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Tommy G. Thompson
Governor

Jon E. Litscher
Secretary



State of Wisconsin
Department of Corrections

Mailing Address

Bureau of Correctional Enterprises
Post Office Box 8990
Madison, WI 53708-8990
Telephone (608) 246-7920

Effective: March 29, 1999

MEMORANDUM

To: All BCE Staff

BCE Policy and Procedures
Policy and Procedures No. 18A

From: Steve Kronzer, Director *[Signature]*
Bureau of Correctional Enterprises *[Signature]*

Subject: **Comparable Wage Rates for Private Sector Industries**

Supersedes: Comparable Wage Rates for Private Sector Industries - Effective February 25, 1993.

Policy: Inmate worker compensation including wages, bonuses and piecework rates (if paid) for inmate workers in operations certified under the Private Sector/Prison Industries Enhancement Certification program are to be comparable to the wages paid for work of a similar nature in the locality in which the work is performed.

Procedure:

- I. Prior to the implementation of a program certified under the Private Sector/Prison Industries Enhancement Certification program, the Private Sector Industries Coordinator shall request a written list of wage rates for similar jobs in the area where the industry shop is to be located from the Wisconsin Department of Workforce Development (DWD).
- II. In the event that DWD is unable to provide this information, the Private Sector Industries Coordinator will conduct a salary survey in the locality for approval by DWD. Further, the Private Sector Industries Coordinator shall assure that federal minimum wages are paid to inmates employed in the above-certified programs.
- III. On an annual basis, the Private Sector Industries Coordinator shall request an updated written list of the above wage rates.
- IV. The Private Sector Industries Coordinator shall maintain a file of correspondence and contacts with DWD.



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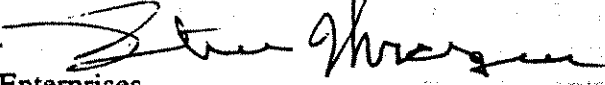
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Effective: March 29, 1999

MEMORANDUM

To: All BCE Staff
BCE Policy and Procedures
Policy and Procedures No. 18B

From: Steve Kronzer, Director 
Bureau of Correctional Enterprises

Subject: **Impact of Private Sector Industries on Labor in the Locality**

Supersedes: Impact of Private Sector Industries on Labor in the Locality - February 25, 1993.

Policy: Industry programs certified under the Private Sector/Prison Industries Enhancement Certification program shall not:

1. Result in the displacement of employed workers
2. Be applied in skills, crafts, or trades in which there is a surplus of available gainful labor in the locality.
3. Impair existing contracts for services.

Procedure:

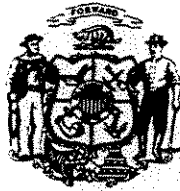
- I. Prior to the implementation of a program certified under the Private Sector/Prison Industries Enhancement Certification program, the Private Sector Industries Coordinator shall advise the Wisconsin Department of Workforce Development (DWD) in writing of the proposed program, and request that they review the program as to the possible displacement of employed workers; the surplus of available labor in the locality of the program; and any impairment of existing contract for services, and request that DWD respond in writing.
- II. The Private Sector Industries Coordinator shall maintain a file of correspondence and contacts with DWD.
- III. Prior to implementation contracts will be written to include explicit assurances that there will be no transfer of private sector functions to inmate workers at the expense of private sector employees. Each contract shall include the following definition of displacement:

- A. Displacement has occurred when an employee or employees in a business operation in the State of Wisconsin are laid off as a direct result of work being performed in a prison as part of the Wisconsin Department of Corrections' Private Sector Industries Program.
- B. Displacement has also occurred when, through no fault of their own, an employee or employees in a business operation in the State of Wisconsin are permanently transferred to another job which reduces their base pay (excluding overtime, differentials, bonuses) by more than 25% as a direct result of work performed in a prison as part of the Wisconsin Department of Corrections' Private Sector Industries Program.

IV. Private Sector Partners must post a notice provided by the Department in all of its work places describing the nature of the contract, the definition of displacement and a Department contact for employees who believe they may have been displaced as a direct result of work performed in a prison as part of the Wisconsin Department of Corrections' Private Sector Industries Program.

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MEMORANDUM

To: All BCE Staff

BCE Policy and Procedures
Policy and Procedures No. 18C

From: Steve Kronzer, Director
Bureau of Correctional Enterprises

A handwritten signature in black ink, appearing to read "Steve Kronzer".

Subject: **Consultation with Business Regarding Proposed Private Sector Industries**

Supersedes: Consultation with Business Regarding Proposed Private Sector Industries -
February 25, 1993.

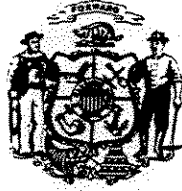
Policy: Prior to the establishment of a new industry operation to produce goods for sale in interstate commerce under the federal Private Sector/Prison Industries Enhancement Certification program, the Bureau of Correctional Enterprises shall consult with area businesses who might potentially be affected.

Procedure:

- I. During the development of, and prior to the implementation of a program requiring certification under the Private Sector/ Prison Industries Enhancement Certification program, the Private Sector Industries Coordinator shall contact private businesses in the area that do similar work where the project is to be located. The Private Sector Coordinator shall also apprise the local Chamber of Commerce or other trade organizations, if any exist, in writing of proposed programs, and solicit comments, concerns, and recommendations.
- II. The Private Sector Industries Coordinator shall maintain a file of all contacts with Chambers of Commerce, and affected businesses.

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Effective: March 29, 1999

MEMORANDUM

To: All BCE Staff

BCE Policy and Procedures
Policy and Procedures No. 18D

From: Steve Kronzer, Director
Bureau of Correctional Enterprises

A handwritten signature in black ink, appearing to read 'Steve Kronzer', written over the typed name.

Subject: **Consultation with Labor Unions Regarding Proposed Private Sector Industries**

Supersedes: Consultation with Labor Unions Regarding Proposed Private Sector Industries-
February 25, 1993.

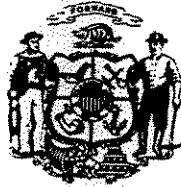
Policy: Prior to the establishment of a new prison industry operation to produce goods for sale in interstate commerce under the federal Private Sector/Prison Industries Enhancement Certification program, the Bureau of Correctional Enterprises shall consult with representatives of the appropriate labor unions.

Procedure:

- I. During the development of and prior to the implementation of a program's beginning certification under the Private Sector/Prison Industries Enhancement Certification program, the Private Sector Industries Coordinator shall contact labor unions who represent workers in similar manufacturing operation. The Private Sector Industries Coordinator shall apprise the appropriate labor unions in writing of the overall proposed project involving inmate labor, and solicit written comments, concerns, and recommendations. If there is no local labor union to be contacted, state-wide labor organizations shall be notified.
- II. The Private Sector Industries Coordinator shall maintain a file of all contacts with labor unions.

