



State of Louisiana

**OFFICE OF  
STATE INSPECTOR GENERAL**

**DEPARTMENT OF CORRECTIONS**

**WASTEFUL SPENDING**

Report by

**Inspector General Bill Lynch**

Prepared for

**Governor M. J. "Mike" Foster, Jr.**

**September 15, 2003**

**File No. 1-03-0074**



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Department of Corrections

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**Approved by**

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**September 9, 2003**

**File No. 1-03-0074**

# Department of Corrections

## Wasteful Spending

The Department of Corrections wasted more than \$900,000 the past year by housing state inmates in more expensive parish jail facilities than was necessary. The department paid \$29.39 per day per inmate for hundreds of inmates when it could have housed them in other local government prisons at a rate of \$22.39 per day per inmate.

### Background

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The Department of Corrections is responsible for approximately 36,000 inmates committed by Louisiana courts to the custody of the department. About 20,000 such inmates are incarcerated in state prisons, and about 16,000 are housed at local government facilities such as parish and municipal jails. In accordance with La. R.S. 15:824, and the Basic Jail Guidelines, the department pays local facilities to house state prisoners at a rate of \$22.39 per day per inmate. These facilities have a capacity state-wide to house more than 19,000 state inmates. Thus, more than 3,000 beds in local facilities remain available to the Department of Corrections for housing state prisoners, although local authorities might reserve a small number of those for local inmates.

All facilities which house state prisoners must meet the standards as set forth in the department's Basic Jail Guidelines. The department monitors all such facilities for compliance.

Three local facilities are paid seven dollars more than other local facilities, or \$29.39 per day per inmate, under 20-year cooperative endeavor agreements with the Department of Corrections.

These agreements, or contracts, were made at a time when the state suffered a shortage of space available for state prisoners, a condition which no longer exists. As provided by La. R.S. 15:824, the department was required to pay the extra amount in consideration of the costs to parishes in creating additional space. The agreements also require the department to keep the three facilities filled to at least 40 percent of capacity. This minimum capacity requirement along with the \$29.39 per day per inmate rate are the means to service the bonds issued for construction of these local facilities.

The three local facilities are Morehouse Parish Detention Center, Natchitoches Parish Detention Center and Sabine Parish Detention Center. According to Department of Correction data for June 2003, the three facilities have a combined capacity to house about 694 state inmates. About 635 state inmates were incarcerated in them. These numbers were typical for the past year, according to Department of Corrections officials.

## Wasteful Spending

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The Department of Corrections is contractually required to maintain a population of state prisoners at only a 40 percent of capacity minimum at the three relevant local facilities. However, for the past year, the department kept two of the facilities filled to nearly 100 percent of capacity and the third at about 60 percent of capacity.

In light of that, and because the facilities are paid a rate of \$29.39 per day per state inmate, seven dollars per day per inmate more than it would cost to house the state inmates in local facilities paid only \$22.39 per day per inmate, the department wasted more than \$900,000 in the past year.

Department of Corrections Secretary Richard Stalder said the reason state inmates are housed at more than the 40 percent of capacity minimum at facilities paid the higher rate is because "the department does not control the maximum number of state inmates at those facilities." Deputy Assistant Secretary Melissa Callahan added that, although the

department has the authority for such control, as the inmates are in department custody, there is no method in place for such control. She said the local correctional facilities which do not have space for state inmates send those inmates directly to these and other facilities which do have space.

Under La. R.S. 15:824, the Department of Corrections has authority to determine where state prisoners are incarcerated.

### **Morehouse Parish Detention Center**

In 1992, the department entered into a 20-year cooperative endeavor agreement with the Morehouse Parish Law Enforcement District, represented by the Morehouse Parish sheriff. The agreement requires the department to pay \$29.39 per day per state inmate incarcerated at the Morehouse Parish Detention Center. The department is required to maintain a prisoner population of at least 40 percent of capacity.

A review of department data on the number of state inmates housed at the center and interviews with department officials established that the department maintained a prisoner population at the center of about 93 percent of capacity for the past year.

For example, for June 2003, the department paid the center to house 246 state inmates. Capacity is 264 state inmates. Forty percent of capacity, the minimum required by contract, would have meant maintaining 106 state inmates at the center. By housing 246 instead of 106, the department paid \$29.39 per day per inmate for 140 state inmates who could have been housed at other approved local facilities at a rate of \$22.39 per day per inmate.

