

2002–2003 SANTA CLARA COUNTY CIVIL GRAND JURY

INQUIRY INTO THE MANAGEMENT OF INMATE WELFARE FUNDS

Summary

Section 4025 of the California Penal Code provides that each county may maintain inmate welfare funds. Santa Clara County operates multiple welfare funds that are maintained in both the Department of Correction (DOC) and the Department of Probation. The 2002-2003 Santa Clara County Civil Grand Jury (2003 Grand Jury) conducted an inquiry into the management of all these accounts.

The DOC oversees a multimillion dollar inmate welfare fund. These funds are well managed and appropriately spent for the needs of inmates at the Elmwood Complex and the Main Jail Complex.

The Department of Probation has an inmate welfare fund for adults and seven funds for the use of juveniles. They are loosely managed and have questionable accountability. There is a need for the department to establish procedures, a budget for these funds, regular meetings of the managers, and a system of accountability for spending that is supported with documentation.

Background

The 2001-2002 Santa Clara County Civil Grand Jury (2002 Grand Jury) conducted an inspection of the Elmwood Correctional Center Complex in Milpitas. During this inspection, the 2002 Grand Jury became aware of an inmate welfare fund operated, maintained, and managed by officers of the DOC. The 2002 Grand Jury was of the opinion that this fund account was in excess of three million dollars annually and did not appear to be overseen in its daily operations by an external, unbiased party. The 2002 Grand Jury recommended that the 2003 Grand Jury look into this matter. During the interviews with staff at the DOC, it was learned that the Department of Probation also has inmate welfare funds. The 2003 Grand Jury then inquired into the management of those funds.

Section 4025 of the California State Penal Code provides the authorization to sell personal commodities to inmates with the small profit being deposited into the inmate welfare fund. The inmate welfare funds are also used to purchase, among other things, educational supplies, services, and items for recreational and craft activities.

Finding I

The DOC Inmate Welfare Fund Committee has eight voting members: chief of correction, assistant chief of correction, deputy chief of correction, four captains, and a DOC administrative services manager. There is a three member advisory staff: lead county counsel, DOC financial services manager, and DOC inmate welfare fund manager. The committee meets monthly or more frequently if necessary. Meetings are conducted under Roberts Rules of Order and minutes of meetings are maintained.

Recommendation

None.

Finding II

The DOC Inmate Welfare Fund draws monies from inmates' use of a commissary, telephones, and hobby craft items. The October 22, 2002 financial report of this fund indicates an annual income for fiscal years 2001 and 2002 of approximately \$3.5 million. The amount of money in this fund as of November 24, 2002 was \$3.89 million. The money is appropriately used for the benefit of the inmates at the Elmwood Complex and the Main Jail Complex in San Jose.

Recommendation

None.

Finding III

The Department of Probation has a fund for two adult programs, Men's Work Furlough and Women's Residential Center, showing a combined balance of \$8,344.80 as of December 3, 2002.

There are seven funds for juveniles within the Department of Probation. The balances shown in the following table are as of December 3, 2002:

Probation Department Welfare Funds

FUND NUMBER	TITLE	BALANCE
0200	Juvenile Traffic Fines	\$ 0.00 *
0313	Holden and Wright Endowments	\$22,707.41
0314	James Ranch	\$34,283.80
0316	Juvenile Court Trust	\$ 5,375.82
0317	Juvenile Rehabilitation Trust	\$ 4,096.68
0318	Juvenile Welfare Trust	\$34,129.22
0319	Men's Work Furlough & Women's Residential	\$ 8,344.80
0320	Enterprise Fund	\$28,009.90

*Fund 0200 has no balance. This fund is used for the deposit and clearance of traffic fines received by the Juvenile Traffic Court.

Facility managers contact the Department of Probation fiscal officer when funds are needed. When the fiscal officer at the Department of Probation completes a purchase request, the facility manager is unaware, due to the lack of routine documentation, if the cost of the purchase is taken from the welfare fund or from the general budget. There is no evidence that regular meetings are held with the managers of the funds.

Recommendations

Recommendation III-1

The 2003 Grand Jury recommends that policies and procedures for facility managers of the welfare funds be written by the Department of Probation and updated on an annual basis. The policies and procedures should enable both the managers and temporary managers to know the budget process and the dollar amounts available for the inmates' welfare.

Recommendation III-2

The 2003 Grand Jury recommends meetings, at least quarterly, of all facility managers of these funds in the Department of Probation. These meetings would

enable the managers to share problems and solutions both with financing programs and purchasing supplies for the inmates.

Recommendation III-3

The 2003 Grand Jury recommends that each manager have a budget in place so they can monitor and control expenses.

Recommendation III-4

The 2003 Grand Jury recommends that the fiscal officer classify expenses, document income and expenses, and be accountable for disbursing financial information to all fund managers.

PASSED and ADOPTED by the Santa Clara County Civil Grand Jury on this 27th day of February, 2003.

Fred de Funiak
Foreperson

Ron R. Layman
Foreperson Pro Tem

Patricia L. Cunningham
Secretary

REFERENCES

Documents:

Probation Department Administrative Services Procedures Manual, Section 320.3, 3/16/1998.

FY 2002 Inmate Welfare Fund Financial Statement from Chief of Correction to Board of Supervisors, dated October 22, 2002.

Interviews:

Department of Correction

Financial Services Manager, September 25, 2002.

Department of Probation

Administrative Services Manager, November 18, 2002, December 9, 2002.

Chief of Correction, November 18, 2002.

Control Section Manager, Juvenile Hall, October 21, 2002.

Senior Accountant, October 15, 2002, October 28, 2002 & December 9, 2002.