
Committee Meeting

of

SENATE LEGISLATIVE OVERSIGHT COMMITTEE

"The Committee will hear testimony about halfway houses from invited guests, including experts, operators of halfway houses, and other individuals with direct knowledge of halfway house operations"

LOCATION: Committee Room 4
State House Annex
Trenton, New Jersey

DATE: July 19, 2012
2:00 p.m.

MEMBERS OF COMMITTEE PRESENT:

Senator Robert M. Gordon, Chair
Senator Barbara Buono, Vice Chair
Senator M. Teresa Ruiz
Senator Paul A. Sarlo
Senator Thomas H. Kean Jr.
Senator Joseph M. Kyrillos Jr.



ALSO PRESENT:

Carrie Anne Calvo-Hahn
Office of Legislative Services
Committee Aide

Adam Neary
Senate Majority
Committee Aide

Christine Shipley
Senate Republican
Committee Aide

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Good afternoon, everyone. Welcome to the Senate Committee on Legislative Oversight.

May I have a roll call, please?

MS. CALVO-HAHN (Committee Aide): Senator Kean.

SENATOR KEAN: Here.

MS. CALVO-HAHN: Senator Ruiz.

SENATOR RUIZ: Here.

MS. CALVO-HAHN: Senator Buono.

SENATOR BUONO: Here.

MS. CALVO-HAHN: Chairman Gordon.

SENATOR GORDON: Here.

SENATOR KYRILLOS: Senator Kyrillos is here, too.

SENATOR SARLO: Senator Sarlo is here.

SENATOR GORDON: Ladies and gentlemen, our agenda says that the topic today is the operation of halfway houses. But in my view we are also addressing larger issues: namely, the need to maintain transparency and accountability when critical community services are transferred to the private sector.

In recent years we have seen a growing presence of private sector organizations in a number of services that traditionally have been provided by public agencies. Elementary education and hospital care come to mind. We are currently debating legislation that calls for the establishment of performance standards and greater financial disclosure in both of these areas. I believe this discussion has now come to Corrections.

The halfway house system, or the residential community release program as it is called by the Department of Corrections, developed in the late 1990s in response to decades of growth in the prison population and the rapidly rising cost of corrections. Between 1988 and 1999 the budget for the Department of Corrections rose 66 percent, or by about 6 percent per year. Halfway houses were seen as a way to reduce costs and the rate of recidivism. As originally conceived, low-level offenders would be assessed based on psychology and risk, and transferred to less-secure facilities where they would receive counseling to prepare them for reentry. The per diem cost of halfway houses is about half that of a New Jersey prison. The program is overseen by the Office of Community Programs within the Department of Corrections.

As of January 2012, the Department reported that 2,864 individuals under its control were assigned to halfway houses out of a total prison population of 24,000, or about 12 percent of the total. When parolees and county prisoners are included the figure rises to about 12 percent. I should say that the role of-- That may understate the influence of halfway houses as they also serve as assessment centers for a much larger prison population.

These people are housed in about 20 facilities located around the state, operated by a half dozen nonprofit and for-profit organizations. In 2011, the Department of Corrections paid these organizations over \$67 million. Additional funds were paid by the counties.

This hearing was called in response to two reports that indicate that transparency and accountability are lacking in our system of halfway houses. The first report, issued in June 2011 by the Office of the State

Controller, identified what the authors called “significant weaknesses” in the Department’s internal controls regarding monitoring and contracting in the halfway house program. The report pointed to six areas of concern: One, the Department does not adequately monitor vendors through site visits and relies on inadequate evaluation tools, and as a result the Department cannot be assured that contract requirements are being met. Two, the State overpaid providers more than \$587,000 in per diem rates during the three-year audit period. Three, the Department has failed to assess damages, as permitted under State contracts, when providers have violated the terms of their contracts; for example, when residents escape or staffing levels fall below contractual requirements. Four, the Department’s disciplinary process for residents is flawed due to insufficient documentation or investigation by providers. Five, the Department evaluates providers and grants contract renewals based on inconsistent and inadequate information, which heightens the risk that underperforming providers will have their contracts extended. And six, and I quote directly from the report, “DOC has not developed or implemented performance indicators against which it can evaluate the performance of providers, thereby bringing into question exactly what the State is receiving in exchange for the more than \$60 million expended on this program annually.”