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Effective: March 29, 1999

MEMORANDUM

To: All BCE Staff
BCE Policy and Procedures
Policy and Procedures No. 18E

From: Steve Kronzer, Director 
Bureau of Correctional Enterprises

Subject: **Inmate Participation in Private Sector/Prison Industries Enhancement Certification Programs**

Supersedes: Inmate Participation in Private Sector/Prison Industries Enhancement Certification Programs - February 25, 1993.

Policy: Inmate employment in industry programs certified under the federal Private Sector/Prison Industries Enhancement Certification program shall be voluntary, and the inmate workers shall agree in advanced, and in writing to the deductions from their gross wages.

Procedure:

- I. Upon selection but prior to starting work in a certified Private Sector/Prison Industries Enhancement Certification program, each inmate shall read and sign the attached form. The original of this form shall be forwarded to the Private Sector Industries Coordinator, and a copy placed in the inmate's industry personnel file.

**Department of Corrections
Division of Adult Institutions
Bureau of Correctional Enterprises**

PS/PIEC Inmate Employment Agreement

Inmate employment in a certified federal Private Sector/Prison Industry Enhancement Certification (PS/PIEC) Program operation is voluntary participation.

Inmates working in a PS/PIEC program will be paid a gross wage comparable to that paid in the private sector for similar work in the locality where the work is performed, but no less than the federal minimum wage.

Deductions will be made from the inmate's gross pay for:

1. Taxes (state, federal, social security, etc.)
2. Inmate Program Maintenance (at current DOC rate of 50% of gross wages).
3. Family Support (if applicable)
4. Contribution to the state Victims Compensation Program in the Department of Justice (per WI. Stats 949) equal to 5% of the gross wages.

The total of these deductions will not exceed 80% of the gross pay. Net pay after deductions will be deposited in the inmate's account and managed in accordance with DOC 309.

Inmates working in a PS/PIEC program waive all rights to be included in the unemployment compensation program of the State of Wisconsin related to this employment.

I have received a copy of the Prison Industries Inmate Workers Handbook. I have read, understood, and agree to the above as a condition of my employment.

Inmate Worker Signature

Inmate Number

Date

Witnessed by:

Supervisor's Signature

Date

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Effective: March 29, 1999

MEMORANDUM

To: All BCE Staff

BCE Policy and Procedures
Policy and Procedures No. 18F

From: Steve Kronzer, Director
Bureau of Correctional Enterprises

A handwritten signature in cursive script, appearing to read 'Steve Kronzer'.

Subject: **Inmate Wages Under the PIE Program**

Supersedes: Inmate Wages Under the PIE Program - May 23, 1996

Policy: Inmate workers participating in industry programs certified under the federal Private Sector/Prison Industries Certification (PS/PIEC) Program shall be paid a prevailing wage comparable to work of similar nature in the locality in which the work is to be performed, or at least the federal minimum wage.

Procedure:

- I. The federal rules and our Administrative Rules stipulate the inmates participating in a PIE project will receive gross wages equal to wages paid in the geographic area for work that is comparable or at a minimum, the federal minimum wage.
- II. To determine comparability, data will be secured from DWD of wage rates for comparable work in the area of the industry. If training rates are used in private industry, those training rates may be used but only for the length of training time that is, according to DWD, the industry standard.
- III. Payment based on piece rates is permitted but a standard, documented production rate must be in place. Current federal guidelines require payment of no less than prevailing wage as determined by DWD.
- IV. In no case may the gross wages (wages before deductions) paid to an inmate in a PIE program be less than the current federal minimum wage.

visualize the space and facilities available. While the Fact Finding appointments and sites visit are not mandatory, companies that elect not to participate in them will not enjoy the same advantage as those that do.

2.2 Phase 2 -- CONCEPT

Once interested companies have formulated and developed ideas about possible partnerships, the next step is the CONCEPT Phase. During this phase, companies may draft a Concept Paper, applying the facts found in Phase 1 -- FACT FINDING. An internal panel of Department Representatives will review Concept Papers for feasibility, clarity and completeness to provide companies with feedback. The Oral Presentations give companies that elect to participate in them the opportunity to elaborate their concepts and receive feedback from the panel of Department Representatives. The goal of the Concept Phase is to provide companies with direction for completing an effective final proposal. While the Concept Paper and review are not mandatory, companies that choose not to participate in this phase will not enjoy the same advantage as those that do. All companies submitting Concept Papers will be encouraged to submit proposals.

2.3 Phase 3 -- PROPOSAL

During the PROPOSAL Phase, interested companies produce final proposals that will be evaluated by a committee consisting of representatives from a business trade organization, labor, private business and correctional institutions. The proposals for business partnership with Prison Industries found to meet mandatory requirements and recommended by the committee as suitable for operation will be submitted to the DOC Secretary for review and approval and forwarded to the Prison Industries Board for final approval.

EVALUATION AND AWARD

3.1 Evaluation Process

Evaluation of the proposals will be first based on meeting seven Mandatory Requirements. Proposals not meeting the Mandatory Requirements must be rejected.

Mandatory Requirements

1. Inmate Employment will not result in the displacement of private sector workers.
2. Inmate Employment will not be applied in skills, crafts or trades in which there is a surplus of available labor in the locality. Proposers must document attempts to hire employees to fill positions proposed, consideration or use of state jobs programs and employee transportation programs.
3. Inmate Employment will not impair existing contracts for services with proposer's vendors/suppliers.
4. Inmate Employment will not replace workers involved in a strike situation.
5. Inmates will not work with raw materials or produce finished goods which represent an unacceptably high level of potential risk to the safety and security of the correctional institution (e.g. gun powder, guns, dynamite, explosive chemicals).
6. At full operation at least 10 inmates will be employed.
7. After start-up the project will not result in a loss of funds by the Department.

Note: The Private Sector Industries Coordinator will review information obtained from the following governmental agencies: U.S. Occupational, Safety, and Health Administration (OSHA), Wisconsin Department of Agriculture, Trade & Consumer Protection, Wisconsin Department of Workforce Development, U.S. Department of Labor, U.S. Environmental Protection Agency for NEPA, and the Wisconsin Natural Resources Department for WEPA and the Federal Trade Commission. Agencies similar to the Wisconsin Departments listed will be contacted if the company does business or is located in other states.

