



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



**Audit of the Federal Bureau of Prisons  
Residential Reentry Center in  
Brooklyn, New York  
Contract No. DJB200055**

**AUDIT OF THE FEDERAL BUREAU OF PRISONS  
RESIDENTIAL REENTRY CENTER IN BROOKLYN, NEW YORK  
CONTRACT NO. DJB200055**

**EXECUTIVE SUMMARY**

The Department of Justice Office of the Inspector General (OIG), Audit Division, has completed an audit of the Federal Bureau of Prisons (BOP) Contract No. DJB200055, awarded to Community First Services, Incorporated (CFS). The purpose of the contract was to operate and manage a residential reentry center (RRC) located in Brooklyn, New York (Brooklyn House). A requirements contract was awarded to the Brooklyn House on February 16, 2011, and the contract has an estimated award amount of over \$29 million for the 2-year base period and three 1-year options ending July 31, 2016.

The purpose of our audit was to review the following areas: (1) BOP monitoring activities, (2) Brooklyn House policies and procedures, (3) Brooklyn House staff personnel, (4) Brooklyn House resident inmate accountability, (5) Brooklyn House programs and activities, (6) contract solicitation and award of contract, and (7) invoice billings. Additionally, in performing our audit, we reviewed a December 12, 2012, *New York Times* article that included allegations related to the Brooklyn House facility.<sup>1</sup> In that article, specific issues were cited that related to some aspects included in the scope of our contract audit, and we considered these aspects when performing our audit testing.

The BOP contracts with an RRC, also known as a halfway house, to provide assistance to inmates who are nearing release. RRCs are intended to provide inmates with a safe, structured, and supervised environment, as well as employment counseling, job placement, financial management assistance, and other programs and services. RRC staff must be aware of an inmate's location and movement 24 hours a day. Brooklyn House operates under a BOP-issued Statement of Work (SOW) which sets contract performance requirements for the management and operation for federal inmate offenders.

In conducting the audit, we obtained an understanding of the contract requirements along with Brooklyn House's internal controls and processes. We reviewed documents and conducted interviews with Brooklyn House staff, inmates housed at the Brooklyn House, and BOP officials to determine if CFS provided services in accordance with the contract, and if billed costs were accurate and allowable.

We identified several instances where Brooklyn House did not meet the terms and conditions of the contract. Specifically, based on our review of a sample of

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<sup>1</sup> Sam Dolnick, "A Halfway House Built on Exaggerated Claims," *New York Times*, December 12, 2012, <http://www.nytimes.com/2012/12/13/nyregion/at-federal-halfway-house-in-brooklyn-a-dubious-operator.html> (accessed April 8, 2013).

49 inmate case files, we determined: (1) Individualized Reentry Plans were not developed timely or were missing for a total of 15 inmates; (2) employment verification was not completed or was missing for 12 inmates; (3) drug testing was not completed at least four times a month, as required, for 5 inmates and the case files for 4 others did not include any documentation to indicate that they received any of the required drug tests; (4) release plans were either late or not submitted at all for 18 inmates; and (5) terminal reports were submitted late for 2 inmates.

With respect to inmate security and accountability, we identified issues related to Brooklyn House's sign-in/sign-out procedures for inmates leaving and returning back to the facility. In our review of sign-in/sign-out logs for the inmates in our sample, we identified 15 inmate files in which there were signatures missing in 10 or more instances or no signatures or times recorded for when inmates left and returned back to the facility.

These items are discussed in detail in the Findings and Recommendations section of the report. Our audit objectives, scope, and methodology appear in Appendix 1.

We discussed the results of our audit with Brooklyn House officials and have included their comments in the report, as applicable. Additionally, we requested a response to our draft report from CFS and BOP, and their responses are appended to this report as Appendix 2 and 3, respectively. Our analysis of both responses, as well as a summary of actions necessary to close the recommendations can be found in Appendix 4 of this report.

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**INTRODUCTION**

The Department of Justice Office of the Inspector General (OIG), Audit Division, has completed an audit of the Federal Bureau of Prisons (BOP) Contract No. DJB200055, awarded to Community First Services, Incorporated (CFS). The purpose of the contract was to operate and manage Brooklyn House, a residential reentry center (RRC) located in Brooklyn, New York. A requirements contract was awarded to Brooklyn House on February 16, 2011 with an estimated award amount of over \$29 million for the 2-year base period and three 1-year options ending July 31, 2016.

**Table 1**

**Contract Period and Estimated Costs**

<b>Contract Period</b>	<b>From</b>	<b>To</b>	<b>Estimated Cost</b>
2-Year Base Period	08/01/11	07/31/13	\$ 11,533,718
Option Year 1	08/01/13	07/31/14	5,876,500
Option Year 2	08/01/14	07/31/15	6,052,795
Option Year 3	08/01/15	07/31/16	6,170,325
<b>Total</b>			<b>\$ 29,633,338</b>

Source: BOP contract with CFS

The purpose of our audit was to review the following areas: (1) BOP monitoring activities, (2) Brooklyn House policies and procedures, (3) Brooklyn House staff, (4) Brooklyn House resident inmate accountability, (5) Brooklyn House programs and activities, (6) contract solicitation and award of contract, and (7) invoice billings.

**Federal Bureau of Prisons**

The BOP contracts with RRCs, also known as halfway houses, to provide assistance to inmates who are nearing release from incarceration. RRCs are used by the BOP to facilitate inmates' reentry to the community. According to the BOP, RRCs provide a structured, supervised environment, along with support in job placement, counseling, and other services to facilitate successful reentry into the community after incarceration. Brooklyn House operates under a BOP-issued Statement of Work (SOW) which sets contract performance requirements for the management and operation for federal offenders.

## Community First Services, Inc.

CFS is a 501(c)(3), non-profit organization, established and incorporated in the State of New York. CFS was established to operate community-based reentry services facilities and provide treatment and rehabilitation programs under contracts with federal, state, and local government agencies. CFS provides education, vocational development, housing, treatment, and rehabilitation services.

## Brooklyn House

Brooklyn House is a CFS leased facility located in the eastern section of Brooklyn, New York. Brooklyn House serves as a bridge between prison and inmates' return to their respective communities. It also serves as an alternative to incarceration for U.S. Department of Probation's supervision cases. Brooklyn House's goal is to provide resident inmates with the tools that are necessary for successfully transitioning to and leading productive lives within their communities.

On February 16, 2011, the BOP awarded CFS a requirements contract to operate Brooklyn House in Brooklyn, New York. Brooklyn House is a 161-bed facility housing both male and female inmates. As shown in Table 2, the BOP pays CFS a per diem rate, which is the price per resident inmate, per day, based on the actual inmate count at Brooklyn House.

**Table 2**  
**Payment Rate**

<b>Contract Period</b>	<b>Estimated Man-days</b>	<b>Per Diem Rate</b>	<b>Estimated Costs</b>
2-Year Base Period	117,691	\$ 98.00	\$ 11,533,718
Option Year 1	58,765	\$100.00	5,876,500
Option Year 2	58,765	\$103.00	6,052,795
Option Year 3	58,765	\$105.00	6,170,325
<b>Total</b>			<b>\$ 29,633,338</b>

Source: BOP contract with CFS

## Our Audit Approach

The overall objective of the audit was to determine whether services have been administered according to contract and government requirements. In addition to reviewing the solicitation procedures for acquiring services, we tested compliance with what we consider to be the most important terms and conditions of the contract. Specifically, we determined if:

1. CFS's Brooklyn House operated under the BOP's SOW for RRCs.

2. CFS's Brooklyn House billing process provided proper documentation to the BOP to support requests for payment.
3. The solicitation process for the contract was in accordance with the required policies and procedures.
4. The BOP effectively monitored the CFS Brooklyn House's performance.

The results of our audit are based on interviews and documentation provided to us by both the BOP and CFS. Our review included reviewing a sample of files for resident inmates and staff at CFS's Brooklyn House, as well as testing a sample of accounting and billing records.

## FINDINGS AND RECOMMENDATIONS

CFS's Brooklyn House did not always comply with the Statement of Work requirements and Brooklyn House supplemental internal policies for Contract No. DJB200055. Brooklyn House did not always complete resident inmates' Individualized Reentry Plans, or update the plans in a timely manner. We found Brooklyn House staff did not always complete the required employment verification of inmates, or conduct them in a timely manner. We also found that not all inmates were given mandatory drug testing. In addition, we determined that release plans and terminal reports were not always submitted timely and, for some inmates, release plans were never submitted. Finally, we identified a lack of documentation for some authorized inmate absences. Collectively, these internal control deficiencies undermine the BOP's ability to ensure effective contract administration surrounding individual inmate needs and requirements, inmate accountability, and overall inmate monitoring and oversight. These issues, as well as other areas covered in our audit, are discussed in detail in the following sections.

### Compliance with Statement of Work Requirements

The Bureau of Prisons' contracts with RRCs contain a Statement of Work (SOW) that includes several sections outlining requirements that an RRC must follow to assist resident inmates in successfully transitioning back into society. Additionally, RRCs must maintain documentation on each inmate, including all significant decisions and events relating to the inmate, such as Individualized Reentry Plans, employment documentation, drug tests, release plans, and terminal reports.

In order to verify compliance with SOW requirements and to determine whether Brooklyn House maintained proper documentation, we selected a judgmental sample of 49 inmates that were at the Brooklyn House between August 2011 and May 2013.<sup>2</sup>

We found that Brooklyn House did not fully comply with BOP's SOW requirements. We identified deficiencies that raise concern that Brooklyn House cannot ensure full compliance with SOW requirements related to: (1) Inmate Reentry Plans, (2) employment verification, (3) drug testing, (4) inmate accountability, and (5) release plans and terminal reports. The results of our review, including the deficiencies identified, are described below.

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<sup>2</sup> Our initial sample included 50 inmate files. However, one inmate in our sample was mistakenly entered into BOP's database as being sent to Brooklyn House, when in fact the inmate was sent to another facility.



### *Inmate Arrival and Intake*

As part of inmate arrival and intake, RRC staff are required to interview each inmate, provide orientation to the facility, establish the rules and requirements that must be met by the inmate, and ensure that each inmate reviews and signs: (1) an initial intake information form, (2) an acknowledgment of receipt of RRC's disciplinary policies, and (3) a release of information consent form. Additionally, an acknowledgement of RRC rules and a subsistence agreement form must be completed and kept in the inmate's file.

During our review of inmate files at the Brooklyn House, we determined all of the required documentation, described above and appropriate signatures were in the files we tested as required.

### *Inmate Individualized Reentry Plans*

As part of inmate intake procedures, an RRC is required to assess the individual needs of each inmate and use the information to develop an Individualized Reentry Plan (IRP). BOP's contract SOW requires an IRP to be completed within the first 2 weeks of an inmate's arrival to the RRC, and the IRP is required to address each inmate's risks and needs, including, when applicable, reestablishing relationships with family, obtaining and maintaining employment, obtaining drug and alcohol abuse treatment, and finding housing once the inmate leaves the RRC. The IRP must also include a time table for accomplishing these goals, as well as information regarding how the RRC will prioritize and assist the inmate in meeting the identified needs. Program planning meetings are required to be completed weekly during an inmate's first 6 weeks at an RRC and bi-weekly after that time. These program planning meetings are intended to update milestones and modify the IRP-stated goals as needed.

During our review of 49 inmate files selected as a judgmental sample for further testing, we determined that most, 44 of 49 (nearly 90 percent), included IRPs. However, we identified five inmates for whom the inmate file did not contain an IRP. Brooklyn House staff could not locate the five missing IRPs during our fieldwork and were not able to provide an explanation for their absence in the inmate files. Additionally, in reviewing those IRPs that were located in the inmate files, 10 plans were not completed within the first 2 weeks as required. We also identified three inmates whose program planning meetings were not conducted timely, and an additional five inmates in which there was no indication in the file that program planning meetings were conducted. Brooklyn House staff was not able to provide an explanation for the issues we identified related to program planning meetings.

By not ensuring IRPs are completed in a timely manner, Brooklyn House is not in compliance with the terms of its contract with BOP. Further, there is the risk that inmates' needs may not be met on a timely basis, such as drug and alcohol treatment, employment, and life skills training. We recommend BOP implement measures to ensure Brooklyn House completes IRPs and program planning

meetings in a timely manner and also ensures all required documentation is maintained in inmate case files.