And in a letter that accompanied the audit, the Comptroller pointed to other weaknesses in the contract process -- all of these issues I hope we all will be able to address today: One, DOC does not have any written procedures governing the procurement process in contrast to other departments. Two, requests for proposals require the submission of

proposed per diem rates based on costs, but DOC did not corroborate the expenses or require any documentation and, therefore, DOC has no way of knowing if the costs were actually incurred. Three, lack of specificity in the definition of some costs has resulted in substantial inconsistency in the budget submitted by vendors and approved by DOC. Four, DOC has not attempted to negotiate per diem rates submitted by vendors, in contrast to others states which report they have been able to achieve savings through those negotiations. Vendor contracts have been amended to increase the number of beds without any documented explanation. And finally, State statutes and an Attorney General opinion require correctional programs to be offered by nonprofit entities. DOC does not have the legal authority to contract with a for-profit entity, but the largest provider, Community Education Center -- CEC, as it's known -- is a private, for-profit corporation. CEC's parent, however, is a nonprofit that signs the contracts with DOC. The Comptroller raised questions about the legal authority of this subcontracting arrangement and expressed concern about the lack of any information on the financial condition of CEC.

The second report -- really, a series of three articles published in the *New York Times* in June of this year -- described a system of halfway houses characterized by insufficient numbers of poorly trained staff; ineffective counseling programs; falsified reports; extensive drug use; gang activity; and an environment in which violent criminals are housed with low-level offenders, thereby putting residents and staff at risk for their personal safety. The *Times* also reported that since 2005 more than 5,100 residents escaped from the system, including some individuals who killed

and inflicted injuries when they got outside. And I'm sure today we'll hear some discussion about how to interpret these numbers.

The issues raised in these reports certainly fall within the purview of legislative oversight. But at the outset I want to be very clear. My objective today is not to conduct a witch hunt, point fingers, or embarrass anyone. My objective is for this Committee to understand what is at the root of these problems and to obtain the information we need to formulate effective legislative remedies. And I'm sure I speak for all members of the Committee in that regard.

Today we're going to hear witnesses who can offer diverse perspectives on the issues I just mentioned, which is certainly what we want. Those testifying -- and I'm going to read them in the order in which they will testify -- include Matthew Boxer, the State Comptroller; Mr. Gary Lanigan, the Commissioner of the Department of Corrections. We'll hear from a panel of providers including John Clancy, Chairman and CEO of Community Education Centers; William Curry, the Executive Director of the Re-entry Coalition of New Jersey; Diane DeBarri, President and CEO of The Kintock Group; and Dan Lombardo, President and CEO of Volunteers of America Delaware Valley branch.

We will also have a panel consisting of Thaddeus Caldwell, a senior corrections investigator; and Derrick Watkins, formerly the Deputy Director of Treatment at both CEC and Kintock. We will hear from representatives of the New Jersey Police Benevolent Association and the Superior Officers Association; and finally, time permitting, we will hear from the Director of CEC's alumni association and from Charles Venti, the Executive Director of The Nicholson Foundation.

Obviously, ladies and gentlemen, we have a lot of ground to cover today. And so I'm going to ask all those who testify and my colleagues up here to try to be as succinct as possible and not repetitive so that we can move through this material as expeditiously as possible.

If anyone who is testifying has written statements to provide, I would encourage you to let us know and the staff will circulate that.

And with that preamble, what I'd like to do is begin with the State Comptroller, Matt Boxer.

Mr. Boxer, would you please proceed.

S T A T E C O M P T R O L L E R M A T T H E W B O X E R:
Yes, thank you.

Good afternoon, Chairman Gordon and members of the Committee. Thank you for the opportunity to discuss the findings of our 2011 audit of the Department of Corrections residential community release program. With me today is Melissa Lieberman who is the Chief of Staff at our office.

As you know, Mr. Chairman, and as you just mentioned, in June of last year our office released an audit of the Department of Corrections that reviewed the Department's oversight of its halfway house program. That program permits eligible inmates to serve out the remainder of their prison sentences in a setting intended to prepare them for reentry to society.

DOC contracts with private, non-private agencies in order to provide these services to eligible inmates. The program serves an average daily population of several thousand individuals and it cost the State about \$64 million in Fiscal Year 2011.

Our audit covered the period of July 1, 2008 to May 4, 2011. The audit evaluated multiple aspects of DOC's oversight of its contracts with halfway house providers. And, as you mentioned, Mr. Chairman, our Procurement Division sent a separate letter to DOC to provide guidance as to how the Department could improve its process through which it was procuring these halfway house services.

Our auditors ultimately concluded that the Department had not been adequately overseeing the program, leading to numerous problems and financial consequences. For example: Our auditors determined that the State had overpaid 10 halfway house providers by more than \$500,000 over a six-year period beginning in 2004, due to mathematical errors in the per diem rates charged by the providers. Our separate Procurement Division review found an additional problem with these per diem payments because the Department was allowing providers to include duplicative administrative expenses in their per diem budgets.

I'm happy to note that as a result of our review, the Department of Corrections has agreed to exclude these administrative costs from per diem rates in future contracts.

