



October 6, 2015

The Honorable Mae Beavers, Chair  
Judiciary and Government Subcommittee  
6 Legislative Plaza  
Nashville, TN 37243

The Honorable John Ragan, Vice-Chair  
Judiciary and Government Subcommittee  
G-24 War Memorial Building  
Nashville, TN 37243

Dear Chair Beavers and Vice-Chair Ragan:

Pursuant to Public Chapter 63 of the 2015 Session of the General Assembly the Department of Correction is required to update your subcommittee on our progress in addressing the findings set forth in the September 2014 Performance Audit Report. Please find enclosed the department's responses and the steps taken to resolve the concerns in regard to the seven (7) follow-up items that were designated by the audit team as "Not Resolved" or "Partially Resolved."

My staff and I look forward to discussing these updates with you and the subcommittee members.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. D. Schofield".

Derrick D. Schofield  
Commissioner

DDS:JT  
Enclosure

pc: Chairman Mike Bell, Senate Government Operations Committee  
Chairman Jeremy Faison, House Government Operations Committee

Sunset Public Follow-up Hearing for  
**TENNESSEE DEPARTMENT OF CORRECTION**  
Created by Section 4-3-101, *Tennessee Code Annotated*  
(Sunset Termination June 2018)

1. **Follow-up Item 1—Mental Health contract monitoring; Resolved with new concern detected.** The September 2014 *Tennessee Department of Correction Follow-up Report* determined the department implemented Follow-up Item No. 1 regarding mental health contracting, but detected a new concern. Specifically, the department needs to update its official policies because current written policies and management’s verbal expectations differ concerning the frequency of contract monitoring. Please provide information regarding steps taken by the department to resolve this concern.

**Department’s Response:**

**A Policy Change Notice (PCN) was created and became effective on September 22, 2014, to reflect the frequency of our contract monitoring activities.**

2. **Follow-up Item 2—State-issued property; Partially resolved.** The department developed a uniform procedure for ensuring that exiting employees either return state property or have the cost of the property withheld from their final paychecks. However, the department could only provide documentation that two of eight employees tested who did not return property with monetary value when they left department employment between October 1, 2012 and September 30, 2013, had the value of that property deducted from their last paycheck. Please provide information regarding steps taken by the department to resolve this follow-up item.

**Department’s Response:**

**Procedures have been developed to ensure separated employees are charged for unreturned state property. The TDOC Exit Checklist (CR-3815) is initiated by the Human Resources (HR) staff at the prisons immediately when an employee separates from employment. At that time, the supervisor and HR staff attempt to recover state property from the employee. The CR-3815 is sent to the local payroll/fiscal staff and to Central Office Human Resources. An email requesting termination of the separated employee’s RACF ID is also sent to Central Office HR with the CR-3815. Central Office HR staff are the only people who can formally key separations into Edison. Receipt of the CR-3815 from the prison is the official trigger for initiating the formal separation from state service in Edison by Central Office HR.**

**As noted, the Human Resources staff forwards a copy of the TDOC Exit Checklist (CR-3815) to the payroll/fiscal staff. When an employee separates from employment with TDOC, the payroll/fiscal officers have been instructed to check the file for any items that were not returned and proceed with the process for deduction for the cost of unreturned property from the employee’s payroll check. If the employee fails to return state property within one business day of separation, the state can recover the cost of the property. The payroll officer implements this process in compliance with Finance and Administration policy.**

Monitoring of the entire process was added to the annual inspection instrument. Annual inspections are performed by the Office of Investigations and Compliance. The new processes have been in place for over a year.

A review of FY 13-14 annual inspection results demonstrated that although some progress was made, issues surrounding exit procedures identified by the Comptroller's Office have not been fully resolved. TDOC recognizes that this is a new process and will take some time to reach full compliance, but also wants to ensure that due diligence is taken at all levels within the department. As such, TDOC has implemented another step in the process to verify that exit procedures are conducted according to policy. When facilities send the CR-3815 to Central Office HR, they are now required to also send a copy of the Payroll Deduction Authorization Form (FA-0973) so that the efforts to collect the property and the notification to fiscal/payroll can be verified. If Central Office HR determines that there is a problem with any of the forms (i.e., no signatures or the form is incomplete) or a problem with the process (i.e. fiscal/payroll has not been notified), then immediate action will be taken to remedy the issues.