### *Inmate Employment*

RRCs are required to have an employment assistance program in place to help inmates find viable employment based on their skills and capabilities. Inmates are expected to secure viable employment within 21 calendar days after orientation. For each job an inmate acquires, RRC staff must verify employment by an on-site visit during the first 7 calendar days. Thereafter, at least monthly, the RRC is required to contact the inmate's employment supervisor by phone or conduct an on-site visit to verify attendance and discuss any problems or issues that may have arisen.

Brooklyn House employs an Employment Specialist and a Director of Work Force Development/Life Skills to manage its employment assistance program, which includes weekly workshops to help inmates with job application procedures, resume writing, interview preparation, and job retention skills. Both of these Brooklyn House employees said their responsibilities include initiating and maintaining ongoing contacts with a variety of businesses and job training/placement agencies to promote programs for resident placement. The Employment Specialist told us Brooklyn House has developed strong relationships with local employers.

Within our sample of 49 inmates, 38 were employed. Each of the 38 inmates received written approval for employment; however, we could not determine whether employment verification was completed for 3 inmates because there was no documentation in the inmate file. For 5 inmates, the verification was not completed within the required timeframe and was between 5 and 21 days late. We also found that, for seven inmates, the monthly employment verifications were not always documented in the inmate file. According to Brooklyn House officials, the verification was always completed; however, they acknowledged that the information may not have always been recorded in the file.

By not completing employment verification within the required timeframe, Brooklyn House cannot ensure accountability of its inmates or monitor inmate productivity and success at their place of employment. We recommend BOP implement measures to ensure Brooklyn House completes and documents job verifications in a timely manner according to the SOW requirements.

### *Inmate Drug Testing*

RRCs are required to randomly test at least 5 percent of all inmates for drugs and alcohol monthly, with a minimum of one inmate tested per month, in order to deter and detect the illegal introduction of drugs and alcohol into the facility. Further, any inmates with a condition of drug aftercare (those inmates known to have a history of drug abuse) who are required to participate in Community

Transitional Drug Abuse Treatment (TDAT) services, or who are suspected of illegal drug use, are required to be tested no less than four times a month.<sup>3</sup>

To ensure compliance with the SOW, the Brooklyn House's Administrative Assistant generates a daily list of inmates that are required to submit to drug testing. We were told that, on average, about 30 inmates are tested daily. In addition, according to Brooklyn House officials, each time inmates enter the facility they are required to take breathalyzer tests. Further, any inmate that appears to be under the influence of an illegal substance is also subject to immediate drug testing.

We selected a sample of 3 months of drug tests performed by Brooklyn House in order to determine whether it administered drug tests to at least 5 percent of its inmate population. From our review, we determined Brooklyn House adhered to this SOW requirement.

Within our sample of 49 inmates, 30 inmate case files indicated a history of drug abuse. There were 18 inmates in our sample of 30 (60 percent) who were required by BOP to be drug tested at least four times a month. We determined 5 of the 18 inmates were not tested as required. For an additional 4 of the 30 inmates, there was no documentation in the case file to indicate whether or not they received the required drug tests. Finally, the file for 1 inmate in our sample of 49 inmates did not include any documentation to indicate whether the inmate had a history of drug abuse or how many drug tests were completed, if any. Brooklyn House officials did not provide an explanation for the missing tests.

By not adhering to the drug testing requirements, not only is Brooklyn House in violation of BOP requirements, it also cannot be assured inmates are adhering to the conditions of their release from federal prison. We recommend that BOP ensures that Brooklyn House completes and adequately documents drug testing as required by the SOW.

### *Inmate Release*

With the exception of a full term release with no supervision to follow, RRCs are required to submit a proposed release plan to the U.S. Probation Office at least 6 weeks prior to an inmate's release date. The RRC must also complete a terminal report within 5 working days of an inmate's release. During our review of 49 inmate case files, we found that for 13 inmates the release plans were submitted to the U.S. Probation Office between 1 and 6 weeks late. Additionally, there were no release plans submitted for three inmates. In two instances, we were unable to determine the date the plan was submitted to the U.S. Probation Office because the fax confirmations were not in the files. Brooklyn House officials did not provide an explanation for the late and missing release plans.

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<sup>3</sup> Some inmates that are assigned to RRC facilities are required to participate in Community Transition Drug Abuse Treatment (TDAT) programs as a condition of their release.

In reviewing the terminal reports for inmates in our sample, we found that terminal reports were not submitted to the BOP in a timely manner for two inmates. We also found that terminal reports were included for all of the inmate files we reviewed. Brooklyn House official did not provide an explanation as to the late terminal reports.

By not submitting an inmate's release plan in a timely manner, Brooklyn House potentially inhibits the U.S. Probation Office's ability to provide necessary services at the release of an inmate. Further, late terminal reports may prevent the BOP from knowing of an inmate's release from RRC custody. Therefore, we recommend that the BOP ensures that Brooklyn House submits release plans and terminal reports in a timely manner as required by the SOW.

### *Inmate Security and Accountability*

According to SOW requirements, RRCs must be able to locate and verify the whereabouts of inmates at all times. RRCs must contact the inmate either by telephone or in-person at random times at work, at home, or at authorized destinations to maintain accountability. The RRC must conduct these checks at a frequency that ensures accountability and that is commensurate with the accountability risks of each individual inmate. RRCs can only authorize an inmate to leave the facility through sign-out procedures and only for an approved program activity. Approved program activities typically include job searches, employment, religious services, and visitations with family and friends. During authorized absences, the RRC is still responsible for inmate accountability. In addition, the SOW requires the RRC to monitor and maintain documentation of inmates, visitors, contractors, and volunteers entering or exiting the facility by using a sign-in/sign-out system.

In October 2011, Brooklyn House began using a computerized system called ALERT to track inmates entering and leaving the facility. Inmates are able to generate their own requests for passes to leave the facility through an ALERT Resident Kiosk, and requests include the date, time, purpose, address, contact name, and contact phone number related to the requested leave. The requests are instantly submitted to a caseworker who reviews the request and either denies it or recommends it for approval. Final approval is provided by the Facility Director or a designee.

When the inmate is ready to sign out of the facility, two copies of the pass are printed from ALERT. According to Brooklyn House internal policy, both copies are required to be signed by the resident and a staff member. One copy is maintained at the facility within the inmate file and the other copy is provided to the resident. If an inmate is more than 15 minutes late returning back to the facility, the ALERT system notifies staff and appropriate actions are taken.

As mentioned earlier, a copy of the pass must be signed by the resident and staff member. As part of our review, we examined the sign-in/sign-out logs for all 49 inmates in our sample. Generally, the files we reviewed contained

sign-in/sign-out logs that had at least one instance in which there was no signature by either the inmate or an RRC staff person. We identified 15 inmate files in which both signatures were missing in 10 or more instances. In each instance where there was no signature, there was also no time recorded for when the inmate left and returned back to the facility.

We discussed this issue with Brooklyn House officials and were told that although the signatures and times were not physically recorded on the sign-in/sign-out logs, in each instance the inmate did return to the facility and the time was recorded in the computerized ALERT system by staff as required. The officials further explained that had the information not been recorded in the ALERT system, an alarm would have alerted staff at 15 minutes past the appointed return time. However, we did not verify each missing signature against the information in the ALERT system and relied solely on the documentation in the inmate file, as the sign-in/sign-out log represented Brooklyn House's own internal policy implemented to supplement the ALERT system.

The monitoring of inmate movement serves to protect offenders, staff, and the public. By not ensuring completed sign-in/sign-out documentation, Brooklyn House hinders the BOP's ability to adequately monitor inmate accountability. We recommend that the BOP requires Brooklyn House to update their sign-in/sign-out procedures to ensure documentation is completed and maintained.

#### *Employee Training and Background Checks*

According to SOW requirements, employees must be approved by the Residential Reentry Manager before working with federal offenders, including preliminary background checks. The SOW also requires all RRC staff to receive training on their respective duties and responsibilities prior to working with federal inmates. Additionally, staff are required to receive at least 20 hours of annual refresher training relating to the operation of the RRC.

We reviewed employee files for 20 current and past Brooklyn House employees, including the Facility Director and Social Services Coordinator. We determined that all of the employees in our sample received the required initial background checks and all received at least 40 hours of training prior to working with inmates. We also determined that all of those employed for more than 1 year received at least 20 hours of annual refresher training. From our review, both the Facility Director and Social Services Coordinator, as well as all other staff reviewed, met the training requirements set forth by the BOP.

#### **Residential Reentry Center Billings and Invoices**

In accordance with SOW requirements, Brooklyn House was responsible for providing the BOP with a monthly bill along with a report of each inmate's finances, including total wages earned and hours worked, plus the amount of subsistence collected from the inmate, and any other financial obligations.

According to the Administrative Assistant for Brooklyn House, BOP billing is completed at the end of the month and includes all charges incurred from the first of the month to the last day of the month. The documentation provided to the BOP includes the following: billing vouchers, a urinalysis report for the month, RRC staff roster, monthly statement report, and all required subsistence documentation, including a subsistence log sheet for each inmate (subsistence payments the RRC received for that month).

We judgmentally selected a sample of two nonconsecutive months of Brooklyn House invoices in order to determine whether Brooklyn House accurately billed the BOP for the number of inmates served for the selected months. We obtained Brooklyn House billing information for those months and compared it to the information provided by BOP. We determined that Brooklyn House accurately billed the BOP for inmate resident days.

### *Inmate Subsistence*

To promote financial responsibility, the BOP requires employed inmates to make subsistence payments to their respective RRC each payday. Subsistence payments are generally 25 percent of the inmates' gross income, although waivers may be granted. RRCs are responsible for collecting the full subsistence payment amount due and providing inmates with receipts for all subsistence payments collected. The RRCs are also required to reduce the monthly BOP invoices by the amount of subsistence payments collected, thus decreasing the BOP's RRC program costs.

We requested all Brooklyn House documentation related to inmate subsistence payments for 1 month, reviewed inmate paystubs, and verified that each inmate submitted the required amount of subsistence. For inmates that were employed but did not pay subsistence, or paid a reduced subsistence, we looked for evidence of BOP-approved waivers.

Of the total 233 inmates assigned to Brooklyn House in our sampled month, 102 were required to pay subsistence. The remaining 131 inmates were either unemployed, new residents, released, returned to custody, or subsistence was waived. We determined subsistence payments were collected in accordance with BOP requirements and that all of the inmates who did not pay subsistence, or paid a reduced rate, received the appropriate waivers. In addition, we determined that Brooklyn House accurately reported collected subsistence payments on the BOP invoice and properly reduced the invoice amount for the sampled month.

### **Contract Solicitation and Award of Contract**

On February 16, 2011, the BOP awarded a competitive contract to Brooklyn House to provide community-based residential correctional services in Brooklyn, New York. These services include residential housing, employment-related inmate development, and other self-improvement

opportunities to assist federal inmates during the transition from prison to the community.

In reviewing the solicitation and award of the contract, we found that the solicitation process used to acquire inmate residential reentry services, and the subsequent awarding of the contract to Brooklyn House, was in accordance with the Federal Acquisition Regulations (FAR). The request for bids was advertised on FedBizOpps.gov as required, and the BOP officials properly received and evaluated bids in accordance with the FAR.

## **Monitoring**

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

After a contract is awarded, BOP conducts a preoccupancy visit at the facility. During this visit, the BOP determines the contractor's ability to begin performance by inspecting, at a minimum, all emergency plans and life/safety requirements for compliance to the SOW in place with the facility. A full monitoring visit is a comprehensive inspection and review of all aspects of the contractor's operation and facility, and the first full monitoring ordinarily occurs 60-90 days from the date a facility begins operations and recurs annually. Finally, an interim monitoring review is an unannounced on-site examination of deficiencies noted in a prior monitoring.

We reviewed two pre-occupancy inspections, two full monitoring reports, and five interim reports which occurred during the contract period. We also spoke with the BOP Residential Reentry Manager responsible for oversight of the Brooklyn House contract.

We found that all BOP monitoring inspections occurred as required and that the BOP identified repeat deficiencies. Overall, we determined that the BOP provided adequate monitoring and oversight of the contract. In addition, we found Brooklyn House took steps to address deficiencies identified by the BOP. However, one issue was identified that related to site validity, and this issue repeatedly caused concern for the regional BOP office, as discussed below.

### *Performance Site Location*

From the time the BOP awarded Brooklyn House the RRC contract, the facility changed its location three times, including one change prior to the start date of the contract. According to its award documentation, Brooklyn House was originally scheduled to be located on Willoughby Avenue in Brooklyn, New York. However, Brooklyn House changed the location of the RRC after the contract had been awarded, but prior to the effective date of the contract. The President and Chief

Executive Officer (CEO) of CFS indicated that he was unable to secure a lease agreement to cover the contractual period and lost site control of the Willoughby Avenue location.