Our auditors also concluded that the Department had failed to exercise its right to collect preset damage amounts from halfway house providers that had violated contracts terms. For example: We found that damages could have been assessed for escapes by six residents, but the Department had failed to assess those damages or to determine whether damages could be assessed for the other 195 escapes that we reviewed during our audit period. There had been no such liquidated damages assessed in any of these cases.

We also looked at the DOC's program monitoring and found it to be deficient. For example, our auditors noted that DOC contract administrators were not meeting the Department's own guidelines for overseeing the halfway houses. They were conducting only a small fraction of the required number of site visits.

In addition, none of the site visits that were conducted were unannounced, as required by DOC policy. Instead we found, for example, that one of the halfway house directors actually had an upcoming schedule on her wall calendar of both the announced and supposedly unannounced visits.

We also found the disciplinary process for halfway house residents accused of misconduct to be flawed, as we identified disciplinary charges dismissed by hearing officers because of a lack of necessary information from the halfway house providers or because of reports not being properly completed. The audit noted that these kinds of failings may enable residents who should be reincarcerated to remain in the halfway house, obviously having potential security implications.

So in total, our audit included 28 recommendations that were designed to enhance the Department of Corrections oversight and correct the problems identified by our work. I'm happy to report that, as required by law, the Department of Corrections has filed a corrective action plan with our office, promptly after our audit, in which it committed to address our recommendations. As a matter of fact, they had reported that many, if not most of our recommendations had already been implemented by the time of the compiling of the corrective action plan.

The Department also has committed to addressing the additional deficiencies we identified as a result of the procurement review that we performed.

As with all of our audits, we will be performing a follow-up review to assess whether the Department of Corrections has, in fact, implemented the recommendations in our audit report and our procurement review, and confirm that they have taken the steps that they have informed us have been taken.

So I thank you again for the opportunity to be before you today and I'd be happy to answer any questions you have about our audit work.

SENATOR GORDON: Thank you, Mr. Boxer.

Any members of the Committee with a question?

Senator Buono.

SENATOR BUONO: Thank you, Mr. Chairman.

Good afternoon, Comptroller.

STATE COMPTROLLER BOXER: Good afternoon.

SENATOR BUONO: I just wanted to say publicly: I got you aside before we started and I wanted to-- I said I have to apologize to you in advance, because you may remember I was the original sponsor of the Comptroller Act, and I took my name off of it as the prime sponsor because I felt that it had been really watered down and really wasn't going to be able to accomplish our objectives that we set out to -- and that is to wait -- to weed out waste, fraud, and abuse at all levels of government. And I think you've done-- Particularly given the resources that you have in terms of

people, and the legislative authority that you have, I think you've done a really good job. And I just wanted to say that from the outset.

STATE COMPTROLLER BOXER: Thank you.

SENATOR BUONO: Sure.

You know, in the aftermath in the *New York Times*' series -- the exposé -- I think most of us were very alarmed and found some deeply disturbing allegations about New Jersey's halfway houses. And I wanted to start out by saying that in response to the T-shirts I saw, that I think everybody on this Committee believes that reentry works. For myself, I was a criminal defense attorney; I worked for the public defender's office representing the indigent. After that I was a criminal defense attorney in private practice, so I have seen first hand what incarceration does to people.

So I wanted to start from that premise. And this is not intended as an attack against that as a viable, crucial, vital alternative to disposition, as long as it is-- I think the key, and I think, hopefully, what will come out of this Committee, is that in order for privatization -- it really is privatization -- of correctional services-- In order for it to work, it can only work where there is strict oversight, enforced accountability, and total transparency. And that is not what was described in any of those *New York Times* stories. What really concerned me is that it could be said after reading the series of articles and the Comptrollers report, that New Jersey residents are being taken advantage of in a sense. And I'm not just saying our taxpaying residents, I'm saying the people who go there to these institutions that are being promoted -- and I'm sure some of them are -- as therapeutic communities. But instead, they're not receiving the services that were promised. And they need those; isn't that the whole point? The

whole point is to go so you have those services, so that it puts you in a better position to successfully reintegrate into society. And my concern is that this was not happening. I think the second *New York Times* story is what really rattled me -- that people were expecting to get drug counseling; not only were they not receiving drug counseling, but then there was the falsification of inmate records to make it appear as if they had. These are people's lives that you're dealing with. And we just can't be cavalier and say, "Okay, reentry works in every case." It has to be a case-by-case basis. And not only that, but the residents are being placed in physical jeopardy themselves. According to one of the *New York Times* reports they are regularly asking to be returned to prison.

And, of course, the general public, I think, is being taken advantage of. And that really has to do with the fiscal concerns that were raised in your report.