Therefore, by housing state inmates at the Morehouse Parish Detention Center at more than the required 40 percent capacity contract minimum, the Department of Corrections wasted more than \$350,000 over the past year.

### **Natchitoches Parish Detention Center**

In 1993, the department entered into a 20-year cooperative endeavor agreement with the Natchitoches Parish Law Enforcement District, represented by the Natchitoches Parish sheriff. The agreement requires the department to pay \$29.39 per day per state inmate incarcerated at the Natchitoches Parish Detention Center. The department is required to maintain a prisoner population of at least 40 percent of capacity.

A review of department data on the number of state inmates housed at the center and interviews with department officials established that the department maintained a prisoner population at the center of virtually 100 percent of capacity for the past year.

For example, for June 2003, the department paid the center to house 329 state inmates. Capacity is 332 state inmates. Forty percent of capacity, the minimum required by contract, would have meant maintaining 133 state inmates at the center. By housing 329 instead of 133, the department paid \$29.39 per day per inmate for 196 state inmates who could have been housed at other approved local facilities at a rate of \$22.39 per day per inmate.

Therefore, by housing state inmates at the Natchitoches Parish Detention Center at more than the required 40 percent capacity contract minimum, the Department of Corrections wasted more than \$500,000 the past year.

### **Sabine Parish Detention Center**

In 1998, the department entered into a 20-year cooperative endeavor agreement with the Sabine Parish Law Enforcement District, represented by the Sabine Parish sheriff. The agreement requires the department to pay \$29.39 per day per inmate incarcerated at the Sabine Parish Detention Center. The department is required to maintain a prisoner population of at least 40 percent of capacity.

A review of department data on the number of state inmates housed at the center and interviews with department officials established that the department maintained a prisoner population at the center of about 60 percent of capacity for the past year.

For example, for June 2003, the department paid the center to house 60 state inmates. Capacity is 98 state inmates. Forty percent of capacity, the minimum required by contract, would have meant maintaining 40 state inmates at the center. By housing 60 instead of 40, the department paid \$29.39 per day per inmate for 20 state inmates who could have been housed at other approved local facilities at a rate of \$22.39 per day per inmate.

Therefore, by housing state inmates at the Sabine Parish Detention Center at more than the required 40 percent capacity contract minimum, the Department of Corrections wasted more than \$50,000 the past year.

**Wasteful Spending by DOC  
for the Past Year**

Facility	Max. Capacity of DOC Inmates	Actual No. of DOC Inmates	Min. No. of DOC Inmates Required by Contract	No. of DOC Inmates Above Contract Minimum	Annual Cost to House DOC Inmates Above Contract Min. @ \$29.39/day	Annual Cost to House DOC Inmates Above Contract Min. @ \$22.39/day	Wasteful Spending by DOC
Morehouse Parish Detention Center	264	246	106	140	\$ 1,501,829	\$ 1,144,129	\$ 357,700
Natchitoches Parish Detention Center	332	329	133	196	\$ 2,102,561	\$ 1,601,781	\$ 500,780
Sabine Parish Detention Center	98	60	40	20	\$ 214,547	\$ 163,447	\$ 51,100
<b>Totals</b>	694	635	279	356	\$ 3,818,937	\$ 2,909,357	\$ 909,580

*Conclusions:*

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1. The Department of Corrections wasted more than \$900,000 during the past year to house state inmates at facilities charging \$29.39 per day per inmate when there was sufficient space available at facilities charging \$22.39.
2. The department lacks procedures to minimize the cost of incarcerating state inmates in local government facilities.

*Recommendations:*

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1. The department should cease wasting money by unnecessarily housing state inmates at more expensive facilities.

2. The department should develop a plan to insure that state inmates are housed in the least costly local government facilities.

*Management Response:*

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A response from Department of Corrections Secretary Richard Stalder is attached.

*IG Comment:*

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The Department of Corrections response that it has no jurisdiction over state inmates is countered by a Fourth Circuit Court of Appeals decision that said, “The legislature by these enactments has manifested a clear intent to leave the physical placement of prisoners within the jurisdiction of the DOC **alone.**” *emphasis added by the court.*

M. J. "MIKE" FOSTER, JR., GOVERNOR



DEPARTMENT OF  
PUBLIC SAFETY AND CORRECTIONS

RICHARD L. STALDER, SECRETARY

September 4, 2003

Mr. Bill Lynch  
Inspector General  
P.O. Box 94095  
Baton Rouge, LA 70804

RE: File No. 1-03-0074

Dear Mr. Lynch:

In response to your report relative to payments for the housing of state inmates in certain local jail facilities for which the supplemental payment for the cost of capitalization has been authorized, the following comments are offered:

- In 1992, the Legislature established a program (La. R.S. 15:8249D.) in which local jails would receive an additional \$7.00 per day to compensate for capital costs for state inmates housed in facilities constructed, purchased, or renovated for that purpose. This was done at a time when the state was experiencing rapid growth in its prison population and was unable to provide sufficient facilities to support full incarceration at the state level. Ultimately, the Legislature appropriated funds for only four facilities, (Vernon, Sabine, Morehouse and Natchitoches Parishes), and then discontinued any further authorization. The logic at the time was to facilitate our access to additional bed space at the local level in a manner that did not require any capital outlay appropriation to local government.
- The agreements stipulate that the Department will "...maintain at all times a population of not less than 40% of jail facility capacity." The statute requires that any debt incurred be approved by the State Bond Commission. It is clear that representations were made during the financing process that the state's lack of beds would result in utilization of these facilities at levels in excess of 40% and that such additional utilization was consistent with the choice the state had made in these cases to outsource the beds. The report indicates that the utilization of 356 beds in excess of the 40% minimum requirement resulted in "wasteful spending" of \$900,000.00. Viewed in historical context, these facilities agreed 10-11 years ago to assume responsibility for constructing prison beds for state inmates. Their revenue stream is based upon housing inmates at current levels. Had the state assumed responsibility

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for building the 356 extra beds in the early nineties, the capital cost would have been in excess of \$21,000,000.00 in current year dollars. (The Southern Legislative Conference estimate of average capital cost per bed for prison construction in 2002 was \$59,980.00.) Annual debt service would have approximated \$2,000,000.00 (assuming state general obligation bonds with a 17.5 year term). In that context, the state is saving \$1,100,000.00 per year.

- The Department believes that La. R.S. 15:824, considering all sections, does not support the conclusion that "...the Department of Public Safety and Corrections has the authority to determine where state prisoners are incarcerated". La. R.S. 15:824A. does grant that authority relative to inmates the Department has accepted for confinement in its facilities. La. R.S. 15:824B.(1)(a), however, establishes that, when such confinement has been delayed and the individual has not been confined in a state institution, then the responsibility of the Department is to pay the legally established per diem to the appropriate governing authority "...until the individual is confined in an institution under the supervision of the Department." The implication is clear that local facilities housing state inmates are not under the control of the Department.

La. R.S. 15:824B.(3) is perhaps most persuasive on this issue. It provides that when "...a person has been committed to the Department but is being confined in a parish jail...the Department shall accept into custody on a priority basis...any such individual who has been determined by the Sheriff...to be dangerous, an escape risk, or afflicted with a physical or mental disorder, upon the request of the Sheriff", (emphasis added).

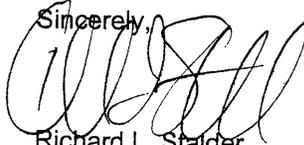
In addition, La. R.S. 15:706 grants broad authority for Sheriffs to transfer inmates between parishes with the only requirement relative to state inmates being that the Sheriff transferring the prisoner shall notify the Department. The Department lacks any statutory authority to control such movements.

- The report indicates that there are 3000 vacant beds available to the state at the local level for housing state inmates. Actually, the 3000 vacant beds represent all vacancies in all local facilities in Louisiana. Were the Department to utilize these vacancies, there would be no beds available at the local level for the legitimate needs of enforcement agencies to temporarily detain arrestees or to house additional misdemeanants. The number of beds realistically available to the Department is far less than 3000.
- Supplemental payments have expired in Sabine and Vernon Parishes. They are being made today only in Natchitoches and Morehouse Parishes.

Bill Lynch  
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In summary, the Legislature authorized by statute and appropriated funds for four parishes to provide additional beds in excess of their needs to house state inmates. The supplemental obligation has expired in two cases. The commitment remains in Natchitoches and Morehouse Parishes and the revenue stream required to support operations and obligations incurred as a result of state policy expressed in La. R.S. 15:824D. exceeds the minimum housing obligation of 40%. Even so, the state has saved money relative to the cost of constructing the "extra beds" referenced in the report. The notion that we should utilize the cheapest available beds in 2003 is not consistent with the historical context of the outsourcing of these beds (which began in 1992 and 1993).

Sincerely,



Richard L. Stalder  
Secretary

RLS:ke