From August 2011 through August 2012, Brooklyn House was located on Atlantic Avenue in Brooklyn, New York. In the BOP's first full monitoring report, and in the three subsequent interim reports at that location, Brooklyn House received a deficiency report finding related to its site validity. Specifically, the deficiency identified by the BOP said that Brooklyn House was unable to produce a signed lease agreement to cover the full period of the RRC contract. According to the BOP report, Brooklyn House was eventually evicted from its location on Atlantic Avenue during the period of the contract.

As a result, Brooklyn House secured a new location for the RRC on Gold Street in Brooklyn, New York, effective September 2012, without any interruption in resident inmate housing, and produced a signed lease agreement for the duration of the contract period. Following the successful move to Gold Street, the BOP was able to close out the deficiency related to site validity.

### ***New York Times Article***

In performing our audit, we reviewed a December 12, 2012, *New York Times* article that included allegations related to the Brooklyn House facility. From the article, we reviewed specific issues that related to some aspects included in the scope of our contract audit.

The article alleged that inmates entered and left the Brooklyn House facility on work release programs to engage in illicit activities; that inmates often fled (escaped) the facility; that inmates had little to do and received few services, including limited job search assistance; and that inmates were allowed to use cell phones, drink alcohol hidden in water bottles, and smoke synthetic marijuana. Moreover, the article stated that the New York Office of the State Comptroller (OSC) rejected a contract for CFS to run a residential program for parolees in part because of a disturbing pattern of ethical violations.<sup>4</sup>

We addressed the allegations as they related to our audit in discussions with Brooklyn House employees and management officials, interviewed staff from the Federal Defenders of New York office, observed the daily activities of the staff and resident inmates, and interviewed BOP officials and staff from the U.S. Probation Office for the Eastern District of New York on the matter. We also reviewed a Notice of Non-Approval issued from the OSC specific to CFS and questioned a staff member from that office. From our additional audit work, we did not identify evidence that warranted expansion of our audit testing beyond the scope of our contract audit.

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<sup>4</sup> Sam Dolnick, "A Halfway House Built on Exaggerated Claims," *New York Times*, December 12, 2012, <http://www.nytimes.com/2012/12/13/nyregion/at-federal-halfway-house-in-brooklyn-a-dubious-operator.html> (accessed April 8, 2013).



## **Conclusion**

Overall, we found that CFS's Brooklyn House did not always comply with the Statement of Work requirements and Brooklyn House supplemental internal policies for Contract No. DJB200055. We identified specific deficiencies related to IRPs, employment verification of inmates, and drug testing. In addition, we found issues with inmate accountability, specifically regarding documentation for authorized inmate absences. Finally, we determined that release plans and terminal reports were not always submitted timely and for some inmates, release plans were never submitted.

## **Recommendations**

We recommend the BOP work with Brooklyn House to ensure:

1. Individualized Reentry Plans and program planning meetings are completed in a timely manner and documentation is adequately maintained in inmate case files.
2. Inmate employment is verified during the first 7 calendar days, and at least monthly thereafter, and documentation is adequately maintained in inmate case files.
3. Drug testing is conducted as required and documentation is adequately maintained in inmate case files.
4. Inmate release plans are submitted to the U.S. Probation Office timely and that terminal reports are submitted to the BOP timely.
5. Inmate accountability policies approved by the BOP and in place are strictly complied with, including the use of sign-in/sign-out procedures that require documentation is adequately maintained in inmate case files.

## OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of our audit were to review performance in the following areas: (1) BOP monitoring activities, (2) Brooklyn House policies and procedures, (3) Brooklyn House personnel, (4) Brooklyn House resident inmate accountability, (5) Brooklyn House programs and activities, (6) contract solicitation and award of contract, and (7) Brooklyn House billings and invoices. Additionally, in performing our audit we reviewed a December 12, 2012, *New York Times* article that included allegations related to the Brooklyn House facility.<sup>5</sup> In that article, specific issues were cited that related to some aspects included in the scope of our contract audit and we considered these aspects when performing our audit testing.

We conducted this contract audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provided a reasonable basis for our findings and conclusions based on our audit objectives.

In conducting our audit, we used sample testing while testing contract billings and invoices, and other contractual requirements according to the BOP approved Statement of Work (SOW). In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the contract reviewed. This non-statistical sample design does not allow for the projection of the test results to the universes from which the samples were selected.

Specifically, we performed sample testing on inmate case files and RRC employee files. We used a judgmental sampling design to verify that SOW requirements were met for all files reviewed. We selected a sample of 49 resident inmate case files, as well as 20 employee personnel files that were at the RRC during the contract period for Contract No. DJB200055.

In addition, we verified RRC billings and invoice payment records against BOP records for 2 judgmentally selected months to assess the accuracy of billings; however, we did not test the reliability of the RRC financial management or procurement system as a whole. We also tested compliance with what we considered to be the most important conditions of the contract and the accompanying Statement of Work. We determined that the RRC contractor's records were sufficiently reliable to meet the objectives of this audit.

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<sup>5</sup> Sam Dolnick, "A Halfway House Built on Exaggerated Claims," *New York Times*, December 12, 2012, <http://www.nytimes.com/2012/12/13/nyregion/at-federal-halfway-house-in-brooklyn-a-dubious-operator.html> (accessed April 8, 2013).

## COMMUNITY FIRST SERVICES, INC. RESPONSE TO THE DRAFT AUDIT REPORT<sup>6</sup>



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January 12, 2015

Thomas O. Puerzer  
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Philadelphia Regional Audit Office  
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**RE: Second Draft Audit Report on Federal Bureau of Prisons Contract No. DJB200055**

Dear Mr. Puerzer:

Community First Services, Inc. (CFS), now known as CORE, has reviewed the reissue of the Brooklyn RRC Draft Audit Report compiled by the Audit Division of the Office of the Inspector General ("OIG") of the U.S. Department of Justice's Bureau of Prisons ("BOP") on Contract No. DJB200055 (the "Draft Report"). CFS understands and appreciates OIG's willingness to append these comments to its Final Audit Report as the report with these comments and the attached documents will become part of the public record. However, CFS remains disappointed that the OIG refuses to incorporate any suggested changes, including correcting errors of fact that CFS has pointed out in both drafts of the audit report. Further, CFS is deeply disappointed in the OIG's decision to ignore CFS' written comments submitted in response to the first draft audit report. The accuracy of both versions of the audit report would have been dramatically improved if OIG auditors had met with CFS personnel to discuss the issues detailed in CFS' response to the first audit report (which is presented in its entirety and incorporated in this document as Attachment #1) and made appropriate changes for the second draft. Instead, there are six major ways in which the December 2014 (and presumably final) Draft of the audit report distorts CFS' actual performance on the above-captioned contract:

- 1) The draft audit report contains multiple factual inaccuracies and mischaracterizations, which are detailed in Attachment #1, which is the text of CFS' response to the initial draft of this audit report.
- 2) The tone of the draft audit report is so unabashedly negative that despite ratings of "satisfactory" and "very good" on its compliance audits, there is not a single positive comment about CFS' performance in the entire document;
- 3) The OIG audit report attempts to make CFS' contract performance appear worse than it was by utilizing a "judgment sample" of client case records, 67% of which were the case records of inmates (clients) admitted during the facility's first year of operation—a period of adjustment for any new program. Moreover, the OIG admits that the sample was non-random. For example, the draft audit report indicates that 90% of Individual Reentry Plans were charted appropriately (44 of 49), but observes that only three planning meetings were

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<sup>6</sup> This final report does not include Exhibit 2 of CFS's response.

not conducted in a timely manner. Thus 94% of IRPs were actually completed on time, and while six percent may have been filed late, clients got the services as required under the Scope of Work.

- 4) CFS notes, furthermore, that the OIG offers no context for these figures. If most new RRCs maintained 100% compliance, the OIG might have a cause for concern with CFS' first year performance of 94%. The experience of CFS' staff suggests that other RRCs in their first year of operation have experience far lower rates of compliance on individual indicators. Therefore, by not providing comparative data, the OIG leaves itself free to draw any conclusion about CFS' performance that it wishes—there is no enumerated standard of acceptable performance.
- 5) The OIG further prejudices readers of the audit report by criticizing CFS in detail for problems which were caused or exacerbated by BOP personnel, and failing to acknowledge the BOP's role in these difficulties. Conversations between BOP staff and the landlords of CFS' first two performance sites—conversations which were professionally inappropriate, (and should not have occurred) as neither the BOP nor its staff had any legitimate role (nor had CFS requested BOP's intervention) in direct communications or negotiations with these landlords—are the primary reason that CFS was unable to secure leases for those two facilities. Further, the BOP Stop Work Order reduced the amount of time that CFS had to start-up the facility from 120 to 80 days. The foreshortened start-up period decreased the time available for staff hiring and training, essentially guaranteeing that compliance issues would arise during the start-up period. Yet the audit report makes no mention of any of these circumstances, nor how they affected the program and its implementation. Nor does it explain why the BOP refused to grant CFS the full 120-day start-up period.
- 6) The OIG's assertion that CFS was "evicted" from its first performance site was rebutted in Attachment #1, which was provided to the OIG on April 2, 2014. In spite of this, the same uncorrected assertion appears again on page 12 of the second draft audit report. This is one of several mischaracterizations of fact, which the OIG audit report perpetuates, in spite of having been provided with the correct information and the request to change the statement in the draft report to comport with reality

It is not CFS' place to speculate on the OIG's motives for compounding a seriously flawed audit report with the decision to respond to CFS' request to correct the record by amending the report to include additional discredited allegations, to report each finding without context, and eliminate discussion of any positive or mitigating factors related to CFS' performance from the audit report. However, OIG's repeated failure to correct errors of fact in the draft audit report, even after CFS has explained their circumstances and *demonstrated their lack of factual basis*, and the inclusion of detailed accusations from sources with no first-hand knowledge of program operations *which the OIG itself admits were without merit*, raises serious questions about the credibility of this audit report, in that:

- a. It appears that the OIG sought, from the outset, to discredit CFS, rather than conduct an objective review of its compliance with contract requirements, billing and expenses, and the Scope of Work;
- b. The OIG's refusal to correct errors of fact within the report that were specifically brought to its attention—along with documentation of the facts—calls both the quality of the audit and the validity of its conclusions into serious question.
- c. The OIG's refusal to acknowledge that the BOP was directly responsible for some compliance issues (i.e., the difficulty obtaining a lease for this facility) and indirectly responsible for others (i.e., by refusing to grant CFS' request for a full 120-day start-up period, the BOP virtually guaranteed early compliance problems by eliminating

- training time for new staff), calls both the motivations behind, and conclusions of, this audit report into question;
- d. The failure of the OIG to include any context for its findings (it neither compared CFS' performance to that of other first-year grantees, nor to other, comparable programs), limit the credibility of the report's conclusions. This creates a dilemma for the OIG: If it maintains that its findings are accurate and representative of CFS' performance, then its conclusions—which noted a few specific deficiencies and “determined that release plans and terminal reports were not always submitted timely [sic] and for some inmates, release plans were never submitted,” and lack internal consistency. If, as is actually the case, its rather mild conclusions more accurately reflect CFS' operation of the Brooklyn House facility, then the 12 pages of findings should have been revised to reflect the generally high quality of CFS' work, along with the recognition that while there is always room for improvement, when findings were/are identified in annual audits or through CFS' own internal quality improvement procedures, CFS worked/works with the BOP to implement corrective action plans, and has been commended by the BOP, for its consistent efforts to improve the quality its services.

CFS recognizes the difficulties inherent in auditing and commenting on project performance that occurred nearly three years before the audit report is finalized, but also notes that this second draft report (prior to the preparation of which the OIG solicited CFS' comments on the first draft and received a detailed response, including the corrections of multiple factual errors), the OIG systematically eliminated recognition of even a single positive effort or accomplishment by CFS during its start-up and operation of Brooklyn House (in spite of multiple ratings of “satisfactory” and “very good” by the BOP audit teams), and that in spite of a detailed response to the initial report in which CFS requested specific changes to the initial draft, the only significant changes made by the OIG appear to be: 1) Giving greater prominence to a scurrilous and patently false New York Times article *that the OIG itself concluded were groundless*; and 2) mischaracterizing a program contract that was not implemented because its New York City agency sponsor no longer required the services in that jurisdiction as a “contract rejection,” instead of the reallocation of City resources that it actually was. In the spirit of cooperation that CFS has strived to develop with the BOP, we provided detailed responses to many of the questions raised in the initial draft report, and requested that factual errors be corrected and that the lack of context, prejudicial tone and content be edited to reflect a more objective assessment of CFS' actual performance on this contract.