The inordinate number of escapes would seem-- Those should have been addressed, yet many of them seem to have been unnecessary and, as a result of contract restrictions that were not adhered to, like having no secure holding area before somebody was transferred -- that's basic. And how some of these facilities didn't even have a holding facility, period. And the list goes on and on.

So I guess what I'd like to ask you, Comptroller: On a broader issue of privatization -- because we know there's more and more privatization when it comes to corrections -- do you think that this is an example of the lack of accountability? An example of where private, for-profit entities seem to be making profits at the expense of performance and the safety seems to be at risk of both the residents and the public? I mean,

do you think that this is, maybe, just one of those areas that-- Some functions should never be privatized. Is this one of them?

STATE COMPTROLLER BOXER: One of the issues that we focused on our audit work was this very notion of program performance and measuring the output of the program: What are we, as residents of this state, getting out of the program? On issues, for example, like recidivism and re-offense rates, how do these halfway house facilities compare to each other and to inmates that never proceed through these facilities? And one of the items that we had noted in our report is that historically and up until recent years, the Department of Corrections had not really been measuring these issues. And so to answer the kinds of questions that you're raising today, we had sought information to answer those questions, and the data was not available and wasn't in the possession of the Department.

So one of the things that we recommended was that there be a greater emphasis on performance measurement and use of metrics in this program. That's an effort that has been increasing throughout various levels of government in recent years, both on the Federal level and on the State level. There's been a far greater emphasis on, "Let's figure out exactly what we're putting into the program from a tax dollar perspective, what we're getting out as a result." And so we noted that in this particular case there should be benchmarking, identification of best practices, let's see which facilities are working and which ones are not. And the good news on this is that in the wake of our recommendations, the Department of Corrections committed to us that they were going to begin that analysis. They noted that it would take some time; I think they projected that it would take a couple of years to accumulate the data in the way that they

wanted to accumulate it. But I believe that, as the Department has reported, that kind of data is now being put together that will enable us as a State to answer those questions that you're raising.

SENATOR BUONO: That's encouraging, because I did see in your report when you talked about measuring the program performance, that we don't know if these services are measuring up to the intended goals because we don't have the-- We have the data; my understanding is that there's data that's been collected, but nothing is being done with it. It hasn't been analyzed. And the OCP's Assistant Superintendent stated that they didn't have the personnel capable of quantifying the data in order to measure the performance. That was on page 22 of your report. Is that-- How will that be addressed?

STATE COMPTROLLER BOXER: Through his study that the Department has been working on, is what we've been told. And you're right in your comments. What was being done in recent years was measuring performance through checklists, basically; the checklist form that was being used on site visits, as well as self-evaluations by the halfway house providers. When we had asked for information about, for example, recidivism studies that DOC was relying on, we were provided with data from 10 years ago.

SENATOR BUONO: And not only that, it was from correctional facilities; it wasn't from-- Or was it a mixture? It wasn't separate -- segregated out?

STATE COMPTROLLER BOXER: That's correct. It was an accumulated number -- or some numbers that had been presented to us that are accumulated on a national level. There are other numbers that were

presented to us that were accumulated just from including both folks who had and had not gone through halfway house facilities. So what the Department has reported to us that they're now working on, following our suggestion, is comparing performance of individual halfway houses and the program as a whole.

SENATOR BUONO: So then when-- I just happened to pick up the *Star Ledger* today and there's a full page ad on page 6 about the New York/New Jersey success story of the offender reentry system. And when it talks about -- the second item down -- the recidivism rate reduction: best in the Northeast in New Jersey; it goes down 11.4 percent. That really doesn't speak to the issue of what the recidivism rate is with respect to the community residential facilities, because we don't have that data, right?

STATE COMPTROLLER BOXER: Yes, I'd be reluctant to comment on ads placed in a newspaper. That's not data that we've audited or checked from our perspective. All I can really speak is the answers that we receive when we ask questions of the Department of Corrections, in terms of what data they were relying on in administering the program.

SENATOR BUONO: Okay. Yes, I actually pulled the report that it referenced -- the Pew Center, State of Recidivism report from 2011. And I actually read it, and it, in fact, was just-- It referred just to the rate of recidivism in correctional facilities. So it really didn't address the point directly.

STATE COMPTROLLER BOXER: I should note in saying all what I just said a moment ago, Senator, I think along the lines of the comments that were made earlier: I don't mean to be interpreted to be sitting here and suggesting that I don't think the halfway house system or

individual halfway house facilities are not effective; that's not at all the point I'm making. Our point is simply that we, as a State, should have a little better data that we're relying on in order to make that assessment.