4.2 Concept Paper Content

Cover Page	Private Business/Prison Industries Partnership RFP# BSI- (99) July 16, 1999 Company Name
Section 1 -- General Information	Company Name and Address Predecessor Companies Name and Address Current and Past Companies of Major Officials Preparer / Primary Contact Name, Telephone #, Fax #
Section 2 -- Company Synopsis	Company Description: Ownership, Structure Product(s) or Service(s) Current Operations, Facilities
Section 3 -- Prerequisites	Market Analysis and Competitive Analysis Reason for Interest and Attempts to Cure
Section 4 -- Concept Summary	Specifically Address Seven Mandatory Requirements (see Section 3.1) Management Structure (see Section 4.3 Plan Management Options) General Manufacturing / Operations Description
Section 5 -- Inmate Workforce	Sales Approach and Responsibilities Position Titles and Duty Outlines Initial Number of Inmate Jobs
Section 6 -- Financial Plan	Employment Growth Projection Expense Responsibility Delineation -- State vs. Company <ul style="list-style-type: none">• General Expenses• Administrative Expenses
Section 7 -- Required Forms	<ul style="list-style-type: none">• Capital Expenditures Affidavit Designation of Confidential and Proprietary Information

4.3 Plan Management Options

Options for structuring partnerships are limitless. Companies may choose to pattern partnership management after the following four models or modify them according to their needs. More than one proposal may be submitted using different models.

- **Employer Model** - The private sector company owns and operates the business within a prison and has direct control over hiring, training, evaluating and paying the inmate workforce. The company also provides equipment, supervision and management. Prison Industries makes available the inmates, space, utilities and security. A variation of this is the **Manpower Model**. In this model the private business provides materials, supervision, training and marketing while Prison Industries provides and pays the labor force, controlling hiring and evaluating. A pre-determined monthly fee compensates Prison Industries.
- **Customer Model** - The private sector company purchases the output of a business which is owned and operated by Prison Industries, but has limited involvement in the business. Inmates work for Prison Industries.
- **Manager Model** - The private sector company manages a Prison Industries owned business. The company provides management and supervision, and purchases the product. Prison Industries provides space, utilities, equipment, and raw materials. Industries hires and pays the inmates.

Expense Responsibility Delineation -- State vs. Company and Cost Detail:

General Expenses

- Raw Materials
- Utilities
- Space Lease
- Miscellaneous Tools & Supplies
- Receiving / Shipping

Administrative Expenses

- Security
- Supervision
- Payroll
- Hiring / Training / Evaluation / Termination

Capital Expenditures

- Plant Improvement
- Equipment Purchase
- Plant and Equipment Maintenance

Financial Schedules -- Monthly: Months 1-6; Annual: Years 1-3

- Pro Forma Sales Projection
- Pro Forma Income Statement
- Pro Forma Balance Sheet
- Pro Forma Operational Cash Flow Statement

Section 7 -- Required Forms

Affidavit

Designation of Confidential and Proprietary Information

Section 8 -- Financial Statements

Dun & Bradstreet Number, Federal & State Tax ID's, FEIN

Three years financial statements including balance sheets / profit and loss statements

Interim financial statement including balance sheet / profit and loss statement

Three years Corporate tax returns / Schedule C

Aging report of accounts payable

Summary of any litigation, bankruptcy or business tax delinquency in the previous 7 years for the company, predecessor companies, current and past companies of major officials, and/or principals

References, including name, address, telephone number (e.g. financial institutions, suppliers, customers)

5.4 Incurring Costs

The State of Wisconsin is not liable for any cost incurred by proposers in replying to the RFP.

5.5 Submitting Proposal

Proposers should submit an original plus 4 copies of the Proposal and related materials directed to:

Steve Scannell, Senior Purchasing Agent
Bureau of Correctional Enterprises
2917 International Lane
Madison, WI 53704

To maintain confidentiality, Proposals must be packaged and sealed. Show the following information on the outside of the package:

Proposer's name and address:

Title:

Number:

Submitted:

(_____)
"Private Business/Prison Industries Partnership
RFP# BSI-76(00)
Date

Tommy G. Thompson
Governor

Jon E. Litscher
Secretary



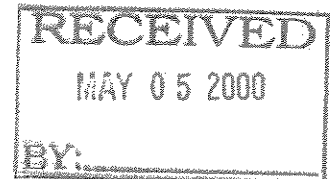
State of Wisconsin
Department of Corrections

Mailing Address

149 East Wilson Street
Post Office Box 7925
Madison, WI 53707-7925
Telephone (608) 266-2471
Fax (608) 267-3661

May 3, 2000

The Honorable Brian B. Burke, Co-Chair
Joint Committee on Finance
Room 316 South, State Capitol
Madison, Wisconsin 53702



The Honorable John Gard, Co-Chair
Joint Committee on Finance
Room 315 North, State Capitol
Madison, Wisconsin 53702

Dear Senator Burke and Representative Gard,

Section 303.01(1)(c) states that, "prior to establishing any prison industry, the Department shall provide written notification of its proposed action to the co-chairpersons of the Joint Committee on Finance. The co-chairpersons shall hold a public hearing before the Committee concerning the proposal." And in Section 303.01(2)(em)... "The Department may enter into a contract under this paragraph only with the approval of the Joint Committee on Finance."

I would like you to consider this letter as written notification to you and your Committee of our intent to establish a Joint Private Sector Venture authorized in Act 27 Laws of 1995, the biennial budget act. I would greatly appreciate your willingness to expedite the announcement of a public hearing on this matter.

Private Sector Venture with RMG, Inc.

RMG, Inc. has its headquarters in Litchfield, Illinois. The company operates three call centers in central, southern and northern Illinois, and recently opened a fourth center in an Iowa prison. These operations are doing lead generation for their parent company, Sunterra Resorts, who sell time-shares at its sixty-six resorts located throughout the world. At full operations, 144 inmates would be employed by this project at the Oshkosh Correctional

Institution. The inmates would be charged with the task of setting appointments for resort sales presentations. They will do no sales nor will they have access to phone numbers, addresses, social security numbers, or financial transaction information. No calls would be placed to individuals in Wisconsin.

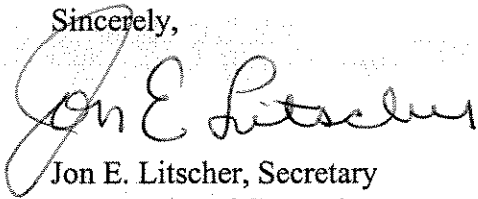
The attachment provides the detailed outline of the proposed agreement. RMG, Inc. will provide operations supervisors and trainers, equipment and related operating costs, administrative overhead, rent and inmate wages. The institution will provide security. The Department, through program maintenance revenues received from this venture, will pay for facility modifications. Inmates will be paid prevailing wages.

It is anticipated this project could begin in July, 2000.

The Prison Industries Board approved the RMG, Inc. project at its April 27, 2000 meeting. I am encouraged by this partnership and the significant number of meaningful inmate jobs it will create. I would appreciate it if you would facilitate the scheduling of this hearing and action. I also remind you that a proposed Private Sector Venture with Helgesen Industries was submitted to you in November, 1999 but as of this date no hearing has been scheduled. Together, the Helgesen and RMG ventures would create over 160 inmate jobs. This would have a significant impact on our unacceptable level of inmate idleness.