CFS has not participated in other OIG audits, but doubts that there are other audit reports in which assertions from a discredited newspaper article are prominently repeated in lurid detail, and then summarized twice for emphasis—especially when that article was published outside the original period of time covered by the audit. Nevertheless, the OIG's acknowledgement that its own investigation and follow-up on the assertions made in the article revealed nothing that could serve as a basis for broadening the original scope of the audit were buried so deep in the report that they are apparent only upon a careful reading. This raises the question of what purpose the OIG believes is served by repeating accusations that it knows to be without foundation, and why the OIG repeated those accusations in three different places in the report, but made only one mention of the fact that the OIG itself had been unable to substantiate any of these defamatory accusations?

CFS is reluctant to raise objections to certain items within the report because their mere mention seems to perpetuate their existence. In this case, the audit report states that the OIG reviewed a “Notice of Non-Approval (contract rejection)” that the OIG asserted was issued by the New York State Comptroller's Office. In fact, as is clearly demonstrated by the letter in Attachment #2 (which was provided to the OIG), the *New York City Department of Correction and Community Supervision (DOCCS)* that made the decision that it no longer required the proposed services in the catchment area in

which CFS' site was located, and made a decision not to award any contract. The draft report claims to have reviewed the purported "Notice of Non-Approval" in two separate places, but never states that the claim is inaccurate, only including a general disclaimer that it found no reason to expand its regular audit procedures. Most readers would be left with the impression that CFS had a contract denied by the State's Comptroller, when in fact, the Comptroller's Office never reviewed the contract. This presentation again raises questions about the validity of the entire audit process and its conclusions. Why did the OIG include assertions in the audit report that it knew to be false? When evidence of this error in the first draft report was brought to the OIG's attention, why was it not deleted from the report? Instead, the OIG chose to add an additional mention of the incorrect/unsubstantiated report.

Much to CFS' disappointment, the OIG not only failed—as far as we can determine—to include any of the updated information provided by CFS, or to make any of the nine specific changes requested by CFS<sup>1</sup>, but appears to have added new material to the report that, as noted above can only be interpreted as highly prejudicial. For example, CFS cannot comprehend the reasoning behind the OIG's decision to make note of its consideration of the New York Times article, since the article contained highly inflammatory—though ultimately untrue and fabricated—accusations. Furthermore, the final version of the OIG report not only mentioned that it had reviewed a particular article and found its accusations to have no merit, it goes on to repeat the worst of those accusations within the body of the report *even though the OIG has itself already recognized their lack of merit*. The repetition of the report's groundless claims when those assertions have no probative value can only be interpreted as a deliberate effort to create a negative impression of Community First Services, Inc.'s performance that is not, and was not, supported by either the OIG's findings, nor any of the assertions that the OIG included in the report even though it knows them to be false.

Two final points require mention: 1) Although the records examined by the OIG covered the period from the inception of the Brooklyn House contract through July 31, 2012 (one full contract year), and although the OIG kept the audit open until December 2014, the auditors appear so determined to present a wholly negative picture of CFS that the audit utilized a "judgment sample" rather than a random sample of client

<sup>1</sup> In its letter to Thomas Puerzer, Regional Audit Manager, CFS requested that the OIG make the following changes to the original draft report so that the record would accurately reflect the fact that CFS had, with only minor exceptions, substantially met the terms and conditions of the contract, and followed applicable laws, regulations and guidelines related to the contract. The specific items that CFS requested be changed were:

1. On Inmate Arrival and Intake: "All of the required documentation and appropriate signatures were in the files we tested as required." Draft Report, pg. 4.
2. "We selected a sample of 3 months of drug tests performed by Brooklyn House in order to determine whether it administered drug tests to at least 5% of its inmate population. From our review we determined Brooklyn House adhered to this SOW requirement." Draft Report pg. 6.
3. "We found that terminal reports were included for all of the inmate files we reviewed." Draft Report, pg. 7.
4. "We determined all of the employees in our sample received the required initial background checks and all received at least 40 hours of training prior to working with inmates." Draft Report, pg. 8.
5. "We also determined that all of those employed for more than 1 year received at least 20 hours or annual refresher training." Draft Report, pg. 8.
6. "We determined that Brooklyn House accurately billed BOP for inmate resident days." Draft Report, pg. 9.
7. "We determined that Brooklyn House accurately reported collected subsistence payments on the BOP invoice and properly reduced the amount for the sampled month." Draft Report, pg. 9.
8. "We found that the solicitation process used to acquire inmate residential reentry services, and the subsequent awarding of the contract to Brooklyn House was in accordance with the Federal Acquisitions Regulations (FAR)." Draft Report, pg. 10.

case records. The time period from which the bulk of the records were selected virtually guaranteed, for the reasons explained above, that some adherence issues would be found; and 2) CFS notes that while the OIG included unsubstantiated assertions from sources that had no direct knowledge of program operations in the draft reports, it failed to take notice or include any findings from the BOP's own compliance monitoring teams which have offered almost universally "satisfactory" and "very good" ratings and commended CFS in multiple reports. The OIG also failed to recognize CFS' ongoing efforts to improve Brooklyn House's services, all of which were undertaken with the collaboration of the BOP and many of which were initiated during the audit period.

The audit report does make five recommendations, all of which had been addressed by CFS via corrective action plans. Some of these recommendations were based on issues that were raised during the BOP's site monitoring visits and some arose from CFS' ongoing internal continuous quality improvement program, but all were addressed to the BOP's satisfaction through a combination of collaborative problem identification, corrective action planning, improved training of staff, and increased emphasis on and staff training to improve the quality and timeliness of documentation. Specifically:

RECOMMENDATION	CORRECTIVE ACTION PLAN
We recommend the BOP work with Brooklyn House to ensure:	
<p>I. Individualized Reentry Plans and program planning meetings are completed in a timely manner and documentation is adequately maintained in inmate case files.</p>	<p>CFS agrees with this recommendation. Brooklyn House is committed to providing the highest quality reentry services to our residents. Additional oversight is provided in the area to ensure timely completion of Individualized Reentry Plans and program planning meetings weekly or biweekly depending on the resident's arrival date. Brooklyn House has already taken several corrective action steps to address this area including staffing changes, new training and the development of tracking tools to enhance the process and ensure Statement of Work compliance. Brooklyn House recently replaced a caseworker and hired a new Deputy Director of Programs (DDP) who has already demonstrated greater capacity to provide the necessary oversight and supervision in this area. The new DDP brings with him the leadership skills and qualifications necessary to successfully guide the program team. On December 11, 2014 the new DDP participated in training entitled Compliance and Programming conducted by the Quality Assurance Specialist with an emphasis on internal procedural guidelines, Statement of Work (SOW) requirements, and best practices. Additionally, on December 23, 2014, caseworkers received refresher training on meeting progress note completion deadlines and managing time effectively; with the ultimate goal of improving efficiency and attention to detail. A program of ongoing training and supervision has been implemented as needed to ensure that all staff have the skills required for time management and meeting deadlines.</p> <p>A case file tracking tool was developed and implemented. It enables supervisors to monitor each required element of program documentation (IRPs, case notes, etc.), and helps ensure that any</p>

	document subject to a submission deadline is completed on time (in accordance with SOW and internal policy requirements). The case file tracking tool was implemented on January 5, 2015. The DDP will maintain the tracking tool and ensure deadlines are met for all program deliverables.
2. Inmate employment is verified during the first 7 calendar days, and at least monthly thereafter, and documentation is adequately maintained in inmate case files.	CFS agrees with this recommendation. Brooklyn House managers and supervisors continue to provide additional oversight on employment verification to case workers and employment specialists. The most recent in-service training for employment service staff was held in July 2014. The program included an emphasis on a review of the requirements of the Statement of Work with respect to employment verification, staff reporting and follow-up. A central record is also now kept of resident employment, new hire dates, employment verification and job site visit due dates which is used to verify internal documentation deadlines to ensure the necessary submission dates for documentation are met. Employment Verification Forms are maintained in the resident case record.
3. Drug testing is conducted as required and documentation is adequately maintained in inmate case files.	CFS agrees with this recommendation. Brooklyn House generates a daily list of residents required to submit a urine sample for testing. Brooklyn House tracks all factors on a spreadsheet, including: Drug aftercare requirement; history of drug abuse; CTS services participation; and suspected illegal drug use. Every resident subject to urine testing is included in the tracking tool which records the dates of each drug screen. The tracking tool is reviewed monthly and quarterly by supervisory and management staff to ensure that a proper sampling of residents has been tested. In this way, CFS ensures that drug testing is conducted as required in the SOW and documentation is maintained in the resident case record.
4. Inmate release plans are submitted to the U.S. Probation Office timely and that terminal reports are submitted to the BOP timely.	CFS agrees with this recommendation. The Social Services Coordinator is tasked with tracking the due date and status of each program participant's release plan each month. Case Managers were trained on release plan procedures in July 2014; supervisors participated in additional training to enhance facilitation of staff supervision related to on-time completion of release plans to ensure contractual compliance.
5. Inmate accountability policies approved by the BOP and in place are strictly complied with, including the use of sign-in/sign-out procedures that require documentation is adequately maintained in	CFS agrees with this recommendation. Comprehensive resident accountability is of the highest priority for the Brooklyn House program and staff. To ensure the documentation to support the process is in place Brooklyn House revised the sign out printed paperwork. As part of the revision the program participant's printed pass was revised. The passes print the program participant's full name and register number type of offender, method of transportation, contact information, time out, destination, purpose,

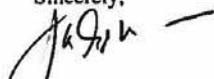


inmate case files.	authorized return time, and time in as well as the name of the staff member who prints the pass. A staff member is required to certify each entry by initial. The revised pass form was submitted to the BOP for comment/approval prior to implementation. The revision and training of the staff was completed in July 2014.
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In closing, CFS found the OIG’s draft audit report to be flawed and unbalanced. It presented significant information that is factually incorrect. Its tone is highly prejudicial and lacks even a pretense of objectivity. The Draft Report makes assertions and assumptions about inmates potentially not receiving services, but the auditors neither ascertained whether those services had actually been delivered, nor that in spite of any minor deficiencies in paperwork, CFS had substantially fulfilled the primary duty of an RRC—to deliver required services and keep the public secure. The second draft report failed to include any comments/corrections presented by CFS, and instead increased the reporting of unfounded, unsubstantiated assertions. CFS believes no valid audit purpose served by these changes and their repetition calls into question, at minimum, the accuracy of the draft audit report. Finally, the report’s conclusions are consistent with neither the findings as stated, nor with the findings of the BOP’s program monitoring teams which have consistently rated CFS’ performance as “satisfactory” or “very good.” For all these reasons, CFS believes that as written, the draft audit report does not fairly or accurately portray CFS’ performance on the Brooklyn House contract.

In spite of its reservations about this report, CFS remains firmly committed to full and transparent collaboration with the BOP, and to the ongoing supervision and training of the Brooklyn House staff that will enable them to continue to advance the twin goals and mission of the Federal Bureau of Prisons’ Residential Reentry Centers: 1) To facilitate the successful reintegration of federal offenders back into their community and 2) to keep the public safe and secure. Community First Services has demonstrated its willingness to work with the BOP, and pledges to continue to work with the BOP to continually improve both its service delivery and documentation.

Sincerely,



Jack A. Brown, III  
President & CEO

Attachments: Exhibit #1 - Initial response  
Exhibit #2 - Letter from NYS DOCCS



## **EXHIBIT #1**

April 2, 2014

Thomas O. Puerzer  
Regional Audit Manager  
Office of the Inspector General  
Philadelphia Regional Audit Office  
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Philadelphia, PA 19106

Dear Mr. Puerzer:

The staff of the Brooklyn House Residential Reentry Center ("Brooklyn House" or the "RRC") operated by Community First Services, Inc. ("CFS"), now known as CORE Services Group, Inc., has reviewed the Draft Audit Report prepared by the Audit Division of the Office of the Inspector General ("OIG") of the US Department of Justice of the Federal Bureau of Prisons ("BOP") on Contract No. DJB200055 ("Draft Report"). Brooklyn House appreciates the opportunity to respond to the OIG's preliminary findings and to submit its comments to be added to the Draft Report. It is our understanding that the audit is still ongoing and that the OIG will consider our response before issuing the final report. We are concerned that there was not a complete exchange of information during the pre-draft report period and that may have led to some erroneous conclusions in the draft report. We think it would be helpful to have the auditor meet again with our personnel to elaborate on the issues contained in the attached letter and to provide further explanation. We respectfully request that the OIG not issue any final report without first providing us that opportunity for dialogue and revisions to the report.