SENATOR BUONO: Yes, we really need to. I mean, it's been basically we cut a check and hope for the best. If you look at how these contracts are managed, this isn't the halfway houses' issue, this is the State of New Jersey's issue -- that we act as though as we don't have a contract. And we don't-- I mean, there have been instances in your report not only of there no written formal procedures in place to guide a selection process of the vendors; but you never corroborate expenses or even request any supporting documentation that expenses have actually been made. And so it's just beyond inappropriate. It's an egregious-- I think it really is a breaking of the public's trust for the State to be spending taxpayer funding in a manner where they're very casual about it -- not even adhering to the requirements in the contract. I mean--

SENATOR GORDON: If I could just ask Mr. Boxer: Have you found the same kind of situation in any other departments -- in terms of lack of documentation, lack of analysis of performance, a lack of any kind of evaluation of the contracts -- the contracting data required?

STATE COMPTROLLER BOXER: Sure. I mean, we've seen that kind of dynamic at several different levels of government in the audit work that we've done over the years -- both on the local government level and in terms of State departments -- in some of the work we've done. One audit that we did that comes to mind is an audit that we performed of the provision of water services in the City of Camden and lack of oversight in the administration of that contract, which had led to payments being made

to the private vendor that it was not entitled to. And I think that now that matter was subsequently the subject of litigation.

SENATOR GORDON: Is the problem in Corrections a lack of personnel? I think your report, as I recall, you talked about 18 people within the office of Community Programs. Is it a staffing issue in terms of numbers or personnel who don't have the skills to evaluate these contracts? Or is it insufficient direction from the Legislature? And an overriding question that I have is based on your multi-year audit and months of analysis. Are there things that we need to do as a Legislature to provide more specificity, more guidance, more control over the process? What can we do to fix these problems?

SENATOR BUONO: Can I interject? Because as a member of this Committee for a long time and a member of the Budget Committee and Chairman of that Committee for a long time, I will tell you, through the Chair: That the whole issue of State procurement of goods and services has been a long-standing problem in the State of New Jersey. Quite frankly, it's a complex mess. I have been trying to address it with other legislators on the other side of the aisle for quite some time and it has been extremely problematic, extremely resistant to oversight. I mean, I know for a fact that you have-- There are -- trying to remember what the legal term for-- You have bulletins, right? And you have bulletins that -- not just you, I'm just saying all the departments -- purchasing -- has bulletins saying that you have a contract manager that's-- This so-and-so is assigned to manage X amount of contracts; and it's just not done because the contract manager, more often than not, doesn't get any training; they're given the-- They have to give it to someone so-- It's just not taken seriously. And that's-- This is

just another example of it, but it's more serious in that it effects so many people's lives -- both the residents and the general public -- from a public safety as well as a fiscal perspective.

That's a lot-- I've said a lot, but basically all I'm saying is it's your opinion that our overall procurement for the goods and services in the State of New Jersey needs some serious reform.

SENATOR GORDON: Sounds like a good subject for this Committee. (laughter)

SENATOR BUONO: Yes.

SENATOR GORDON: Senator Kyrillos.

SENATOR KYRILLOS: Thank you, Mr. Chairman.

I think it is a good subject for the Committee, frankly. We've got a \$32 billion budget; there's very little oversight. This branch of government has not the financial and human resources as the Executive Branch does; and frankly Mr. Boxer's office, as it has been noted already, didn't have a lot of personnel. And we ought to look at each and every agency and each and every department of the State government; find out where things can be done better, more efficiently, where we can have economies of scale; see where we're going wrong.

And I want to ask Mr. Boxer about his report on this subject. As I understand it -- maybe it's already been stated, Mr. Chairman -- is the number roughly \$64 million that the Department of Corrections outsources to the private sector for these halfway houses? Is that correct?

SENATOR GORDON: To halfway houses, both not-for-profit -- And given the fact that CEC is a for-profit organization, and about half of those funds go to the CEC.

SENATOR KYRILLOS: Right.

So \$64 million -- now that's a lot of money. And so I'm quite certain that given the scope of responsibilities, given the amount of money at stake, there are probably some ways that we can oversee that money better.

But what I want to ask is: What-- You focused, in part, on this, as you should. And I haven't read the full report, I must admit; I don't know if it puts in context the fact that these operations perform their duties, their service, for seemingly half of what -- almost half of what the State government does when they deal with prisoners in the State prison population. So there's quite a lot that's going right as well, obviously. But of the \$30 billion-plus State budget, Mr. Comptroller, what percentage of that have you looked at in this kind of detail? Because, as has been noted by the Chairman and, I think, Senator Buono, we would be well served by that kind of scrutiny. It's not your fault, but you don't have it -- that authority, statutorily. But there's a lot of focus in on this \$64 million. I'm just wondering, in the fullness of our entire State budget operation, what percentage do you think you've had a chance to look at? Because I'm quite certain that if you had the resources to look at it all -- to look at all the operations of the Human Services Department, all the Medicaid spending, all the State school aid, there would be quite a lot that we would learn.