My staff and I will be available to respond to any questions you or members of the Committee may have.

Sincerely,



Jon E. Litscher, Secretary
Department of Corrections

cc: Governor Tommy G. Thompson
Secretary George Lightbourn
Members, Joint Committee on Finance

Attachments – Project Description and Proposed Contract

PRIVATE SECTOR VENTURE

WISCONSIN DEPARTMENT OF CORRECTIONS

BUREAU OF CORRECTIONAL ENTERPRISES

and

RMG, INC. FOR SUNTERRA RESORTS

LITCHFIELD, ILLINOIS

APRIL, 2000

Private Sector Venture

A. Private Sector Company (Contractor)

RMG, Inc. for Sunterra Resorts
419 N. State Street
Litchfield, Illinois 62056

Phone: (217) 324-5511
FAX: (217) 324-6396

RMG, Inc. operates three telemarketing centers in central, southern and northern Illinois. They also recently opened a center in an Iowa prison. These operations are doing lead generation for their parent company, Sunterra Resorts, who sell time-shares at its sixty-six resorts located throughout the world. The company had sales of almost \$500 million in 1999, with over 300,000 families enrolled in vacation ownerships.

RMG is a start up company, whose stock ownership will be transferred to Sunterra Resorts by September 1, 2000. Current employment at its three call centers is 225, but there is a need for 800 employees. Forty-eight inmates are currently employed at the Iowa prison with a target employment of 193 inmates by August 1, 2000.

An evaluation of the financial status of Sunterra Resorts indicates that the company is in good financial condition.

B. Nature of the Joint Venture

The Department of Corrections will provide inmate labor to establish a call center in existing space at the Oshkosh Correctional Institution. This call center will eventually operate for two-six hour shifts, four days per week and one-six hour shift, three days per week. Up to 144 inmates will be employed when fully operational, which should be within one year.

Inmates will be charged with the task of setting appointments for resort sales presentation. The inmates will not be performing any sales function. Master dialing equipment will dial the phone number. Inmates will not have access to phone numbers, addresses, social security numbers or financial transaction information. They will simply read from the script shown in Attachment #1 and enter the appropriate responses and appointment time into the computer. The terminals are "dumb" terminals, allowing no access to any database. RMG staff will monitor phone calls. No calls will be made to any Wisconsin phone number.

The company will provide the equipment necessary to conduct the operation including phones, phone lines, terminals and a computerized predictive dialing system. The company will also provide and pay for staff to train inmates and supervise the day to day work of the inmates. The Department will provide facility modifications, work stations, security supervision, administrative support including the recruitment and hiring of inmates, the evaluation, termination and paying of inmates. Under the standard classification of private sector projects, this arrangement would be a "manpower model." The current projects are classified as "customer models."

The company entitles the positions as Telemarketing Service Representatives (TSR). Given the limited duties of the inmates, we are identifying the positions as Appointment Makers. There will be three levels, paid as follows:

- Appointment Maker Trainee \$6.00 Per Hour
- Appointment Maker \$6.25 Per Hour
- Appointment Maker Senior \$6.50 Per Hour

Bonus plans will also be developed to reward good performance.

This Private Sector Venture will be providing a service which means it does not fall under the federal Prison Industry Enhancement Certification Program (PIECP) codified under 18 U.S.C. 1761 and will not be certified as a PIECP project. The requirements under PIECP apply only to the manufacturing of a product. Despite that, in selecting and designing this partnership, the Department, with a few minor exceptions, has complied with the requirements of a PIECP project.

C. Contract Provisions

A copy of the draft contract is attached as Attachment #2. The provisions of the contract include:

- A definition of responsibilities for various costs as outlined in "B" above;
- A definition of responsibilities for damage or loss and liability;
- Assurances that security rules and regulations apply to both the contractor and their staff;
- Employment of a minimum of ten (10) inmate employees to be paid no less than is being paid for similar work in the locality that the work is being performed as determined by the Department of Work Force Development or the Department of Corrections when not available from the Department of Work Force Development;

- Financial provisions as further defined in section "E";
- Provision that the contract will run three years with two-five year renewals. It further stipulates that the contract can be terminated by either party with ninety (90) day's notice. However, the Department can cancel on written notice due to non-appropriation of funds, contractor's failure to materially comply with the agreement or changes in State or federal law;
- Provision which prohibits displacement of private sector workers in this state. Displacement is defined to prohibit, in this state, layoff or transfer of employees with a substantial reduction in pay. The contractor is required to post notices in their Wisconsin operations.

D. Need for the Contract

Current employment at RMG call centers is 225, with a need for 800 workers. An additional 48 workers are employed at an Iowa prison.

The following agencies have been used as a source to find qualified employees on a temp to hire basis. The goal is to retain these employees as full time employees after sixty- (60) day's employment through temp agencies. These agencies are temporary placement services or they can also be used for immediate placements for a set fee. Pre-employment screening (i.e.: reference checks, testing, etc.) is provided by these agencies. RMG recruited from these sources with some success, but they never have the number of qualified individuals for the number of job orders they are given.

Express Personnel
924 Clocktower Drive
Springfield, IL 62704
(217) 787-6202

Kelly Services
2815 W. Washington
Springfield, IL 62727
(217) 793-1226

Temporary Staffing
P.O. Box 532
Litchfield, IL 62056
(217) 324-2001

LFI Staffing
320 Brookes Drive
Hazelwood, MO 63042

The available media have also been used extensively to advertise vacancies, including the following:

Hillsboro Journal
431 S. Main
Hillsboro, IL 62049
(217) 532-3933

M & M Shopper
431 S. Main
Hillsboro, IL 62049
(217) 532-3933

Carlinville Democrat
118 N. West
Carlinville, IL 62626
(217) 854-2561

Montgomery County News
Court House Square
Hillsboro, IL 62049
(217) 532-3929

Litchfield Herald
112 E. Ryder
Litchfield, IL 62056
(217) 324-2121

Alton Telegraph
111 E. Broadway
Alton, IL 62002
(618) 463-2500

Employment Guide
2335 Weldon Parkway
St. Louis, MO 63146
(314) 434-0222

Edwardsville Intelligencer
117 N. 2nd Street
Edwardsville, IL 62025
(618) 656-4700

In addition, RMG has used the following recruitment resources, including the Illinois equivalent to W-2 program and an organization for the disabled:

**Illinois Department of Employment
Security/Job Service**
502 East Edwards
Litchfield, IL 62056
(217) 324-6221

**Springfield Association for
Retarded Citizens, Inc.**
232 North Bruns Lane
Springfield, IL 62727
(217) 793-2100

**Lewis and Clark Community
College**
5800 Godfrey Road
Godfrey, IL 62035
(618) 466-3411

**Lincoln Land Community
College**
5250 Shepherd Road
Springfield, IL 62727
(217) 786-2200

Blackburn College
700 College Avenue
Carlinville, IL 62626
(217) 854-3231

Further, as indicated earlier, RMG has recently opened a call center in an Iowa prison. Despite all these efforts, the company continues to be seriously short of workers.