3. **Follow-up Item 3—Tennessee Offender Management Information System risks; Not resolved.** Management has again not mitigated the risks associated with information systems security, which increases the risk of fraudulent activity. Auditor testwork revealed that the department's staff did not always follow the *Information Procedures Manual*, resulting in an increased risk of fraudulent activity. Because of the risk of publicly exposing a vulnerability that could be exploited, we provided the department with detailed, confidential information regarding the specific vulnerabilities identified as well as specific recommendations for improvement. Please provide information regarding steps taken by the department to resolve this follow-up item.

**Department's Response:**

The Tennessee Department of Correction has mitigated the risks associated with information systems security to decrease the risk of fraudulent activity through training and educating the staff, by following policy regarding information systems security, and by monitoring staff compliance with the *Information Systems Procedures Manual*. The manual is available to all TDOC employees via the department's policy series. Further, TDOC staff is made aware of the requirements enumerated in the manual. The manual is being updated to reflect Office of Information Resources (OIR) security recommendations. It has also become part of the TDOC policy series, which means that it will be placed on a regular review cycle that includes review and comment by departmental stakeholders.

Over the last year, TDOC engaged in a process to train employees with the most risk exposure on security awareness, which was a training sanctioned by OIR. Staff completed the SANS Cyber Security Awareness Training in July 2015. SANS training increases staff awareness of potential cyber security risks, vulnerabilities, and how to appropriately mitigate them.

**TDOC's Project Management Office in the Management Information Systems Division has developed four project documents designed to assess risk as projects are started. Specifically, the following four documents are used for project management purposes on all information systems projects: project request form, weekly project status report, change request form, and feasibility review form. The combination of these documents play a critical role in identifying risk as it emerges and continues to be utilized throughout all MIS projects to manage and mitigate security risks.**

**Additionally, TDOC's Chief Information Officer annually completes a review of risks during the financial integrity process. The Financial Integrity Act as sanctioned in Tennessee Code Annotated, Section 9-18-102, requires that each agency of state government establish and maintain internal controls. The review includes an assessment of risks associated with information systems security and identifies strategies to mitigate those risks.**

**Finally, TDOC is currently engaged in a substantial project to replace the Tennessee Offender Management Information System (TOMIS). TOMIS is a 20+ year old main frame system that lacks modern security encryption protections. The new system, Correction Offender Management Electronic Tracking (COMET) will contain state-of-the art security and encryption technology designed to protect against the risk of fraud and abuse.**

- 4. Follow-up Item 5—Incident Reporting; Partially resolved.** The department records incidents (e.g., confiscation of contraband, violent activities) in department facilities and reports those incidents to the public and General Assembly to aid in making decisions. The department revised its incident reporting policy to clarify how incidents should be reported and, based on a sample of 138 incident reports tested, department staff have significantly improved their adherence to reporting policy. However, department management did not consistently or meaningfully provide even basic information to public report readers about how incident reports are reported and should be interpreted. Please provide information regarding steps taken by the department to resolve this follow-up item.