STATE COMPTROLLER BOXER: You know, that's an interesting question, Senator, and I wouldn't want to venture a guess off the top of my head in terms of the percentage. We certainly, at this point, have looked at a number of programs like this. We typically issue an audit about every month or so along these lines. And this particular program is, as you

noted, a \$64 million program. And some of our audits -- I'm thinking back, for example, to the audit work we did at the Division of Developmental Disabilities within the Department of Human Services -- we looked at what was, really, a billion dollar program, and had a number of findings that I think have helped that Division to improve its provision of services in matters analogous to some of the issues we're talking about today.

So I don't know what the total percentage would be. I would say that there's been mention of resources a couple of times. Our head count and our resources have been significantly enhanced in the last couple of years, which has very much facilitated our ability to do this kind of work. And we now, as I say, we're up to a point of about one audit a month.

If I could also note, just going back to what may have been a question. A moment before there was a question about, from the legislative perspective, what could be done. And I don't want to get too far beyond that without--

SENATOR GORDON: I wasn't going to let you.

STATE COMPTROLLER BOXER: It's worth noting, in terms of the scheme of contracting in the State of New Jersey, there are a multitude of different schemes that exist in the law, each of which cover different programs. For much of the contracting work that's done in this State, it goes through the Division of Purchase and Property within the Department of Treasury, as all of you well know. That is an area that is a highly, highly regulated area with very specific and particular legislative requirements and regulatory requirements. And that system has its own detractors, and I'm not suggesting that that system is perfect. But it is worth drawing a contrast between the majority of the State's contracts

which go through the Division of Purchase and Property at Treasury, and this situation we have here at the Department of Corrections. This is an area of procurement on which there is, essentially, no State law at all. And one of the things that we had noted in the work that we performed was that there were no regulatory guidelines, either set forth legislatively or from a regulatory standpoint by the Department itself. And so, in both 2004 and in 2010 the Department had engaged in these massive procurements -- where, as we've been discussing, tens of millions of dollars are at issue -- without any preset or prescribed written procedures in advance. That's not to say that the process didn't turn out in a sufficiently appropriate way. I don't want to suggest that that led to particular corruption of any kind. But there is a taxpayer interest in the transparencies associated with vendors knowing upfront exactly what the system will entail, and having an appropriate and fulsome regulatory regime behind the procurement process.

And so, I just-- I didn't want to fail to note that in response to this specific comment about, legislatively, what might be looked at.

SENATOR GORDON: What I'm hearing from you is that what we really need to do, legislatively, is look to the other procurement systems or, perhaps, those used in other states; but some other model to increase the specificity and just provide greater guidance and control over procurement in this area. Because, I think, as Senator Buono said and as I alluded to in my opening statement, if we're going to shift some of these functions to the private sector where there is tension between public goals and the needs of shareholders, I think there needs to be greater oversight, control, and monitoring of what's going on.

I know Senator Sarlo has a question, but I--

SENATOR KYRILLOS: Can I just finish up?

SENATOR GORDON: Senator Kyrillos.

SENATOR KYRILLOS: I'm sorry, Mr. Chairman.

Just to finish up: I'll be very curious to see what the Corrections Commissioner thinks about that thought, that suggestion. I'd be curious as to whether he thinks he does have his own oversight standards in place or not. Maybe we can provide some more for him if he doesn't think they're sufficient.

But my larger point before is: You have a lot of freedom, flexibility, to pick and choose what aspect of the \$30 billion -- \$30 billion-plus dollars -- we spent as a State government. We spend nearly as much at the State, local, and school level as well. There's a lot of money. And so I'm sure with the right levels of scrutiny that you provide and the right kind of auditing functions that we ought to have if we could, that we would have voluminous reports -- far, far more voluminous than this -- and with some good suggestions, I'm sure.

So anyway, let's continue with the hearing.

Thanks, Senator.

SENATOR GORDON: Thank you, Senator.

Senator Sarlo.

SENATOR SARLO: Yes, thank you, Mr. Chairman, and thank you Mr. Boxer. And, I too-- I know you've put a lot of effort in. I remember I served as Chairman of the Judiciary Committee; you came before us; a lot of questions of how this office would work and how it would be conducted. And I think you've done a real good job. I read a lot of the

reports -- not in detail -- but I think your office is handling it in a very appropriate manner.

STATE COMPTROLLER BOXER: Thank you.

SENATOR SARLO: With that being said, I just want to follow up on Senator Kyrillos. And there's no doubt about it: I'm now the Chairman of the Senate Budget Appropriations Committee. We have a \$32 billion budget. We hear testimony from various departments -- Corrections being one of the largest. And we appropriate dollars from the Legislature side, and there's a lot of-- We don't hear from these Commissioners and Departments and various constituencies until almost a year later. And you wonder: Is the money properly being spent?