Brooklyn House's goal is to provide the best possible services in accordance with the Statement of Work ("SOW") for Contract No. DJB200055. The Draft Report reflects that during the Audit Period<sup>1</sup> Brooklyn House met or exceeded these goals. Therefore, Brooklyn House requests that the OIG make the following changes to the Findings and Recommendations section of the Draft Report at page 3 before final Publication:

**We found that for those items tested, the Brooklyn House RRC, with some minimal exceptions, generally met the terms and conditions of the contract and followed applicable laws, regulations and guidelines related to Contract No. DJB200055. Where Brooklyn House RRC**

<sup>1</sup> The Draft Report covers the period from August 2011 through May 2013. Brooklyn House opened its doors on August 1, 2011.

did not comply with the Statement of Work requirements and supplemental internal policies, the deficiencies noted generally occurred in a limited sample that is not representative of the whole of the performance and because it included approximately 40% participants that arrived to Brooklyn House during the first 6 months of the program's operations and approximately 70% that arrived in the first year of the Brooklyn House operation.

Collectively, however, these internal control deficiencies do not undermine either the services received by residents or the BOP's ability to ensure contract administration.

The requested change is consistent with the following findings in the Draft Report:  
General:

1. On Inmate Arrival and Intake: "All of the required documentation and appropriate signatures were in the files we tested as required." Draft Report, pg. 4.
2. "We selected a sample of 3 months of drug tests performed by Brooklyn House in order to determine whether it administered drug tests to at least 5% of its inmate population. From our review we determined Brooklyn House adhered to this SOW requirement." Draft Report pg. 6.
3. "We found that terminal reports were included for all of the inmate files we reviewed." Draft Report, pg. 7.
4. "We determined all of the employees in our sample received the required initial background checks and all received at least 40 hours of training prior to working with inmates." Draft Report, pg. 8.
5. "We also determined that all of those employed for more than 1 year received at least 20 hours or annual refresher training." Draft Report, pg. 8.
6. "We determined that Brooklyn House accurately billed BOP for inmate resident days." Draft Report, pg. 9.
7. "We determined that Brooklyn House accurately reported collected subsistence payments on the BOP invoice and properly reduced the amount for the sampled month." Draft Report, pg. 9.
8. "We found that the solicitation process used to acquire inmate residential reentry services, and the subsequent awarding of the contract to Brooklyn House was in accordance with the Federal Acquisitions Regulations (FAR)." Draft Report, pg. 10.

9. On Inmate Individualized Reentry Plans (“IRPs”), the Draft Report states that it was “determined that most, 44 of 49 (nearly 90%), included IRPs.” Draft Report, pg. 4.

Brooklyn House disagrees with the OIG’s concern that “Brooklyn House cannot ensure full compliance with SOW requirements related to (1) Inmate Reentry Plans, (2) employment verification, (3) drug testing, (4) inmate accountability and (5) release plans and terminal reports” Draft Report, pg. 3. This conclusion is contrary to the Draft Report statements noting that the BOP recognized that “all BOP monitoring inspections occurred as required” and “found that Brooklyn House took steps to address deficiencies identified by the BOP.” Draft Report, pg. 10. This conclusion is also contrary to the facts as discussed in greater detail in this response. The Draft Report overlooks numerous key facts or has taken some CFS actions out of context and therefore skewed what actually happened.

Further, based on the statistical information provided in the Draft Report on the following five areas: (1) Inmate Reentry Plans, (2) Employment Verification, (3) Drug Testing, (4) Inmate Accountability, and (5) Release Plans and Terminal Reports, Brooklyn House complied with the SOW requirements. Draft Report, pg. 3. Of forty-nine (49) files reviewed by the OIG, approximately 40% of the clients were serviced in the first six (6) months of operation. That number increased dramatically to approximately 70% serviced within the first twelve (12) months of operation. By reviewing a disproportionate number of files from the first six months, the Draft Report conclusions do not offer a complete picture of CFS’ performance at Brooklyn House.

At the time of the OIG audit, Brooklyn House had been in operation for twenty-one months. Previous audits consistently demonstrated the Brooklyn House program’s significant improvement. Brooklyn House received commendations from the BOP in the overall operation including in the five areas cited above. Yet, the Draft Report is inconsistent with BOP’s previous findings, indicating that Brooklyn House allegedly does not comply and that its performance raises concerns.

During the initial phases of this contract and in the first 6 months of its operation, Brooklyn House was not in full compliance with the SOW requirement because more than 10% of the resident population’s services were out of compliance with the SOW *timeframe* requirements. The phase-in process was not a smooth transition due in part to the delay caused by the bid protest process. Originally, phase-in was to begin in March 2011, but was delayed until July 2011 by the BOP through a stop-work-order issued as a result of bid protests filed by a competitor.

At no time throughout the contract performance, however, were resident services not provided. In the rare instances when Brooklyn House did not comply, those instances were due solely to the timeframes in which the SOW required the service to be rendered. Of significance here is that at all times the services were available. The contractor believes there is a critical distinction between not providing services at all and providing the

services on a slightly delayed timeframe. The Draft Report does not explain this context and the contractor respectively requests that this distinction not be overlooked.

Since the RRC contract was awarded to Brooklyn House by the BOP it has been audited by the BOP and subject to both interim and full monitoring by the BOP. While the BOP has noted some areas that required improvement, at no time did the BOP conclude that Brooklyn House was not in substantial compliance with the requirements of the SOW. Similarly, BOP has not concluded that Brooklyn House cannot comply as indicated in the OIG Draft Report. In fact, the OIG Draft Report is in stark contrast to both the prior BOP audits and the two OIG analyst summaries of the Brooklyn House program during the audit and at the telephonic close-out of the audit. For example, the OIG analyst noted that BOP recognized the contractor's dedication and passion in working with the resident population. The OIG analyst also noted the demonstrated improvement in compliance from the time Brooklyn House initially opened to the later months of their sample file review.

While the Draft Report notes that the OIG reviewed forty-nine (49) files in compiling this Draft Report, as a "judgmental sample," the Draft Report fails to provide the time frame from which these files were selected or when these residents were residents in Brooklyn House. In fact, of the forty-nine (49) sample files, thirty-three (33) (67%) entered the program within the first year of program operations. Brooklyn House's operations were initially delayed due to bid protests filed by a competitor. BOP has recognized the significant improvement in the contractor's operations after the first year of operation and thus the sample files provide a skewed picture of CFS' overall performance. Further, the Draft Report also failed to note that Brooklyn House's relationship with its first landlord was strained in part due to BOP's actions and the first landlord's unwillingness to work with CFS and BOP, which engendered, in part, the conditions requiring CFS to relocate the facility, which was a factor in compliance during the early part of the contract.

The following comments address the specific findings:

**Inmate Individualized Reentry Plans ("IRP"):**

The Draft Report observes that 90% of the files included IRPs, but the OIG then observes that three (6%) program planning meetings were not conducted in a timely manner. The Draft Report concludes that the inmates' needs *may* not have been met in a timely manner. This negative inference is speculative, counterfactual, and made without evidence or contextual reference to the time frame in which the program planning meetings were conducted, because the OIG did not consider the extent to which inmates received their programming referrals in a timely manner. In fact, 100% of Brooklyn House inmates timely received required Transitional Drug Assistance Treatment ("TDAT") referrals or life skills training. This should be noted in the final version of the report to provide a complete picture.

**Inmate Employment**

The Draft Report states that the OIG “could not determine whether employment verification was completed for 3 inmates because there was no documentation in the inmate file. For five inmates the verification was not completed within the required timeframe and was between 5 and 21 days late.” Draft Report, pg. 5.

This is contrary to the documentation provided to the OIG auditors that confirmed that employment verifications were completed for all but one of the thirty-eight (38) sample inmates who were employed. The employment verification for two (2) of the three (3) inmates was presented in either the form of emails from the employer or as employment counseling notes. In the one instance in which employment was not verified, as Brooklyn House staff explained to the OIG auditors, the inmate had actually resigned from the place of employment before seven (7) calendar days had passed, so no employment verification was required. Brooklyn House staff further explained that visits were late either because the employer/contact person was not present on the random visit date or employment visits had to be rescheduled to accommodate the employer/contact person’s availability.

Moreover, with respect to the timeliness of the verifications, the Draft Report states, “by not completing employment verification with the required timeframe Brooklyn House cannot ensure accountability of its inmates or monitor inmate productivity and success at their place of employment.” Draft Report, pg. 5. Significantly, the Draft Report does not identify which type of employment verification the OIG asserts was not conducted in a timely manner. The SOW requires both monthly contacts with inmates’ employers and an initial on-site visit. As Brooklyn House staff advised the OIG auditors, Brooklyn House uses several different types of employment verifications, including calling employers to verify that the employee is at work on a daily basis. This employment verification monitoring actually promotes greater accountability than simple monthly site visits and far exceeds the SOW requirements. BOP even commended Brooklyn House for this additional inmate monitoring tool in its previous audits. Yet that is not reflected in the Draft Report. In any event, two initial monthly site visit verifications were, in fact, conducted and documented in all required cases. This should be stated in the final version of the report.

#### **Inmate Drug Testing**

The Draft Report states, “18 inmates were required to be drug tested at least four times a month. We determined that 5 of the 18 inmates were not tested, as required. For an additional four of the 30 inmates, there was no documentation in the case file to indicate whether or not they received the required drug tests. Finally, the file for one inmate in our sample of 49 inmates did not include any documentation to indicate whether or not the person had a history of drug abuse or how many drug tests were completed, if any, Brooklyn House did not provide an explanation for the missing tests.” Draft Report, pg. 6.

Brooklyn House was never asked to provide an explanation for the missing drug tests. The Draft Report refers to one file that did not have any information about whether the inmate had a history of drug abuse, or how many drug tests were administered, if any, for

that inmate. The Draft Report, however, fails to note that the BOP itself stipulates which residents require four (4) random drug test a month. In accordance with the BOP's procedures, Brooklyn House is limited to conducting random drug testing only when the BOP has documented a request for it an inmate's Presentencing Investigation Report. If drug testing is not required in the Presentencing Investigation Report, it is not up to Brooklyn House to assign a resident to random drug testing four times a month.

Further, BOP has previously recognized that each time an inmate returns to Brooklyn House, following standard operating policy at the Brooklyn House, the staff administers a breathalyzer test. That is not reflected in the Draft Report. In addition, apart from those inmates who may be subject to random drug tests, Brooklyn House also employs a standard operating policy that dictates that any inmate who appears to be under the influence of drugs or alcohol or reports to the facility late must submit to an immediate drug test. That is also not reflected in the Draft Report.

Therefore, the OIG's conclusion, as set forth in the Draft Report that, "Brooklyn House is in violation of BOP requirements," because it does not "adhere to the drug testing requirements" and, as a result, "it cannot be assured [that] inmates are adhering to the condition of their release from federal prison," is not supported by the OIG's own findings. The statement is, at best, a conclusion taken entirely out of context.

Brooklyn House complies fully with the BOP's requirements. Consistent with the BOP's previous audits, this should be properly reflected in the final version of the audit report.

#### **Inmate Release**

The Draft Report concludes: "we found for 13 (out of 49) inmates release plans were submitted to the US Probation Office between 1 and 6 weeks late and there were no release plans submitted for 3 inmates. In two instances, we were unable to determine the date the plan was submitted to the US Probation Office because the fax confirmations were not in the files. Brooklyn House officials did not provide an explanation for the late and missing release plans." Draft Report, pg. 6.

Initially, Brooklyn House did not provide a release plan for participants that were in the program for less than six (6) weeks. Brooklyn House, however, has since recognized this requirement and since that time has consistently provided release plans for all participants regardless of their duration of participation.

The Draft Report further concludes: "we found that terminal reports were not submitted to the BOP in a timely manner for two inmates. We also found that terminal reports were included for all of the inmate files we reviewed." Draft Report, pg. 7.

The Draft Report does not provide information or details regarding the late terminal reports, nor did the OIG afford Brooklyn House staff the opportunity to provide an explanation.



It is unclear how many days late the terminal reports were or when the reports were due. In addition, the Draft Report (at pg. 7) itself provides substantial evidence showing the contractor's overwhelming compliance with this requirement, noting that only two (2) (or 4%) out of forty-nine (49) terminal reports were late, but 100% of the files included the required terminal reports.

