE

DOC agrees in part with the recommendation. DOC informed us that it has implemented and continues to make significant progress toward more fully implementing various internal and external recommendations. DOC also indicated that it continues to study various alternatives that are available to increase the efficiency, effectiveness, and safety of prisoner transportation as it believes that recommendations contained within the internal and external assessments may not result in the most efficient, most effective, or safest solution.

DOC provided the following examples of its efforts to improve prisoner transportation in areas identified within the internal and external assessments:

- DOC established a Statewide daily personnel reconciliation system to track compensatory time and overtime costs associated with various activities,

including prisoner transportation conducted by CTOs and non-transportation officers.

- In October 2007, DOC placed all CTOs under central office authority, which allows DOC to allocate CTO positions to regions and facilities where demand for such positions is the greatest, thus reducing overtime costs.

- DOC is in the process of contracting with a vendor to assist DOC in developing a logistics network strategy. DOC continues to research a global positioning system and central seat reservation system as a long-term strategy to manage prisoner transportation.

- In October 2008, DOC established and filled a full-time central office transportation manager position. The transportation manager will focus on improving prisoner transportation efficiency.

- DOC added on-call services that allow nurses and custody staff at all facilities to contact an on-call doctor prior to transporting a prisoner to an emergency room (ER). This resulted in approximately 20 fewer ER runs per month. DOC also established some local urgent care centers, which reduced ER runs. In addition, DOC resumed staffing some third shifts with nurses, which also reduced some ER runs.

- DOC is in the process of negotiating a new managed health care contract that will require all specialty services to be within 30 miles of the facility when possible. DOC is also in the process of negotiating incentives for the managed health care contractor to maximize the use of telemedicine. This will reduce transportation costs associated with off-site medical appointments.

- DOC has assigned an employee to work with the SCAO, the courts, DOC's managed health care contractor, and DOC facilities on a full-time basis to increase the use of court telephone and videoconferencing and telemedicine.

- DOC established multiple staging areas to house prisoners overnight thereby eliminating lengthy transportation runs that cause overtime. DOC also established additional staging areas where transportation units can meet and

turn their assigned prisoners over to another transportation unit that completes the trip.

- DOC continues to align facilities in close proximity to one another with one controlling facility to better organize and manage transportation activities related to court and medical appointments.

- DOC continues to establish reporting of facility/complex transportation schedules to regional transportation supervisors daily for purposes of coordinating planned runs.

- Transportation supervisors have been working with transfer and medical coordinators to achieve better coordination of work loads. Transportation supervisors have also been initiating transfers to minimize the need for prisoner transportation.

- DOC continues to take steps to have CTOs perform the majority of prisoner transports throughout DOC.

- DOC continues to review and update its prisoner transportation policies and procedures.

- DOC established a system to report inefficiencies and delays encountered during prisoner transports to central office for review and corrective action.

- DOC purchased ballistic vests for CTOs to improve safety.

SUPPLEMENTAL INFORMATION

UNAUDITED
Exhibit 1

PRISONER TRANSPORTATION
Department of Corrections
Transportation Costs by Facility (1)
Fiscal Years 2004-05 through 2006-07