But from your perspective -- and Senator Kyrillos was saying-- I think Senator Kyrillos was saying, why did you pick this one when there's other areas? And evidently something was brought to your office's attention that there was not proper oversight. This wasn't just picked from the sky; you didn't just wake up one morning and say, "I'm going to look into this program." There must have been some type of complaints--

SENATOR KYRILLOS: If I could just interject--

I'm sorry to interrupt, Senator Sarlo. But it wasn't my point to say why this one and not the other ones. My point was--

SENATOR SARLO: Oh.

SENATOR KYRILLOS: If you had chosen any other program area, and areas where there is far, far more money spent, there would be a lot to unsurface. That's my point.

SENATOR SARLO: But that's the--

SENATOR KYRILLOS: To put this--

SENATOR SARLO: That's a discussion for another day, though.

SENATOR KYRILLOS: To put this in context of--

SENATOR SARLO: I didn't come down to Trenton today to discuss--

SENATOR KYRILLOS: --the total budget.

SENATOR SARLO: Right. We can have that discussion--

SENATOR GORDON: Let's try to move this along.

SENATOR KYRILLOS: I agree.

SENATOR SARLO: We can have that discussion about budget--

SENATOR KYRILLOS: I just wanted to clarify that. And we can do it another time.

SENATOR SARLO: Right. But I think we all came to Trenton today just to get a handle on this particular subject matter.

Was there any reason why this particular area, this subject area, was selected? Or is that something you can't share with us? I'm just wondering: What brought this to your attention?

STATE COMPTROLLER BOXER: Yes. As you noted and suspected correctly, we do not pick our audit work randomly. We have a multifactor process that our audit division uses; folks who are career auditors will present to me a recommendation as to what projects to engage. Typically-- And I think there's more than, like, 15 factors that they look to. There are a number of different things that we consider, ranging from things like prior audit work of the program in question and what that audit work indicated, to whether there's been recent management turnover that

may indicate an issue, or allegations of fraud or misconduct, or the size of the budget of the program in question. So there are a number of things that we look to, and those recommendations are made to me before we engage an audit.

My best recollection in this particular case is that we had received a tip about possible shortcomings in this program, particularly in the contracting process of the program. I don't remember off the top of my head any greater detail; I couldn't even tell you if the tip was anonymous or if there was a name associated with it. But I remember getting an allegation that one of our investigators did some preliminary work, looking at. And our audit division, after vetting the issue from a more comprehensive perspective, ultimately recommended -- and this would go back, I guess to-- This would have been in about 2008, 2009 -- would have recommended -- probably 2009 -- would have recommended an engagement of an audit.

SENATOR SARLO: But there's also a proactive perspective here, because-- I mean, many of us -- all of us -- support these halfway houses' concepts and the prisoner reentry. We all support that and we all recognize that there's a potential savings in tax dollars by becoming more efficient and, perhaps, turning some of these services over to private sector -- provided there's oversight from government to make sure that the tax dollars are being wisely spent.

So as you increase this -- as it increases across the nation, and as it increases here in New Jersey -- as it continues to increase in New Jersey -- there's a proactive perspective here. From your office, you're looking at this as more and more dollars are going to be spent in the future in the

private sector to perform these services. So it's important from the ground level to make sure we have the proper oversight.

So there's a perspective type of review of this as well, correct?

STATE COMPTROLLER BOXER: Absolutely. You'd want to make sure, with a system like this--

SENATOR SARLO: Flush out the mistakes upfront.

STATE COMPTROLLER BOXER: Right. You'd want to make sure upfront that there's a robust system of contract monitoring; that there's accountability in a particular person or persons who are responsible for monitoring the fiscal performance under the contract; and that there are appropriate internal controls in place to ensure that the State is not paying for any more than it needs to pay for and that it is receiving the services for which it is contracting.

SENATOR SARLO: And like any other private sector business, a private sector is a profit-making business, otherwise they would not be in business. And they have a right to make a profit as a private sector. But it's government's role when public dollars are being spent to make sure it's being wisely spent. I think that's what we're trying to accomplish here.

This is a large program that's going to continue to grow in the future. And I think we need to make sure and-- Everybody gets excited and everybody thinks there is some big witch hunt going on, but I just think we're trying to be -- protect ourselves and to make sure that this program, if it's going to continue, is done in the right manner.

STATE COMPTROLLER BOXER: Sure. And that relates back to the series of recommendations that we've made in our report, which we believe will enhance and put in that accountability.