The Draft Report further noted that "fax confirmations were not in the files." Draft Report, pg. 6. The Draft Report does not note that keeping fax confirmations is not a requirement of the SOW and instead is one of several internal housekeeping checks the Brooklyn House voluntarily uses to track delivery of the release plans. A counselor may make a note in the file, or there may be an e-mail memorializing transmittal of the release plan. Because Brooklyn House was not asked to provide an explanation about the late release plans it is premature for the OIG to draw the conclusion that Brooklyn House could "inhibit the U.S. Probation Office's ability to provide necessary services at the release of an inmate." Draft Report, pg. 7. In fact, Brooklyn House has not inhibited the U.S. Probation Office ability to do its job in anyway. Brooklyn House has and continues to receive positive comments about the timely submission of documents and positive working relationship from US Probation in the BOP audits.

By not providing context for these alleged issues, the Draft Report significantly overstates the alleged non-compliance. The Draft Report also fails to note the significant and consistent improvements in compliance over time and to acknowledge, as the OIG has in its reports on other RRC start-ups, that documentation issues are common during the phase-in period as new employees are adjusting to new systems. This is especially the case where phase-in is delayed or disrupted by a bid protest proceeding. As noted above the phase-in process was scheduled to begin immediately upon receipt of the February 14, 2011 notice of award at the initial location. On March 3, 2011 the BOP issued a Stay of Performance/Stop Work Order. This resulted from of an Agency level Protest by the former incumbent. The Agency level protest was followed by a bid protest to the U.S. Government Accountability Office by the same incumbent and resulting in the need for a new site to be identified. The contractor received notice by the BOP on July 29, 2011 at approximately 6:30 p.m. that the U.S. Court of Federal Claims had denied the then incumbent's last and final bid protest claims. The bid protest process delay coupled with nearly a two-year proposal "evaluation" process (the contractor submitted to the BOP its proposal for the provision RRC services in Brooklyn, NY in March 2009) resulted in the contractor's unfortunate loss of the initial site. As such, the contractor opened the program on Sunday, July 31, 2011 with limited lead time. This should be reflected in the final version of the audit report.

#### Inmate Security and Accountability

The Auditors reviewed a secondary system for Inmate Security and Accountability. However, Brooklyn House uses ALERT to sign in and out of the facility. The Draft Report states that "we did not verify each missing signature against the information in the ALERT system, and they relied solely on the documentation in the inmate file, as the

sign in and sign out log represented Brooklyn House's own internal policy implemented to supplement the ALERT System." Draft Report, pg. 8.

ALERT is an electronic monitoring system. ALERT electronically logs when a resident enters or leaves the facility. ALERT records both the time an inmate leaves and the time an inmate returns. In addition to the ALERT system, Brooklyn House utilizes a secondary and back-up system consisting of paper passes and manual sign in/sign out logs. It is not necessary for every resident to sign in or sign out as the ALERT system is the primary system used to track resident coming in and out of Brooklyn House. Nevertheless, the Draft Report criticized Brooklyn House for not having "completed sign-in/sign-out documentation," and concluded that it "hinder's [sic] the BOP's ability to monitor inmate accountability." Draft Report, pg. 8.

However, by its own admission the OIG did not review the ALERT logs, or compare the ALERT logs to the "missing signatures" even though ALERT is the primary tracking system used by Brooklyn House. The ALERT system was deemed acceptable by BOP to meet the SOW requirements when the contract was awarded. The ALERT logs document the date and time when each resident enters and leaves the facility. If a resident is late, the ALERT system notifies staff 15 minutes after the time designated for the inmate's return. Brooklyn House's use of the ALERT system and a secondary (back up) system consisting of paper passes and manual sign in/sign out logs is an example of a redundancy established by Brooklyn House developed to ensure fidelity to Brooklyn House's pledge to protect the residents, the staff and the public. The Draft Report's conclusion is incorrect not only because fails to recognize Brooklyn House's redundancy, but it is also based on the auditors' failure to understand how the Brooklyn House Inmate Security and Accountability systems work and the requirements of the SOW. It should, therefore, be removed in its entirety.

#### **Performance Site Location**

Brooklyn House has been at its current location, on Gold Street in Brooklyn, New York, for two years. The Draft Report recognized that Brooklyn House moved to the Gold Street location in September 2012 without any interruption in service and has a lease "for the duration of the contract period." Draft Report, pg. 11. Nevertheless, the Draft Report inconsistently states that Brooklyn House was unable to produce a signed lease agreement to cover the full period of the RRC contract, for an Atlantic Avenue location, and further notes that "Brooklyn House was eventually evicted from their location on Atlantic Avenue during the period the contract was in force." This is incorrect and directly contrary to what actually happened. Brooklyn House was not evicted from the Atlantic Avenue location.

In fact, Brooklyn House did obtain signed letter of intent and a lease at the Atlantic Avenue location, which the landlord subsequently refused to sign after he initially agreed to the lease terms. The Draft Report fails to acknowledge a key fact that doomed the relationship with the first landlord – the delay caused by the bid protest process. In order to prevent any further disruption to the performance, CFS worked with BOP and

following consultation with the BOP, Brooklyn House decided it was in the best interests of the program to move to a different location because the landlord of the Atlantic Avenue building refused to give up his right to enter the building unannounced and without notice, a potential violation of the residents' right to privacy and also demanded two and a half times more rent than he had initially agreed to lease the site. As soon as the Atlantic Avenue location landlord reneged on the original agreement, CFS proactively worked to find an alternative suitable location. BOP is well aware of the issues that were entirely out of CFS' control.

The statements made in the Draft Report about the location of the facility are inaccurate, outside of the scope of the OIG audit and have nothing to do with the SOW.

**Conclusion:**

The Draft Report lacks context, contains numerous inaccuracies, and its conclusions are not supported by the facts. Moreover, the Draft Report is highly prejudicial in its presentation of the findings. The auditors' decision to review a "judgment sample" rather than a random sample of inmate records calls into question the findings in the Draft Report because the "judgment sample" offers a skewed version of what actually happened. The lack of context (which the OIG consistently provides in other similar audit reports) makes the findings appear much more negative than the reality.

Compounding these significant errors is the fact that the Draft Report fails to mention the following:

- 1) Most of the deficiencies cited by the auditors took place during Brooklyn House's phase-in year and have since been remediated.
- 2) The Draft Report fails to note that Brooklyn House was given only eighty (80) days from notice of award until the date the facility was required to open, instead of the standard 120 days. This delay was caused by events outside of CFS' control. The Draft Report fails to note that the bid protest process delayed performance. It also fails to note that many of the early issues related to non-compliance with paperwork and systems were the result of the BOP's refusal to permit Brooklyn House this standard start-up period. By forcing Brooklyn House to accelerate its start-up timeline, contrary to CFS' contract terms, the BOP created the circumstances under which a certain degree of noncompliance with the SOW was inevitable.
- 3) Brooklyn House has been subjected to regular monitoring by the BOP, has responded to the BOP's audit findings with corrective action plans that were satisfactory to the BOP. Brooklyn House has consistently followed through on the corrective action plans, implemented policy changes and improved its performance over time.
- 4) The Draft Report fails to note the role that the BOP was well aware of the friction between Brooklyn House and its original landlord and that CFS actively worked with BOP to remedy the situation in a timely manner.

EXHIBIT #1 - Initial Response to OIG

- 5) The Draft Report makes assertions and assumptions about inmates potentially not receiving services, but the auditors did not check to see if those services had actually been delivered. Brooklyn House acknowledges that compliance with the paperwork requirements of the SOW is important—and is now in full compliance. But Brooklyn House asserts that the most important aspect of the contract is whether services are actually delivered and the public is kept secure. In these areas, Brooklyn House has substantially complied with its SOW.
- 6) The Draft Report fails to align with the OIG audit reporting standards for RRCs. OIG recently made public three RRC audit reports. In each of these reports OIG provided context and a recommendation to the BOP – yet the OIG has failed to do that here. For example, the OIG Report for the Hutchins Residential Reentry Center in Hutchins, Texas in June 2013 is attached to this response for your convenience and reference and to illustrate the OIG reporting standards that CFS believes have not been consistently applied in this Draft Report.

Brooklyn House Residential Reentry Center believes that the Draft Report should include a statement that Brooklyn House generally meets the terms and conditions and the statement of work that govern the contract. While Brooklyn House was not always in full compliance with every requirement, it has made substantial efforts and has come into consistent substantial compliance. These efforts have been recognized by the BOP in previous audits and reports and should be reflected in the final audit report here.

This request is similar to the statements made in the audit of the Hutchins Texas Residential Reentry Center that was run by Volunteers of America. Additionally, similar to that audit, the Hutchins Texas RRC were given recommendations and suggestions for improvement after each section. That is inconsistent with the Brooklyn House audit where CFS' ability to run properly and effectively was questioned. It is further striking, particularly that by comparison, the Hutchins Residential Reentry Center was in less compliance in a number of areas than Brooklyn House or very close to similar.

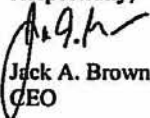
For example:

- 1) Brooklyn House had 5 IRPs missing vs. Hutchins 4 Missing IRPs.
- 2) Brooklyn House had 10 plans not completed on a timely basis vs. Hutchins 36 plans.
- 3) Brooklyn House 3 missing employment verification not conducted vs. Hutchins 3.
- 4) Brooklyn House 5 verifications not completed in timeframe vs. Hutchins 6.
- 5) Brooklyn House between 5 and 21 days late vs. Hutchins between 2 and 108 days late.
- 6) Brooklyn house 7 monthly verifications not documented vs. Hutchins 12.
- 7) Brooklyn House 5 missing drug test documentation vs Hutchins 2.
- 8) Brooklyn House 13 late release plans vs Hutchins 7.
- 9) Brooklyn House 3 no release plans vs Hutchins 2.
- 10) Brooklyn House 100% of terminal reports were submitted vs. Hutchins 13 were not submitted.

EXHIBIT #1 - Initial Response to OIG

Brooklyn House respectfully requests that all inaccuracies be corrected and the incorrect assumptions be removed from the Draft Report. Brooklyn House requests that conclusory statements asserting Brooklyn House's inability to comply with the SOW be removed, in light of the fact that Brooklyn House has repeatedly demonstrated that it is in substantial compliance with its SOW as confirmed by numerous statements in the Draft Report. Brooklyn House further requests that the auditors to add a statement noting that Brooklyn House's performance has improved over time, Brooklyn House has consistently demonstrated its willingness to work with BOP, and that at present it generally complies with all the requirements of the contract and the statement of work.

Brooklyn House remains dedicated to fulfilling the goals and mission of the BOP in performing under this contract.

Respectfully,  
  
Jack A. Brown  
CEO

BUREAU OF PRISONS RESPONSE TO THE DRAFT AUDIT REPORT



U.S. Department of Justice


Federal Bureau of Prisons

Office of the Director

Washington, DC 20534

January 6, 2015

MEMORANDUM FOR THOMAS O. PUERZER  
REGIONAL AUDIT MANAGER  
PHILADELPHIA REGIONAL AUDIT OFFICE  
OFFICE OF THE INSPECTOR GENERAL

FROM:   
Charles E. Samuels, Jr.  
Director  
Federal Bureau of Prisons

SUBJECT: Response to the Office of the Inspector General's  
(OIG) DRAFT Report: Audit of the Federal Bureau of  
Prisons Residential Reentry Center in  
Brooklyn, New York Contract Number DJB200055

The Bureau of Prisons (BOP) appreciates the opportunity to respond to the open recommendations from the draft report entitled Audit of the Federal Bureau of Prisons Residential Reentry Center in Brooklyn, New York Contract Number DJB200055.

Please find the Bureau's response to the recommendations below:

**Recommendation 1:** Individualized Reentry Plans and program planning meetings are completed in a timely manner and documentation is adequately maintained in inmate case files.

**BOP's Response:** The Bureau agrees with the recommendation. The Bureau conducted a monitoring the week of May 13-16, 2014, and 32 inmate files were reviewed. This review revealed 42 weekly progress reviews and 29 bi-weekly reviews were late. In addition, one progress review was not signed by the case worker, and one was not signed by the program participant. As a result, the contractor

received a deficiency for this program area and was required to provide a "corrective action plan." A subsequent monitoring was conducted August 20-22, 2014. During this monitoring, 10 files were reviewed with no deficiencies noted. However, another monitoring was conducted November 3-7, 2014, at which time, discrepancies were found regarding timeliness of progress reviews in four of nine files reviewed. This was again cited as a deficiency. The contractor's required response was received on December 29, 2014, and deemed acceptable. However, a monitoring visit will be conducted by February 13, 2015, to verify adherence to the corrective action plan. Based on the attached documentation (Attachments 1-5), the Bureau requests this recommendation be closed.