Facility	Fiscal Year 2004-05	2005-06	2006-07
Field Operations Administration (2)	$ 663,397	$ 672,125	$ 749,767
Correctional Facilities Administration (3)	566,845	634,295	631,088
Alger Maximum Correctional Facility	457,282	493,925	464,085
Baraga Maximum Correctional Facility	199,658	286,523	355,837
Bellamy Creek Correctional Facility	1,301		18,665
Boyer Road Correctional Facility			
Carson City Correctional Facility	243,191	255,560	223,073
Charles Egeler Reception and Guidance Center	4,890,050	5,529,025	5,559,452
Chippewa Correctional Facility	9,852	14,565	18,566
Cooper Street Correctional Facility			
Deerfield Correctional Facility			
Earnest C. Brooks Correctional Facility	452,424	1,331,318	1,250,108
Florence Crane Correctional Facility			
G. Robert Cotton Correctional Facility	551	218	122
Gus Harrison Correctional Facility	772,983	758,499	690,198
Hiawatha Correctional Facility			
Huron Valley Complex - Men and Women	1,096,799	1,173,596	1,337,358
Ionia Maximum Correctional Facility			9,908
Kinross Correctional Facility	1,185,031	1,602,254	1,843,755
Lakeland Correctional Facility	1,347,223	1,442,135	1,432,422
Macomb Correctional Facility	37,890	70,644	73,228
Marquette Branch Prison	744,144	779,224	838,513
Mid-Michigan Correctional Facility			
Mound Correctional Facility	2,800	3,002	54,643
Muskegon Correctional Facility	296,252	2,897	5,934
Newberry Correctional Facility	621,646	377,551	335,151
Oaks Correctional Facility	319,149	325,375	238,934
Ojibway Correctional Facility	399,636	427,873	507,796
Parnall Correctional Facility			
Parr Highway Correctional Facility			
Pine River Correctional Facility	289,705	7,487	20,075
Pugsley Correctional Facility	58,783	54,423	59,974
Richard A. Handlon Correctional Facility	1,490	1,139	15,036
Riverside Correctional Facility	2,179,068	2,331,853	2,355,594
Robert Scott Correctional Facility	391,940	684,368	675,874
Ryan Correctional Facility	553,672	923,083	1,021,226
Saginaw Correctional Facility	565,399	606,280	709,833
Southern Michigan Correctional Facility			
St. Louis Correctional Facility	612,132	924,250	1,021,786
Standish Maximum Correctional Facility	298,365	542,969	606,115
Straits Correctional Facility			
Thumb Correctional Facility	370,938	397,441	428,958
West Shoreline Correctional Facility			
Western Wayne Correctional Facility (4)	283,254		
Total	$ 19,912,850	$ 22,653,897	$ 23,553,074

(1) Transportation costs may include salaries and wages, equipment purchases, uniforms, dry cleaning, meals, lodging, telephone charges, office supplies, vehicle lease payments (including insurance and mileage), and other miscellaneous costs. As indicated in Note 2 of Exhibit 3, some facilities provide transportation services to other facilities; therefore, transportation costs may not be reported for all facilities.

(2) Field Operations Administration supervises prisoners who are released to parole and conducts parole hearings for parolees who commit parole violations.

(3) Correctional Facilities Administration supervises all prison operations.

(4) Western Wayne Correctional Facility was closed December 2004.

Source: Bureau of Fiscal Management, Department of Corrections.

PRISONER TRANSPORTATION
Department of Corrections
Transportation Personnel Costs by Facility
Fiscal Years 2005-06 and 2006-07

Facility	Fiscal Year 2005-06			
	Assigned FTEs (1) (2)	Regular Wages	Overtime Wages	Total Wages
DOC Field Operations - Region I (3)		$ 355,466	$ 8,683	$ 364,149
DOC Field Operations - Region III (3)		47,144	10,116	57,260
Alger Maximum Correctional Facility	3.00	144,877	22,878	167,755
Baraga Maximum Correctional Facility	3.00	184,657	27,843	212,500
Bellamy Creek Correctional Facility				
Boyer Road Correctional Facility				
Carson City Correctional Facility	3.00	143,312	17,638	160,950
Charles Egeler Reception and Guidance Center	48.00	2,283,621	697,896	2,981,517
Chippewa Correctional Facility				
Cooper Street Correctional Facility				
Deerfield Correctional Facility				
Earnest C. Brooks Correctional Facility	11.20	560,150	120,419	680,569
Florence Crane Correctional Facility		609,162	100,973	710,135
G. Robert Cotton Correctional Facility				
Gus Harrison Correctional Facility	8.32	318,150	65,552	383,702
Hiawatha Correctional Facility				
Huron Valley Complex - Men and Women	14.00	515,188	78,143	593,331
Ionia Maximum Correctional Facility				
Kinross Correctional Facility	17.00	713,698	183,194	896,892
Lakeland Correctional Facility	13.20			
Macomb Correctional Facility		180,480	21,978	202,458
Marquette Branch Prison	6.60	397,417	21,939	419,356
Mid-Michigan Correctional Facility		504,741	56,661	561,402
Mound Correctional Facility				
Muskegon Correctional Facility				
Newberry Correctional Facility	7.00	164,169	35,770	199,939
Oaks Correctional Facility	4.00	96,636	27,964	124,600
Ojibway Correctional Facility	5.00	243,443	34,584	278,027
Parnall Correctional Facility				
Parr Highway Correctional Facility				
Pine River Correctional Facility				
Pugsley Correctional Facility	2.44	98,176	17,496	115,672
Richard A. Handlon Correctional Facility				
Riverside Correctional Facility	19.00	897,387	372,144	1,269,531
Robert Scott Correctional Facility	7.32	281,269	99,834	381,103
Ryan Correctional Facility	16.00	627,199	59,780	686,979
Saginaw Correctional Facility	6.00	299,948	62,843	362,791
Southern Michigan Correctional Facility				
St. Louis Correctional Facility	10.40			
Standish Maximum Correctional Facility	8.00	360,887	39,836	400,723
Straits Correctional Facility				
Thumb Correctional Facility	4.00	173,538	16,205	189,743
West Shoreline Correctional Facility				
Total	216.48	$ 10,200,718	$ 2,200,368	$ 12,401,086