The company has indicated that they would be interested in employing inmates who successfully worked in the program at Oshkosh Correctional Institution.

E. Financial Provision of the Venture

The Department will bill the company for the following:

- Inmate wages;
- Administrative overhead of \$5.50 per inmate per pay period to cover cost of hiring, evaluating, orienting, terminating and paying inmates, as well as management costs and an equivalent amount for workers compensation and unemployment compensation;
- Monthly lease fee of \$0.10 per square foot of space.

The company will also pay for:

- Staff to provide program management and supervision of the operations and training for the inmates;
- All equipment and necessary connectors needed for the operation, valued at over \$400,000;
- All supplies and materials.

The Department will provide:

- Physical remodeling of the work space, tentatively estimated to cost \$152,000, and work stations, estimated to cost \$8,200. The remodeling costs would be funded under an existing project at the Oshkosh Correctional Institution, which authorized \$1 million in PRO Bonding for a Private Sector industry program. The Bonding will be repaid from the program maintenance funds.
- Security staffing as determined by the institution;
- Utilities needed for the operation except lines, maintenance and ongoing costs for phones;
- Training for the company's staff.

As a conservative estimate, assuming all 144 inmates at beginning wages of \$6.00 per hour revenues realized on an annual basis at full operation would be \$1,546,800. Program Maintenance collected would be \$761,904.

F. Issue of Displacement

Wisconsin Statutes and the Department's policy prohibits displacement if it results in an employee in Wisconsin being laid off or permanently transferred to another job that reduces the employee's base pay by more than 25%. RMG has no Wisconsin operations and therefore a Wisconsin prison program could never displace according to the current definition. If RMG were to establish a Wisconsin operation, then this provision would apply. Despite this, RMG's need for workers makes it extremely unlikely they would even consider reducing their own workforce.

G. Events and Time Schedule

- April, 2000 Prison Industries Board review
- May, 2000 Notice to Joint Finance Committee for Public Hearing and Executive Action
- May, 2000 Final contract approval by DOC Secretary and RMG
- July, 2000 Begin operations

SCRIPT

Hi, is Mr. or Mrs. _____ there?

This is _____ calling from Resort Marketing Group.
How are you today?

(First Name) You have been randomly selected to possibly receive a Personal CD Player (retail value \$69.00) and a Gift Certificate for the Olive Garden or Red Lobster (retail value \$40.00).

C O N G R A T U L A T I O N S !!

Now (first name), I do need to go over some information with you.

Do you have an annual income over \$30,000?

Are you a U.S. Citizen?

Are you between the ages of 25 and 75?

Are you currently employed or retired?

This promotion is sponsored by Resort Marketing Group, and you are invited to attend a short 90-minute presentation on our discounted travel services.

You may claim gifts at our local Schaumburg office. We have a (example - Tuesday or Thursday) available. Which day will be the best for you? (Once they have picked a day, now offer two time periods, an early and a late). (Set appointment).

(Ask them to get a pen and paper)

(Repeat day and time of appointment.) Our telephone number is 1-800-876-9859 and your travel claim number is _____ (your operator number - project number).

It is very important that you call that number on (day before appointment) between the hours of 8:00 a.m. and 10:00 a.m. to confirm that you will be there to meet with one of our travel representatives.

Our address is 1920 N. Thoreau Dr., Suite 105, Schaumburg, IL 60173. (Give directions).

If you are married, or have a significant other, they are required to attend the presentation with you.

You will also need to bring along 2 forms of identification. One being a driver's license or State ID, and a major credit card or checkbook. This is for identification purposes only. Due to space consideration we ask that you make other arrangements for children under 8 and pets.

Do you have any questions?

My supervisor will be giving you a call in just a few minutes to verify your day and time and also to make sure I didn't leave anything out.

Congratulations!!!

March 13, 2000

CONTRACT BETWEEN THE DEPARTMENT OF CORRECTIONS
AND RESORTS MARKETING GROUP, INCORPORATED, FOR THE
EMPLOYMENT OF PRISON INMATES

This contract is entered into between the Department of Corrections, State of Wisconsin, hereinafter referred to as the "Department," and Resorts Marketing Group, Incorporated, (RMG, Inc.) hereinafter referred to as the "Contractor," for the purpose of employing inmates at the Oshkosh Correctional Institution (Oshkosh) or at other prison sites agreed to by the parties, pursuant to Sec. 303.01(2)(em), Wis. Stats., to provide Contractor's services.

I. GENERAL

- A. Operations: The Department shall perform part of the Contractor's telemarketing service operation, related to setting tour appointments for the timeshare industry as specified by the Contractor.
- B. Location: The Department shall provide locations within the perimeter of Oshkosh or at other prison sites agreed to by the parties which are suitable to the telemarketing operation. The Department shall hire, evaluate and pay the inmates who will conduct the telemarketing operation. The Department will also provide security supervision. The Contractor shall provide operations supervision and inmate training.

II. CONDITIONS OF OCCUPANCY

- A. General: Nothing herein shall be construed as creating either a rental agreement or a lease and the Contractor shall not have the right to sublet, sublease, assign, transfer or enter into any other agreement regarding the telemarketing service operation to be performed at the prison(s).
- B. Utilities: The Department shall provide water, gas, trash removal and electricity which are necessary for the provision of Contractor's services.
- C. Equipment: Equipment necessary to provide the telemarketing service shall be provided by the Contractor.
- D. Damage or Loss: The risk of damage to or loss of all, personal property, equipment, improvements or fixtures or other property of any kind or description whatsoever used in the telemarketing service operation, or installed or brought into the industry area by the Contractor or the Contractor's employees or agents, shall be solely the Department's, except for normal wear and tear. Contractor shall bear the cost of damage or loss of Contractor's property which is damaged or lost by Contractor's employees.
- E. Security: The Department shall provide an orientation session, including written documentation, to the Contractor and the Contractor's employees regarding the security procedures at Oshkosh and other prison sites. Upon completion of the

security orientation session, Contractor shall acknowledge receipt of documentation of such procedures and agree in writing to comply with all such procedures.

Failure to comply with the security procedures at Oshkosh or other prison sites is grounds for termination of this agreement.

The Contractor understands that its employees are subject to search before entering or leaving prison facilities. The Department shall maintain security during the course of the Contractor's workday in the telemarketing area as determined by the Warden at the prison site.