**Recommendation 2:** Inmate employment is verified during the first 7 calendar days, and at least monthly thereafter, and documentation is adequately maintained in inmate case files.

**BOP's Response:** The Bureau agrees with the recommendation. The Bureau conducted a monitoring the week of May 13-16, 2014, and 32 inmate files were reviewed. This review resulted in a finding that two files did not contain any employment documentation. In 9 of 32 files, the contractor failed to notify the employer of the offender's legal status prior to the first workday. Five of the 32 files did not have site visits conducted as required by the contract, and 13 files did not contain documentation to substantiate monthly employer contacts were completed by contract staff. As a result, the contractor received a deficiency for this program area and was required to provide a "corrective action plan." A subsequent monitoring was conducted August 20-22, 2014. This finding could not be fully evaluated as the contractor's new procedures had recently been implemented. Another monitoring was completed November 3-7, 2014, which revealed there were no repeat deficiencies in the nine files reviewed. Based on the attached documentation (Attachments 1-3), the Bureau requests this recommendation be closed.

**Recommendation 3:** Drug testing is conducted as required and documentation is adequately maintained in inmate case files.

**BOP's Response:** The Bureau agrees with the recommendation. The Bureau conducted a monitoring the week of May 13-16, 2014, and 27 resident files were reviewed. Two of the 27 files were not in compliance regarding the number of monthly urine samples collected. One of the 27 files reviewed was missing the staff name on the "chain of custody" form, and one form was missing a staff member's signature.

Of the two deficient "chain of custody" forms, one did not have the time annotated. Additionally, one urine test was not recorded on the contractor's urine log, and one record in the log was missing a "chain of custody" form. All of the "chain of custody" forms were compared to the inmate files and the contractor's urinalysis log. In the majority of the files reviewed, the time documented on the log did not correspond with the "chain of custody" time. The contractor received a deficiency for accountability and was required to provide a corrective action plan. A subsequent monitoring was conducted, August 20-22, 2014, and revealed no deficiencies in the 10 files reviewed. Additionally, another monitoring was completed November 3-7, 2014, which revealed no deficiencies in the nine files reviewed. Based on the attached documentation (Attachments 1-3), the Bureau requests this recommendation be closed.

**Recommendation 4:** Inmate release plans are submitted to the U.S. Probation Office timely, and that terminal reports are submitted to the BOP timely.

**BOP's Response:** The Bureau agrees with the recommendation. The Bureau conducted a monitoring the week of May 13-16, 2014, and 36 release plans were reviewed. Eleven of the 36 release plans were either late or missing. Additionally, it was noted the release plan form did not include all required categories. The contractor received a deficiency for the program area, and was required to provide a corrective action plan. A subsequent monitoring was conducted August 20-22, 2014, and three files were reviewed which contained the newly implemented release plan form. There were no discrepancies identified. Another monitoring was conducted November 3-7, 2014, which revealed there were no deficiencies in the nine files reviewed. Terminal report submissions were reviewed during the May 13-16, 2014, monitoring. A deficiency in this area was found; however, the contractor had self-identified this issue prior to the monitoring and implemented a new procedure. A subsequent monitoring was conducted August 20-22, 2014. During this monitoring, all terminal reports submitted to the Residential Reentry Manager's Office were received timely and no discrepancies were found. Based on the attached documentation (Attachments 1-3), the Bureau requests this recommendation be closed.

**Recommendation 5:** Inmate accountability policies approved by the BOP and in place are strictly complied with, including the use of sign-in/sign-out procedures that require documentation is adequately maintained in inmate case files.



**BOP's Response:** The Bureau agrees with the recommendation. The Bureau conducted a monitoring the week of May 13-16, 2014, which included a review of the contractor's sign-in/sign-out logs for program participants. Discrepancies were identified in 28 of 31 logs. Specifically, the logs were missing printed staff names, signatures, and/or sign-in times. The contractor received a deficiency for accountability and was required to provide a corrective action plan. A subsequent monitoring was conducted August 20-22, 2014, in which no deficiencies were found in the 10 files reviewed. Another monitoring was conducted November 3-7, 2014, and revealed there were no repeat deficiencies in the 29 passes reviewed. Based on the attached documentation (Attachments 1-3), the Bureau requests this recommendation be closed.

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

Attachments

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

The OIG provided a draft of this audit report to Community First Services, Inc. (CFS), now known as Core Services Group (CORE), and the Federal Bureau of Prisons (BOP). CFS's full response is incorporated in Appendix 2 of this final report, and BOP's response is included as Appendix 3. The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

### Analysis of Community First Services' Responses

The CFS response to our draft audit report agreed with each of our recommendations. However, CFS disagreed with the OIG's conclusions that CFS was not in full compliance with contract requirements in the areas we tested related to (1) Inmate Reentry Plans, (2) employment verification, (3) drug testing, (4) inmate accountability, and (5) release plans and terminal reports. CFS also questioned the report's accuracy, tone, motives, context, and attribution for the findings. We analyze CFS's claims of inaccuracy later in this appendix, but address the other CFS comments here.

With regard to the tone of the report, CFS stated in its response that the OIG was overly negative, and states that "there is not a single positive comment about the CFS' performance in the entire document". CFS also stated that the OIG sought to discredit the CFS in the audit. We disagree. The OIG is an independent oversight body and has no interests in discrediting the CFS. Further, we do not agree that the report discredits the CFS, but rather includes discussion of all of the areas in which the Brooklyn House Residential Reentry Center (Brooklyn House) was in compliance with the contract requirements that we tested. For example, we include that Brooklyn House employees met all of the requirements set forth by the Statement of Work (SOW) and BOP, including background checks and training. Additionally, we noted that although some inmate files were missing IRPs, most (nearly 90 percent) were included in the inmate files. Also, when appropriate, we include a discussion of measures in place at Brooklyn House for meeting SOW requirements. For example, we describe in some detail the procedures in place to ensure inmate accountability at Brooklyn House, including the computerized ALERT system.

With regard to the context of the report, CFS also took issue with all five areas in which our audit found instances of non-compliance and stated that our findings were not representative of CFS's compliance. However, it also confirmed in the response that Brooklyn House was not in full compliance with SOW requirements. Specifically, CFS stated that 40 percent of the inmate files we reviewed were serviced in the first 6 months of the facility's contract. CFS claimed this was a disproportionate number and therefore the "Draft Report conclusions do not offer a complete picture of CFS' performance at Brooklyn House". However, as disclosed in our report, we employed a judgmental sample design in our testing, the purpose of which was to obtain a broad exposure to universe of inmates. In this effort, we selected for review at least two inmates that were assigned to

Brooklyn House during each month of the contract. The intent of our sampling design was to test the extent of CFS contractual compliance with all the terms and conditions of the agreement and the accompanying SOW as of the contract start date on August 1, 2011, but our results were not intended to be projectable to the inmate universe. Judgmental sampling, as used in this report, is a common technique among auditors and entirely consistent with government auditing standards.

Further, CFS indicated that this audit does not represent the general context of other RRC compliance with other SOWs. However, it was not an objective of this audit to compare CFS's performance to the performance of other RRC's, and we do not believe such a comparison would be appropriate or relevant for our audit objectives. The focus of this audit was to assess CFS's compliance with the SOW requirements, and therefore other RRC's compliance with different SOWs do not affect our audit findings. CFS agreed that during the first 6 months of its operation, Brooklyn House was not in full compliance and CFS cited delays in services caused by a contract bid protest and a BOP stop work order. We believe that the reasons cited by CFS do not mitigate the areas of non-compliance we identified from our audit. When CFS entered into its contract with BOP, CFS agreed to be reimbursed for providing Residential Reentry Center services in accordance with agreed upon terms and conditions of the contract as detailed in the SOW, beginning on August 1, 2011.

CFS also stated that the OIG did not correctly attribute the cause for some of the findings to the BOP. For example, CFS stated that conversations between BOP and a landlord were inappropriate and prevented the CFS from acquiring leases for some properties. However, we were not provided any evidence to corroborate CFS's assertions about these conversations, their subject matter, or their effect on the leases. As a result, we could not confirm the details of these conversations and could not confirm their relevance to the CFS's ability to comply with SOW requirements. CFS also disagrees with a statement regarding the eviction of CFS from the subject property, which is discussed later in this appendix.

CFS also stated that the OIG's findings are inconsistent with BOP's monitoring reports and BOP's overall assessment of Brooklyn House's progress in meeting contract requirements. It is important to note that the OIG is an independent auditing entity and the work the OIG performs is not intended to replace BOP's oversight efforts. As such, when performing audits the OIG does not rely on the work performed by the BOP for its ongoing contract monitoring and oversight. The BOP, in its response, agreed with all of our recommendations and noted that it identified similar deficiencies in all five areas in which we identified instances of non-compliance.

In its response, CFS stated that, "at no time throughout the contract performance, however, were resident services not provided" and "in the rare instances when Brooklyn House did not comply, those instances were due solely to the timeframes in which the SOW required the service to (be) rendered." CFS further asserted that there is a critical distinction between not providing services at

all and providing the services on a slightly delayed time frame and asks that we make that distinction in our audit report. However, our audit uncovered several instances where documentation of required services was not provided to us, although the SOW requires the contractor to maintain a file on each offender that includes all significant decisions and events relating to the offender. Without such documentation, we could not verify whether services intended and required by the contract terms have been provided.

CFS also provided its views regarding our findings related to the following subject matter areas in Exhibit 1 of its response.

#### Inmate Individualized Reentry Plans (IRP)

In this section of its response, CFS stated that our conclusion that inmates' needs may not have been met in a timely manner is "speculative, counterfactual, and made without evidence or contextual reference to the time frame in which the program planning meetings were conducted, because the OIG did not consider the extent to which inmates received their programming referrals in a timely manner." However, CFS misattributed this conclusion to uncovering only 6 percent of late program planning meetings. As discussed in the report, although IRPs are required by the SOW, our testing identified 5 missing IRPs, 10 late IRPs, and a lack of documentation in the file to support that program planning meetings were completed for an additional 5 inmates. Moreover, as outlined in Brooklyn House's IRP template, which was provided to us at the beginning of our audit and was consistent with the SOW, "the IRP outlines the development needs of residents in areas related to health, substance abuse, employment, financial, housing, and educational needs... To assess progress on the goals and objectives, the plan will be reviewed weekly during the first six weeks, and biweekly thereafter with the caseworker." Based on the assertions in the Brooklyn House template about IRP uses and applications, late or missing IRPs create a significant risk to inmate needs, such as drug and alcohol treatment. Given the seriousness of those needs, we consider that risk to be significant, and not speculative, in particular considering the terms of CFS's contract. Accordingly, we stand by our assertion that the needs of inmates may not have been met.

Further, results from our testing of case file documentation, as discussed in the *Inmate Drug Testing* section of our audit report (pages 5-6), contradicts CFS's assertion in its response that, "100% of Brooklyn House inmates timely received required Transitional Drug Assistance Treatment ("TDAT") referrals or life skills training." Further contradiction to that assertion is found in BOP's interim monitoring report from July 2012, in which BOP found that CFS failed to provide life skills training to all TDAT participants, which was in violation of their contract agreement.

## Inmate Employment

In its response, CFS said that it provided auditors with documentation to support that employment verification was completed, as required. While conducting audit fieldwork, we provided CFS staff with a list of information that we could not find in inmate files. CFS provided e-mails pertaining to two inmates that were not adequate because they did not prove that a site visit was conducted within 7 days of employment as required. Furthermore, the information was not documented in the inmate case file as required by the SOW. CFS's response correctly stated that Brooklyn House staff explained that the missing employment verification for one inmate was due to the inmate resigning from employment before 7 days had passed. However, that inmate was not included in the three instances of non-compliance we noted in our most recent draft and final reports.

Despite the statements made in the CFS response, our report clearly identifies the types and number of instances employment verifications were either late, not completed timely, or not documented in the file. According to the SOW, all contacts concerning an offender's employment are required to be documented in the case notes. Although CFS stated in its response that daily telephone calls are made to verify an employee is at work, we found no such information documented in the case files for seven inmates.

## Inmate Drug Testing

As stated above, while conducting audit fieldwork, we provided CFS staff with a list of information that we could not find in inmate files. Additionally, at the end of fieldwork and during our final meeting with CFS management, we provided a summary of all of our findings which included that 5 of 18 inmates were not drug tested, as required.