(1) FTEs = full-time equated positions.

(2) FTEs assigned to facilities provide transportation services to the other prisons within their vicinity, complex, or region.

(3) Field Operations Administration supervises prisoners who are released to parole and conducts parole hearings for parolees who commit parole violations.

Source: Bureau of Fiscal Management, Department of Corrections.

UNAUDITED
Exhibit 2

Fiscal Year 2006-07			
Assigned FTEs (1) (2)	Regular Wages	Overtime Wages	Total Wages
	$ 383,891	$ 15,787	$ 399,678
	38,836	16,994	55,830
3.00	136,893	27,461	164,354
2.90	162,953	31,733	194,686
3.00	139,893	14,053	153,946
48.00	2,232,104	707,612	2,939,716
11.20	546,133	150,742	696,875
	639,947	98,854	738,801
8.32	337,578	60,366	397,944
15.00	586,375	92,361	678,736
16.64	794,235	231,172	1,025,407
13.20			
4.00	195,819	26,249	222,068
6.60	416,847	36,467	453,314
	523,490	84,781	608,271
7.00	147,097	29,713	176,810
4.00	56,664	16,047	72,711
5.00	245,257	44,543	289,800
2.44	97,910	19,757	117,667
19.00	915,226	416,967	1,332,193
7.32	315,713	92,296	408,009
13.00	572,725	52,160	624,885
7.00	336,084	62,168	398,252
10.40			
8.00	380,617	37,964	418,581
4.00	240,496	29,469	269,965
219.02	$ 10,442,784	$ 2,395,717	$ 12,838,499

UNAUDITED
Exhibit 3

PRISONER TRANSPORTATION
Department of Corrections
Reported Vehicle Miles for Prisoner Transportation by Facility
Fiscal Years 2004-05 through 2006-07

Facility	Fiscal Years 2004-05	2005-06	2006-07
Alger Maximum Correctional Facility	147,472	164,086	174,141
Baraga Maximum Correctional Facility	55,796	74,885	90,154
Bellamy Creek Correctional Facility			11,032
Boyer Road Correctional Facility			
Carson City Correctional Facility	166,121	149,366	128,139
Charles Egeler Reception and Guidance Center	774,920	813,029	835,840
Chippewa Correctional Facility	11,189	11,342	23,755
Cooper Street Correctional Facility			
Deerfield Correctional Facility			
Earnest C. Brooks Correctional Facility	253,858	220,855	182,587
Florence Crane Correctional Facility			
G. Robert Cotton Correctional Facility			
Gus Harrison Correctional Facility	262,103	267,653	271,929
Hiawatha Correctional Facility			
Huron Valley Complex - Men and Women	110,275	256,391	324,165
Ionia Maximum Correctional Facility			8,507
Kinross Correctional Facility	200,014	276,238	354,356
Lakeland Correctional Facility	384,085	400,496	424,276
Macomb Correctional Facility	54,825	143,863	150,508
Marquette Branch Prison	29,165	68,774	83,464
Mid-Michigan Correctional Facility			
Mound Correctional Facility			30,846
Muskegon Correctional Facility	9,136	(4,745)	3,241
Newberry Correctional Facility	96,243	73,478	84,305
Oaks Correctional Facility	92,996	192,765	204,548
Ojibway Correctional Facility			52,703
Parnall Correctional Facility			
Parr Highway Correctional Facility			
Pine River Correctional Facility	61,045	23,894	18,026
Pugsley Correctional Facility	103,584	103,347	88,633
Richard A. Handlon Correctional Facility			6,014
Riverside Correctional Facility	417,107	481,655	490,861
Robert Scott Correctional Facility	110,943	184,721	173,215
Ryan Correctional Facility			87,545
Saginaw Correctional Facility	72,852	24,031	71,559
Southern Michigan Correctional Facility			
St. Louis Correctional Facility	212,677	136,521	82,183
Standish Maximum Correctional Facility	144,653	141,897	144,768
Straits Correctional Facility			
Thumb Correctional Facility	31,644	5,020	
West Shoreline Correctional Facility			
Western Wayne Correctional Facility	65,945		
Total	3,868,648	4,209,562	4,601,300