The Contractor and its employees shall comply with all policies and procedures at Oshkosh and other prison sites and all applicable federal, state and local laws, ordinances and regulations. Scripts used by inmates and information available to inmates as part of this operation shall have the prior approval of the Department.

III. CONDITIONS OF EMPLOYMENT OF INMATES

- A. General: The Department shall hire, evaluate and pay inmates who have the skills which Contractor has identified for its telemarketing operation. The Department will provide telemarketing services to Contractor's specifications. Contractor's supervisory staff and the Department shall train inmate employees. Contractor shall identify operational standards for the inmate employees.
- B. Inmate Work Force: The telemarketing service operation contemplated by this agreement shall require the employment by the Department of a minimum of 10 inmate employees.
- C. Wage Schedule: Inmate employee compensation shall be no less than that paid for work of a similar nature in the locality in which the work is to be performed as determined by the Department of Workforce Development or the Department of Corrections when not available from the Department of Workforce Development.
- D. Work Schedule: The telemarketing operation shall be conducted during regular hours as determined by the Department.

IV. PAYMENT

The Department shall bill Contractor monthly according to the following rate for inmate work hours:

- A. Wage as determined by the Department of Workforce Development or the Department of Corrections when not available from the Department of Workforce Development, for the appropriate job title. Plus any bonus payments as approved by the Warden and,
- B. Administrative Fee of \$5.50 per inmate per pay period and,

C. Monthly lease fee of \$0.10 / sq. ft. of space.

Contractor shall mail payment to the Department within 30 days of receipt of the bill.

The wage rates referred to above shall be adjusted to reflect changes in the wage rates as determined by the Department of Workforce or the Department of Corrections when not available from the Department of Workforce Development. The administrative fee and lease fee will be reviewed and recertified by DOC yearly on the anniversary date of this agreement.

V. WORK STOPPAGE; FORCE MAJEURE:

Neither the State of Wisconsin nor the Department nor their employees or agents shall be liable for any damages to Contractor or any third party growing out of or related to any work stoppage regardless of the reason therefor.

In the event of a work stoppage the Department will promptly notify the Contractor of the stoppage and the projected duration of the stoppage.

Neither party shall be liable for any delay in the performance of any obligation under this agreement for any cause beyond its reasonable control, including, without limitation, acts of God, labor disputes, fire, natural phenomena or governmental restrictions.

VI. TERMINATION

This agreement shall terminate three years after the last date of signature of the parties hereto. Notwithstanding the foregoing, either party may terminate this agreement for any reason after giving the other party ninety days written notice. The notice period shall begin to run upon receipt of the notice.

It is the intention of the parties to negotiate two consecutive five-year extensions to this contract for an additional total of 10 years.

VII. NOTICE

All notices required to be given by the terms of this agreement, shall be sent to the Department as follows:

Secretary, Department of Corrections
P.O. Box 7925
Madison, WI 53707-7925

To the Contractor as follows:

RMG, Inc.
Mr. William Bailey
419 N. State Street
Litchfield, IL 62056

VIII. LIABILITY

Each party agrees to hold the other harmless, including its officers, agents and employees, from any and all liability, including claims, demands, losses, costs, damages, attorney fees and expenses of every kind and description, or damages to persons or property arising out of, or in connection with, or occurring during the term of this agreement where such liability is founded upon or grows out of the acts or omissions of any of its officers, employees or agents and where financial responsibility or the acts or omissions of state officers, employees or agents is produced by sections 893.82 and 895.46, Stats.

IX. NONDISCRIMINATION

In connection with the performance of work under this agreement, Contractor agrees not to discriminate against any employee or applicant for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability as defined in Sec. 51.01(5), Wis. Stats., sexual orientation or national origin. This provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; lay-off or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Except with respect to sexual orientation, Contractor further agrees to take affirmative action to ensure equal employment opportunities.

X. CANCELLATION

The State of Wisconsin reserves the right to cancel, on any written notice, any contract in whole or in part without penalty due to nonappropriation of funds or for failure of the Contractor to materially comply with the terms, conditions and specifications of this agreement.

This agreement is contingent upon authorization of Wisconsin and United States law and any material amendment or repeal of the same shall serve to revise or terminate this agreement, except as further agreed to by the parties hereto.

XI. ALL WRITINGS CONTAINED HEREIN

This agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this agreement shall be deemed to exist or to bind the parties hereto.

XII. ASSIGNMENT

Contractor shall not assign or transfer this agreement without the prior written consent of the Department.

XIII. PATENT OR COPYRIGHT INFRINGEMENT

Contractor guarantees that the sale or use of the articles pursuant to this agreement will not infringe any United States patent or copyright. Contractor covenants that it will at its own expense defend every suit which shall be brought against the State of Wisconsin or the Department or its employees or agents (provided that Contractor is promptly notified of such suit and all papers therein are delivered to it) for any alleged infringement of any patent or copyright by reason of the sale or use of such articles and Contractor agrees that it will pay all costs, attorney fees, damages and profits recoverable in any such suit.

XIV. GOVERNING LAW

This agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin and the rules, policies and procedures of the Department of Corrections.

XV. RESOLUTION OF DISPUTES

Contractor may file an appeal of a decision of the Department with the Administrator of the Division of Adult Institutions, P.O. Box 7925, Madison, WI 53707-7925. The Administrator's decision shall be the final decision of the Department.

XVI. DISPLACEMENT

The contractor agrees that during the period of this contract the employment of inmates under this contract will not displace an employee.

"Displace an employee" means to lay off an employee in this state as a direct result of work being performed in a state prison or juvenile correctional institution under a prison contract or to permanently transfer an employee in this state to another job that reduces the employee's base pay, excluding overtime, differentials and bonuses, by more than 25% as a direct result of work being performed in a state prison or juvenile correctional institution under prison contract.

"Prison contract" means a contract entered into by the department under section 303.01 (2) (em) of the Wisconsin Statutes.

Contractor may not displace an employee or cause another private business to displace an employee.

The contractor may not employ inmates or institution residents under a prison contract if any of the following applies:

The inmates or institution residents are to be employed in a skill, craft or trade in which there is a surplus of available labor in the locality of the private employer.

The employment of the inmates or institution residents will impair the performance of other contracts to which the private employer is a party.

The inmates or institution residents will replace employees who are on strike against the private employer or locked out of work.

Contractor shall post in all of its Wisconsin workplaces a notice provided by the department containing a description of the nature of the prison contract and an explanation of what it means for an employee of a private employer to be displaced under this subsection and identifying a person at the department whom an employee of contractor may contact if the employee believes that he or she may have been displaced by this contract.

XVII. LAWFUL POWERS OF PARTIES

The parties agree that no clause, term or condition of this agreement shall be construed to supersede the lawful powers or duties of either party.