**Department's Response:**

**As noted in the August 29, 2014, "Follow-up Report" to the Comptroller's Office, the department has provided the public and the General Assembly full disclosure and complete access to the policy and incident-related data. This information is available in the department's statistical abstract and on the department's website. It is important to note that the department continues to explore avenues to make the incident reporting process more effective. A comprehensive incident review process at multiple levels helps reduce mistakes and duplicate incident entries which reduce the error rate in incident reporting. As stated, the department will continue to monitor, review, and build upon the incident reporting process as part of our continued effort to improve customer service and to ensure accurate incident reporting for the Department of Correction.**

5. **Follow-up Item 7—Probation/parole officers’ supervision of offenders; Partially resolved.** While probation and parole officers reported, and therefore likely conducted, more required monitoring activities than at the time of the 2012 audit, some officers’ TOMIS records indicate they did not meet all monitoring and recordkeeping requirements. For example, one offender out of 10 required to be subjected to the Vermont Assessment of Sex Offender Risk did not have the assessment conducted within the required timeframe. Please provide information regarding steps taken by the department to resolve this follow-up item.

**Department’s Response:**

**All Probation/Parole offices have implemented quarterly internal audits which are designed to reduce any potential caseload management deficiencies in supervision. The Community Supervision internal auditors will review case files with the officer and discuss any area of noncompliance. The audit process results in a report to the District Director, who then develops procedures to address any noncompliance found. The Office of Compliance also conducts annual reviews of this area with reports written to the District Directors and the leadership team. If a deficiency is noted, a Plan of Action is created and followed-up on within 90 days. Finally, multiple compliance standards are included on the CompStat report submitted by District Directors each month. These new measures provide additional accountability for both managers and officers.**

6. **Follow-up Item 10—Supervisors’ review of offender case files; Not resolved.** Overall, supervisors do not consistently monitor whether the probation and parole officers conduct oversight checks on offenders as required. For example, four of the eight initial files tested that were required to be reviewed by a supervisor within 60 days of case initiation were not reviewed by the supervisor within that time frame. Additionally, the department does not effectively monitor whether the supervisors of probation and parole officers conduct these required oversight checks. Please provide information regarding steps taken by the department to resolve this follow-up item.

**Department’s Response:**

**TDOC Policy #706.02 *Supervisory Review of Caseloads* was updated to clearly outline the requirements for offender case file reviews by supervisors of Probation/Parole Officers. Under this updated policy, among other things, Officer, Manager, and District Director must sign off on the Case File Review form and its action items to ensure review and follow-up. Each district’s performance in meeting compliance requirements is included for review in the monthly CompStat report. Community Supervision has also implemented an internal audit process which includes a number of items including file reviews and an interview with the supervising officer. This process provides for presentation of a report to the district director, who then develops procedures to address any non-compliance found. The Office of Compliance also conducts annual reviews of this area with reports written to the District Directors and the leadership team. If a deficiency is noted, a Plan of Action is created and followed-up on within 90 days. The updated policy and new measures provide additional accountability for both managers and officers.**

7. **Follow-up Item 11—Administrative Case Review Committee actions; Partially resolved.** Administrative Case Review Committees (ACRC) can impose sanctions for specific probation and parole violations. While the department improved how it tracks ACRC actions, testwork revealed that the probation/parole officers do not always impose the ACRC sanctions from the ACRC hearing and that there is sometimes a discrepancy between the ACRC report and the ACRC decision indicated in the contact notes and signed by the offender. For example, in two of the ten contested cases, the probation/parole officer did not implement the ACRC's sanctions. Please provide information regarding the steps taken by the department to resolve this follow-up item.

**Department's Response:**

**TDOC has continued to implement processes to more effectively monitor and track the Administrative Case Review Committee (ACRC) procedure. Each district has an identified ACRC Chairperson tasked with a 90-day follow up on all ACRC hearings in which sanctions are imposed. In addition, both the yearly OIC audit instrument and the Community Supervision internal audit process include ACRC monitoring activities relating to sanction imposition and follow-up, as well as ACRC Chairperson follow-up. Additional contact codes have been developed to provide more specificity in TOMIS entry relative to ACRC activities. The sanctioning grid, CR-3872, allows the ACRC chairperson, officer, and offender to sign in acknowledgement of the sanctions imposed on the offender. This tool may be used by the officer to ensure sanctions are being monitored during the ACRC specified time period and creates responsibility on the offender to complete the imposed sanctions. These new measures provide additional accountability for both managers and officers.**