Source: Bureau of Fiscal Management, Department of Corrections.

PRISONER TRANSPORTATION
Department of Corrections
Summary of Site Visit Testing
For the Periods January 21 through 25, 2008 and March 17 through 21, 2008

	Runs		Prisoners		Miles	
Scheduled Runs	Number	Percentage	Number	Percentage	Number	Percentage
Interfacility transfers	108	16%	1,471	51%	25,449	35%
Medical	397	60%	962	33%	20,665	28%
Court	75	11%	85	3%	12,671	17%
Field Operations Administration	22	3%	123	4%	6,232	9%
Parole hearings	4	1%	4	0%	657	1%
Multiple purpose runs*	57	9%	229	8%	7,599	10%
Total	663	100%	2,874	100%	73,273	100%

* Multiple purpose runs had more than one purpose identified, e.g., one run transported one or more prisoners between facilities and transported one or more prisoners to a medical appointment.

Exhibit 4

Number of			Medical or Court Runs			
			Requiring Overtime		Determined to be Long Distance	
Custody Officers	Corrections Transportation Officers	Overtime Hours	Number	Percentage	Number	Percentage
36	216	579				
156	604	674	161	41%	61	15%
26	135	233	45	60%	38	51%
5	41	154				
	8					
16	79	207				
239	1,083	1,847				

GLOSSARY

Glossary of Acronyms and Terms

cadre	A group of corrections transportation officers that is responsible for all transportation within a complex of three or more prisons in the same general area.
CFA	Correctional Facilities Administration.
CTO	corrections transportation officer.
DOC	Department of Corrections.
effectiveness	Program success in achieving mission and goals.
efficient	Achieving the most outputs and outcomes practical with the minimum amount of resources.
ER	emergency room.
FOA	Field Operations Administration.
FTEs	full-time equated positions.
goal	The agency's intended outcome or impact for a program to accomplish its mission.
hub	A group of corrections transportation officers that is responsible for all transportation activity within a region.
ICE	internal control evaluation.
interfacility transfer	A prisoner transfer that is scheduled in advance from one correctional facility to another correctional facility on a run that takes place on the same day of the week.

mission	The agency's main purpose or the reason that the agency was established.
OAG	Office of the Auditor General.
parolee	A felon who is incarcerated for at least the minimum portion of his/her sentence and is placed on parole by vote of the Parole Board. With some exceptions, a typical offender is supervised on parole for a period of two years. While on parole, the offender is monitored by a parole agent employed by DOC.
performance audit	An economy and efficiency audit or a program audit that is designed to provide an independent assessment of the performance of a governmental entity, program, activity, or function to improve public accountability and to facilitate decision making by parties responsible for overseeing or initiating corrective action.
probationer	A person placed on probation pursuant to Chapter XI of the Code of Criminal Procedure, Act 175, P.A. 1927, being Section 771.3b of the *Michigan Compiled Laws*.
region	The division of responsibility within the State of Michigan for DOC's operations. DOC has divided operations into three regions.
reportable condition	A matter that, in the auditor's judgment, represents either an opportunity for improvement or a significant deficiency in management's ability to operate a program in an effective and efficient manner.
SCAO	State Court Administrative Office.
TRATS	Transfer Request and Transportation System.

STATE OF MICHIGAN

OFFICE of the AUDITOR GENERAL