IN WITNESS WHEREOF, the parties have executed this agreement.

RMG, Inc.

Department of Corrections

By: _____

By: _____

Date: _____

Date: _____

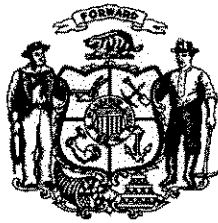
By: _____

Date: _____

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

316-S Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-8535



ASSEMBLY CHAIR
JOHN GARD

315-N Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: (608) 266-2343

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Brian Burke
Representative John Gard
Co-Chairs, Joint Committee on Finance

Date: June 16, 2000

Re: Quarterly Report on Prison Industries

Enclosed please find a copy of the third quarter report on Prison Industries for the period ending March 30, 2000. This report is pursuant to s. 303.019, Stats.

This information is for your review only. No action is required by the Committee.

BB:JG:js

Tommy G. Thompson
Governor

Jon E. Litscher
Secretary



State of Wisconsin
Department of Corrections

Mailing Address

149 East Wilson Street
Post Office Box 7925
Madison, WI 53707-7925
Telephone (608) 266-2471
Fax (608) 267-3661

June 13, 2000

Senator Brian Burke, Co-Chair
Joint Committee on Finance
Room 316, South Capitol
Madison, WI INTER-D

Representative John Gard, Co-Chair
Joint Committee on Finance
Room 315, North Capitol
Madison, WI INTER-D

Dear Senator Burke and Representative Gard:

Attached is the FY00 report on Prison Industries for the third quarter ending March 30, 2000, as required by Section 303.019 of the Wisconsin Statutes. This report includes the year-to-date cash balance of each industry. This report reflects private sector joint venture balances separately from the remainder of Prison Industries.

Traditional Prison Industries

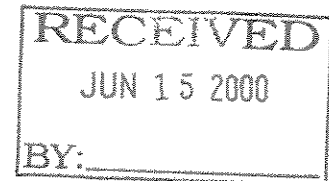
Traditional Industries cash receipts for the period July 1, 1999 through March 31, 2000 were \$14,544,947. Cash expenditures for the same time period were \$13,515,744. Through the third quarter of this fiscal year, revenues exceeded expenditures by \$1,029,203.

Traditional Industries are projecting a \$100,000 profit on a cash basis for the fiscal year. On an accrual basis, a \$700,000 profit is projected for the period ending June 30, 2000. Traditional Industries will end fiscal 2000 with a cash fund balance of \$668,300.

Private Sector Ventures

Private Sector Ventures receipts for the period July 1, 1999 through March 31, 2000 were \$332,149. Cash expenditures for the same period were \$271,000. Through the third quarter of this fiscal year, revenues exceeded expenditures by \$61,149. An additional \$46,738 in accounts receivables were also recorded.

Private Sector Ventures are projecting a \$67,000 profit on a cash basis for the fiscal year. On an accrual basis, a \$57,000 deficit is projected for the period ending June 30, 2000.



Senator Brian Burke and Representative John Gard

May 25, 2000

Page 2

The Prison Industries Board approved an amended contract with one of the private sector partners on August 11, 1999. The changes took effect on September 1, 1999. This amendment significantly impacts on the revenues and expenditures of the project. The Department is confident that this amendment will allow the project to be profitable. The positive impact of these changes are now starting to be realized.

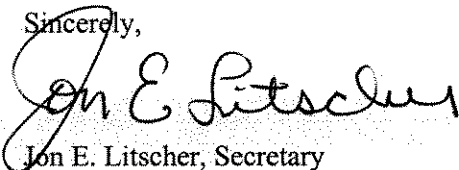
In viewing the third quarter, several issues should be considered. First, the second master lease payment for the fiscal year of \$28,089 was paid by BCE. However, the payment from the private sector company will be deposited in the fourth quarter. Second, two invoices directly related to third quarter production were invoiced in April. One invoice was a rate adjustment on a specific glove style in the amount of \$4,014. The other was for \$5,011 in set-up costs for small production runs on the Gerber cutting machine. Third, a \$2,648 program maintenance payment was not credited to the appropriation; this has been corrected in the fourth quarter. In addition, accounts receivables, excluding the master lease invoice, increased \$1,441 over the second quarter.

From July 1, 1999 through March 31, 2000, inmates employed by the private sector ventures contributed \$96,300 towards state and federal taxes, room and board, crime victim restitution and child support.

In viewing the overall cash deficit, it should also be noted that these numbers do not reflect the financial benefits realized by the State in the form of room and board payments, state and federal taxes, crime victim restitution and child support payments. Over the life of the program, this amount is in excess of \$1,147,000.

The Department would be happy to respond to any questions you may have on this matter.

Sincerely,



Jon E. Litscher, Secretary
Department of Corrections



George F. Lighbourn, Secretary
Department of Administration

Attachments

Cc: Cindy O'Donnell, DOC
Dick Verhagen, DAI
Chris Wolle, DOA
Bob Nikolay, DMS
Mary Rondou, BCE
Bev Balakhovskiy, DMS

Jessica O'Donnell, DOC
Cynthia Schoenike, DAI
Steve Kronzer, BCE
Colleen Godfriaux, DMS
Bill Clausius, Sec. Off
Cindy Archer, DMS

BADGER STATE INDUSTRIES

YEAR TO DATE CASH BALANCE SUMMARY BY INDUSTRY

AS OF MARCH 31, 2000

INDUSTRY	TRADITIONAL INDUSTRIES			CASH BALANCE 03/31/00
	ACCUMULATED* CASH BALANCE (AFTER RE- CLASSIFICATION)	FY-00 YTD REVENUE	FY-00*** YTD EXPENDITURE	
SOLID WASTE REDUCT&RECY**	(54,511.94)	48,862.38	35,811.91	(41,461.47)
METAL STAMPING	8,701,160.69	2,512,347.42	1,206,365.10	10,007,143.01
OSHKOSH LAUNDRY	494,311.37	848,055.06	778,045.21	564,321.22
GREEN BAY LAUNDRY	378,616.15	260,708.89	226,397.20	412,927.84
TEXTILES	(1,764,223.63)	785,412.85	748,899.51	(1,727,710.29)
JCI TEXTILES	(439,815.36)	327,189.15	400,368.45	(512,994.66)
REECC DATA ENTRY	(38,616.65)	46,952.33	53,122.55	(44,786.87)
RCI DATA ENTRY	(1,287,041.39)	131,973.39	182,248.36	(1,337,316.36)
SIGNS	162,481.66	1,782,610.37	1,308,262.31	636,829.72
SILKSCREENING SVCS	(1,201,859.39)	207,371.83	404,287.65	(1,398,775.21)
COLUMBIA PRINTING	29,926.56	799,067.16	886,119.73	(57,126.01)
WOOD & LAMINATING	(6,386,711.87)	1,033,438.19	883,594.83	(6,236,868.51)
METAL/SYSTEM FURNITURE	2,062,444.49	4,538,296.65	5,278,602.20	1,322,138.94
UPHOLSTERY	(87,865.69)	1,222,661.49	1,123,619.21	11,176.59
TOTAL	568,295.00	14,544,947.16	13,515,744.22	1,597,497.94

* Adjusted for FY92 through FY99 to reflect costs that were transferred among industries.