Additionally, in its response, CFS stated that the audit report fails to note that "BOP itself stipulates which residents require four (4) random drug tests a month... If drug testing is not required in the Presentencing Investigation Report, it is not up to Brooklyn House to assign a resident to random drug testing four times a month." However, there were 18 inmates in our sample of 30 (60 percent) who were required by BOP to be drug tested at least four times a month. While we recognize BOP makes this determination, we believe it is important that the file for each inmate include documentation as to whether there is that particular requirement. Additionally, as noted in our report, all but one file in our sample of 49 clearly indicated whether or not the inmate required four random drug tests monthly.

Also, in its response, CFS made the following statement, "...each time an inmate returns to Brooklyn House, following standard operating policy at the BH [Brooklyn House], the staff administers a breathalyzer test. That is not reflected in the Draft Report. In addition, apart from those inmates who may be subject to random drug tests, BH [Brooklyn House] also employs a standard operating policy that dictates that any inmate who appears to be under the influence of drugs or

alcohol or reports to the facility late must submit to an immediate drug test. That is also not reflected in the Draft Report.” We believe this concern is adequately addressed in our report as we noted in our report that Brooklyn House officials told us that, “each time inmates enter the facility they are required to take breathalyzer tests. Further, any inmate that appears to be under the influence of an illegal substance is also subject to immediate drug testing.”

### Inmate Release Plans

CFS stated in its response that the OIG’s draft report inappropriately criticizes CFS for not maintaining fax confirmations as evidence that inmate release plans had been transmitted to the U.S. Probation Office as required in the SOW. We recognize there is no SOW requirement in the CFS contract for maintaining fax confirmations to document the transmittal of inmate release plans. However, the SOW does require the inmate release plans to be sent to the U.S. Probation Office in a timely fashion, and this was one of the requirements the OIG’s audit tested. For all but two of the inmate files we reviewed, fax confirmations had been retained to document the transmittal of these reports. For the other two files, there was no documentation of any kind – fax confirmation or otherwise – to demonstrate that CFS had complied with the contract requirement. Our findings regarding these two files were not based on the absence from each file of a fax confirmation, but rather on the absence from each file of any adequate documentation demonstrating compliance.

### Inmate Security and Accountability

In its response, CFS stated, “the Draft Report’s conclusion [that Brooklyn House did not always have completed sign-in/sign-out documentation] is incorrect not only because it fails to recognize Brooklyn House’s redundancy, but it is also based on the auditors’ failure to understand how the Brooklyn House Inmate Security and Accountability systems work and the requirements of the SOW.” However, from our review of the SOW, a key requirement is for contractors to maintain a current written operations manual that describes the purpose, philosophy, programs, services, policies, and procedures of the facility. Additionally, the SOW states, “the contractor must operate in accordance with the operations manual”. As described in our report, Brooklyn House policy states that the inmate and an employee must sign the sign-in/sign out sheet, which are maintained in the inmate’s case file. Our report does not indicate any issue with the automated ALERT system in use at the Brooklyn House, but rather cites faults in the contractor’s own BOP-approved policy.

### Performance Site Location

In its response, CFS asserted that, “the Draft Report inconsistently states that Brooklyn House was unable to produce a signed lease agreement to cover the full period of the RRC contract, for an Atlantic Ave location, and further notes that Brooklyn House was eventually evicted from their location on AA [Atlantic Avenue] during the period the contract was in force.” CFS contended that it was not evicted.

The statement in our report regarding eviction are attributed to BOP monitoring reports of the Brooklyn House. Those monitoring reports state that CFS was evicted. Moreover, whether CFS was evicted or not is not significant for our audit findings; for purposes of our audit, we relied on documentation in CFS's files evidencing that no lease was obtained.

CFS also stated in its response that, "the Draft Report failed to acknowledge a key fact that doomed the relationship with the first landlord – a delay caused by the bid protest process..." Assessing CFS's relationship with its landlord was not within the scope of our audit, and the supporting documentation relevant to our audit were in general terms and did not cite specific landlord/tenant grievances. As a result we cannot confirm CFS's claim about the bid protest. Further, such a protest does not affect our audit findings or recommendations, which focused on CFS's compliance with the contract requirements and BOP's contract management activities.

However, in reviewing BOP's monitoring activities in support of our audit objectives, we identified and documented a significant and repeated deficiency in which CFS did not provide a signed lease to BOP, which was a violation of SOW requirements that required submission of a signed lease. According to the BOP's Residential Reentry Manager (RRM), that deficiency had a great impact on their BOP office staff. As a result, CFS was forced to suddenly and unexpectedly vacate the Atlantic Avenue location and BOP personnel physically assisted with transporting inmates from the Atlantic Avenue location to the new Gold Street facility. Additionally, BOP was forced to do an emergency, full scale, Pre-Occupancy Inspection at the new location, several days after CFS occupied the space.

Finally, CFS stated, "the statements made in the Draft Report about the location of the facility are inaccurate, outside of the scope of the OIG audit, and have nothing to do with the SOW." However, the statements about the facility location are based on the information we identified from the BOP Monitoring Reports, discussions with the BOP RRM, and supporting documents submitted by CFS to BOP. CFS has not provided any documentation to refute those statements. Additionally, BOP's monitoring activities were part of our audit scope, as cited in our initiation letter sent to CFS notifying them of the audit. Further, reviewing CFS's compliance with the SOW is also within our audit scope, and Chapter 3 of the SOW focuses on the facility and the requirements of ensuring permits and agreements are followed and documented by the CFS. As a result, we disagree with CFS's statements.

#### New York Times Article

In its response, CFS questioned the inclusion of information related to the allegations made about Brooklyn House in the December 2012 *New York Times* article. As we say in our audit report, the article cited specific issues that related to some aspects included in the scope of our contract audit. As a result, we included those issues cited in the article that were relevant to our audit scope and objectives when performing our audit testing. However, after reviewing CFS's response, we

did delete from our report one reference to a Notice of Non-Approval being a "contract rejection," as CFS requested.

Additionally, we note that CFS's statement in its response that the OIG determined the allegations in the article to "lack...merit" is inaccurate. Our report states only that, based on additional audit work, we did not identify evidence that warranted expansion of our audit testing beyond the scope of our contract audit.

### Conclusion

Lastly, CFS stated in its response that the overall draft audit report, "contains numerous inaccuracies, and its conclusions are not supported by the facts. Moreover, the Draft Report is highly prejudicial in its presentation of the findings." As stated in Appendix 1 of our audit report, we conducted the audit in accordance with Generally Accepted Government Auditing Standards which requires that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provided a reasonable basis for our findings and conclusions based on our audit objectives.

The CFS response lists six items that it believed the report failed to recognize, five of which we have already addressed in this analysis. The sixth item in its list was CFS's assertion that our report did not align with OIG audit standards for RRCs. As stated in Appendix 1 of our report, our audit was conducted in accordance with Generally Accepted Government Auditing Standards.

CFS went on to request changes to the draft report and compared the tone and language in our report to another OIG RRC contract audit report on a separate facility that is not operated by or associated with CFS. CFS also made a comparison of all of the findings identified in that report to our audit findings. However, OIG audits of RRC contracts and associated facilities are based on the facts and circumstances identified by that audit and are not intended to be representative of conditions that may be identified in audits of other RRC contracts at other facilities.

### **Recommendation:**

- 1. We recommend that BOP work with Brooklyn House to ensure Individualized Reentry Plans and program planning meetings are completed in a timely manner and documentation is adequately maintained in inmate case files.**

Resolved. BOP agreed with our recommendation. BOP said in its response that deficiencies in this area have been identified by its monitoring staff during previous and recent on-site monitoring, and that corrective actions have been taken. BOP also commented that it will conduct a monitoring visit of the facility to verify the contractor's adherence to the corrective action plan. BOP provided documentation of CFS' Corrective Action Plan, which included evidence of the



corrective actions being taken to address the deficiencies identified. Based on the documentation provided, BOP requested the recommendation be closed.

In its response, CFS agreed with our recommendation related to individualized reentry plans and program planning meetings. CFS said it has taken corrective actions to address this area, including staffing changes, refresher training for caseworkers on the proper techniques for writing case notes and meeting deadlines. CFS further commented that a program of ongoing training and supervision would be implemented, as needed, to ensure all staff has the required skills. The CFS response said it recently implemented a tracking tool, distributed to each caseworker, to ensure case notes and other documentation is completed on time.

This recommendation can be closed when we receive documentation of the results of BOP's next scheduled monitoring visit of the facility to verify the contractor's adherence to the corrective action plan.

- 2. We recommend that BOP work with Brooklyn House to ensure inmate employment is verified during the first seven calendar days, and at least monthly thereafter and documentation is adequately maintained in inmate case files.**

Closed. BOP agreed with our recommendation. BOP said in its response that deficiencies in this area had been identified by its monitoring staff during previous on-site monitoring and corrective actions applied. BOP commented that in its most recent monitoring visit, there were no repeat deficiencies in the files reviewed. BOP provided the most recent monitoring report in which it noted that all employment verifications were completed within seven days and monthly thereafter. Based on this documentation, BOP requested the recommendation be closed.

In its response, CFS agreed with our recommendation and said that it held training in July 2014, for employment service staff with an emphasis on reviewing SOW requirements with respect to employment verification, staff reporting, and follow-up. CFS further commented that a central record is kept of resident employment, new hire dates, employment verification, and job site visits, in order to verify documentation deadlines to ensure necessary submission dates are met. CFS also stated that Employment Verification Forms are maintained in the resident case files.

This recommendation is closed based on our review of BOP's most recent on-site monitoring report in which during a review of inmate case files, BOP found employment is verified during the first seven calendar days and at least monthly thereafter and documentation is adequately maintained in the inmate case file.

- 3. We recommend that BOP work with Brooklyn House to ensure drug testing is conducted as required and documentation is adequately maintained in inmate case files.**

Closed. BOP agreed with our recommendation. BOP said in its response that deficiencies in this area had been identified by its monitoring staff during previous on-site monitoring and corrective actions applied. In its two most recent monitoring visits, BOP did not note any deficiencies in the inmate case files it reviewed. BOP provided its three most recent monitoring reports and based on this documentation, requested the recommendation be closed.

In its response, CFS agreed with our recommendation and said Brooklyn House generates a daily list of inmates required to submit to drug testing. Further, it uses a spreadsheet to track all factors related to the requirement, including history of drug abuse, aftercare requirements, and suspected drug use. The tracking tool is reviewed monthly and quarterly by supervisory and management staff to ensure drug testing is conducted as required in the SOW. The CFS response also said the information is maintained in the inmate case files.

This recommendation is closed based on our review of BOP's two most recent monitoring reports in which drug testing was conducted as required and documentation was adequately maintained in inmate case files.

- 4. We recommend that BOP work with Brooklyn House to ensure inmate release plans are submitted to the U.S. Probation Office timely, and that terminal reports are submitted to the BOP timely.**

Closed. BOP agreed with our recommendation. BOP said in its response that deficiencies in this area had been identified by its monitoring staff during previous on-site monitoring and corrective actions applied. In its two most recent monitoring visits, BOP did not note any deficiencies in the inmate case files it reviewed. BOP provided its three most recent monitoring reports and based on this documentation, requested the recommendation be closed.

In its response, CFS agreed with our recommendation. CFS said Case Managers were trained on release plan procedures and supervisors participated in additional training regarding supervision related to on-time completion of release plans, to ensure contract compliance.

This recommendation is closed based on our review of BOP's two most recent monitoring reports in which BOP reported that case files were submitted to the U.S. Probation Office timely, and that terminal reports were submitted to the BOP timely and no discrepancies were found.

- 5. We recommend that BOP work with Brooklyn House to ensure inmate accountability policies approved by the BOP and in place are strictly complied with, including the use of sign-in/sign-out procedures that require documentation is adequately maintained in inmate case files.**

Closed. BOP agreed with our recommendation. BOP stated in its response that deficiencies in this area had been identified by its monitoring staff during

previous on-site monitoring and corrective actions applied. In its two most recent monitoring visits, BOP did not note any deficiencies in the inmate case files it reviewed. BOP provided its three most recent monitoring reports and based on this documentation, requested the recommendation be closed.

In its response, CFS agreed with our recommendation. CFS said in July 2014, it revised the sign-out paperwork, as well as the participants printed passes, which include the name of the staff member who printed the pass. Further, a staff member is required to certify each entry, by initial.

This recommendation is closed based on our review of BOP's two most recent monitoring reports, in which BOP noted no repeat deficiencies in the sign-in and out procedures.

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