** Matching funds expended as part of the first computer recycling grant.

Discontinued Industries were offset by revenues in the accumulated cash balance column as part of the FY-99 annual report.

*** The costs for Management & Support, the Distribution Center, and FY00 intershop transfers have been allocated to the appropriate industries.

PRIVATE SECTOR VENTURES

YEAR TO DATE CASH BALANCE SUMMARY BY INDUSTRY

AS OF MARCH 31, 2000

INDUSTRY	ACCUMULATED CASH BALANCE (AFTER RE- CLASSIFICATION)	FY-00 YTD REVENUE	FY-00 YTD EXPENDITURE	CASH BALANCE 03/31/00
PRIV-PARTNER-GLOVES	(1,080,468.23)	267,040.52	146,568.30	(959,996.01)
PRIV-PARTNER-CONVEYORS	66,461.57	0.00	265.38	66,196.19
PRIV-PARTNER-GLOVE-JCI	(611,405.21)	51,763.94	67,996.58	(627,637.85)
TOTAL	(1,625,411.87)	318,804.46	214,830.26	(1,521,437.67)
MASTER LEASED EQUIPMENT				
BCE Expended	(148,119.95)		56,170.05	(204,290.00)
Received from PIE Partner	80,066.82	13,344.47		93,411.29
DIFFERENCE	(68,053.13)	13,344.47	56,170.05	(110,878.71)
TOTAL CASH BALANCE	(1,693,465.00)	332,148.93	271,000.31	(1,632,316.38)

Prison Industries
Projected Accrual Profit and Loss Statement
As of 3/31/00

Traditional Prison Industries

Projected Revenue		\$21,300,000
Projected Cost of Goods Sold	\$18,050,000	
Projected Selling Expense	300,000	
Projected Administrative Expense	2,250,000	
		<u>20,600,000</u>
Projected Accrual Basis Profit -- June 30, 2000		<u>\$ 700,000</u>

Private Sector Ventures

Projected Revenue		\$252,000
Projected Cost of Goods Sold	\$305,600	
Projected Selling Expense	0	
Projected Administrative Expense	3,400	
		<u>309,000</u>
Projected Accrual Basis Deficit -- June 30, 2000		<u>(\$57,000)</u>

Prison Industries
Projected Cash Profit and Loss Statement
As of 3/31/00

Traditional Prison Industries

Projected Revenue		\$21,300,000
Projected Cost of Goods Sold	\$18,650,000	
Projected Selling Expense	300,000	
Projected Administrative Expense	2,250,000	
		<u>21,200,000</u>
Projected Cash Profit – June 30, 2000		\$ 100,000
Plus Beginning Cash Balance		<u>568,295</u>
Ending Cash Balance – June 30, 2000		<u>\$ 668,295</u>

Assumes inventory and accounts receivables remain at FY-99 year-end levels. Also assumes additional revenues and expenses over the original biennial budget based on current projections.

Private Sector Ventures

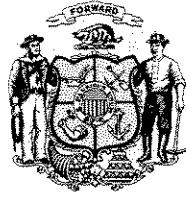
Projected Revenue		\$402,000 *
Projected Cost of Goods Sold	\$331,600	
Projected Selling Expense	0	
Projected Administrative Expense	3,400	
		<u>335,000</u>
Projected Cash Profit – June 30, 2000		\$67,000
Plus Beginning Cash Balance		<u>(1,693,465)</u>
Ending Cash Balance – June 30, 2000		<u>(\$1,626,465)</u>

Assumes accounts receivables remain at FY-99 year-end levels.

* Includes \$150,000 refund of prior year expenditures for FICA and Medicare taxes paid.

Tommy G. Thompson
Governor

Jon E. Litscher
Secretary



State of Wisconsin
Department of Corrections

Mailing Address

125 South Webster St., 3rd Floor
Post Office Box 7991
Madison, WI 53707-7991
Fax (608) 261-7474

July 6, 2000

Mr. Don Schneider
Senate Chief Clerk
1 East Main St.

Mr. Charlie Sanders
Assembly Chief Clerk
1 East Main St.

Dear Mr. Schneider and Mr. Sanders:

Re: CLAIMS UNDER SECTION 227.485 AND 814.245, WISCONSIN STATUTES

The Department of Corrections has no claims under the above to report for the fiscal year ending June 30, 2000. Our legal counsel personnel have reviewed settlements during FY 00 and have determined that none apply to ss. 227.485 and 814.245 of the Wisconsin Statutes.

Sincerely,

A handwritten signature in cursive script that reads "Jon E. Litscher".

Jon Litscher
Secretary

Tommy G. Thompson
Governor



Mailing Address
149 East Wilson Street
Post Office Box 7925
Madison, WI 53707-7925

Jon E. Litscher
Secretary

Telephone: (608) 266-2471
FAX: (608) 267-3661

**State of Wisconsin
Department of Corrections**

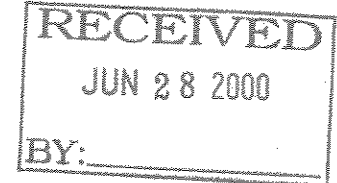
June 27, 2000

Senator Brian B. Burke
Co-Chair, Joint Committee on Finance
316 North State Capitol
Madison, WI 53707

Donald J. Schneider
Senate Chief Clerk
1 East Main Street
Madison, WI 53707

Representative John Gard
Co-Chair, Joint Committee on Finance
316 North State Capitol
Madison, WI 53707

Charles Sanders
Assembly Chief Clerk
1 East Main Street
Madison, WI 53707



RE: Violent Prisoners under Section 301.03 (6r) Wisconsin Statutes

Dear Messrs. Burke, Gard, Schneider and Sanders:

As required under Section 301.03 (6r) of the Wisconsin State Statutes, I am submitting information relative to the number of prisoners that the Department of Corrections considers violent and the total number of prisoners.

On December 31, 1999 the Department had 20,408 adult inmates assigned to Type "1" prisons in state and in contract facilities out of state. Out of the 20,408 inmates, 12,506 or 61.3 percent had assaultive offenses.

Sincerely,

A handwritten signature in cursive script that reads "Jon E. Litscher".

Jon E. Litscher
Secretary

CC. Cindy O'Donnell
Jessica O'Donnell
Dick Verhagen