SENATOR GORDON: We have a good number of witnesses. I know Senator Buono has a brief one, but if I could just raise a somewhat different subject -- and we'll get back to Senator Buono.

In the supplementary letter of June 15, you raise some questions about the legal authority of Community Education Center's engaging in providing these services, given the State statute and a 1987 Attorney General opinion. Could you elaborate on that, and tell us whether you think we need to make some changes in this area? I mean, should we open up the corrections area to for-profit entities? Or should we be tightening up our control or requiring additional information from them?

STATE COMPTROLLER BOXER: Well, the issue here that the Chair is referring to is the legal requirement that contracts such as these be awarded only to nonprofit entities. And the Department of Corrections, going back for over a decade, had been receiving advice -- legal advice from its Counsel -- to the effect that the -- what the law required is that the contract be awarded to an entity that is a nonprofit; and that the law did not focus on what type of entity actually provides the services under the contract.

And so we had recommended, as part of the review that we did to the Department of Corrections, that it seek updated legal advice since the last advice -- at least formal advice -- it had received on this was, I think, in 1996. In view of the fact of how substantially the program has grown since that time, particularly from a dollar value perspective, we had recommended to the Department that it confirm with its counsel that the manner in which it was awarding a contract to an entity that was, itself, a nonprofit, but then was, in turn, subcontracting all of the services under the

contract to a for-profit entity-- We believed it was appropriate for the Department to ensure with its counsel that they were complying with the law in that regard.

In so far as your question goes to the law itself and whether that law ought to be revisited -- I mean, there are certainly several options that the Legislature, and the Governor, and policy makers in the State could consider along these lines. One thing is that, starting from a basic notion: It might make sense to look to clarifying the law. When this Legislature passed a law that said that to qualify for this program you have to be a nonprofit, does that mean to receive the contract you have to be a nonprofit? Or does that mean to actually provide the services you have to be a nonprofit? So the mere step of clarifying the law might be a step that would be appropriate to take.

And as you suggest, revisiting the notion, generally, of the nonprofit requirement. You know, that's very much a policy issue. Your later witnesses could probably speak to that issue better than I could, in terms of whether that requirement itself even makes any sense. I remember, along those lines, when our folks were interviewing the principal from the entity in question that you're talking about -- the nonprofit/for-profit company, the company that you're talking about receiving the bulk of the services. When we interviewed the principal of the company he had noted to us that if the nonprofit requirement wasn't in the law, that they'd actually be able to provide the services at a lower cost, rather than have to comply with the nonprofit system. And so, as I say, these are very much policy decisions that should be looked to, and that may be looked to in determining what the appropriate steps would be, going forward.

SENATOR GORDON: And just related to that, that same part of the report -- and I think it's particularly relevant in light of the last *New York Times* story questioning the financial stability of this company -- you say in your report that currently the Department does not have access to information related to the financial stability of that for-profit entity. If we decide that there can be this kind of entity offering services, I would think that we would want to amend our statute to require the provision of financial data from for-profit entities -- or any organization that's providing these services.

STATE COMPTROLLER BOXER: Any time State funds are involved, obviously from our perspective, we would argue that transparency is essential, and that's why we made the statements that we made in our letter to the Department of Corrections. So, sure -- from our perspective we would be in favor of greater financial transparency on those issues.

The other things I should probably note along these lines, so that the Committee has a full sense of the issues here, is that -- and this is probably something, too, that the Department of Corrections could speak better to than I can -- but my understanding is that from the Department of Corrections' perspective, we're dealing here with a limited marketplace. And so as all of you, as policymakers, consider what steps to take to either further restrict the market or expand it, a lot of the issues that are discussed in our report and that we're discussing here today, I think, are worth looking at through the prism of the fact that you don't have a robust marketplace in New Jersey of hundreds of different providers that the Department is in the position of selecting between. There are a very limited number of market participants. And so consider, as you proceed through

these issues, that if you further restrict the entities available to provide these services you may be left with very, very few entities willingly providing these services for the State.

SENATOR GORDON: That's a good point.

We want to move on to new witnesses, but I want to give Senator Buono just--

SENATOR KEAN: Chairman?

SENATOR BUONO: Yes, I just-- Now that you asked that question, I'm not sure I understand you. Are you suggesting that we-- How are you suggesting that we not further restrict these entities -- that it might jeopardize our ability to have these services provided?

STATE COMPTROLLER BOXER: I'm only noting that because of the limited number of actors in this marketplace--

SENATOR BUONO: Right.

STATE COMPTROLLER BOXER: --if additional actors who are currently in the marketplace are cordoned off because of additional legal requirements that are imposed, you're going to further--

SENATOR BUONO: Like a financial reporting requirement, is what you're saying.

STATE COMPTROLLER BOXER: Or, for example, if-- I guess what I more specifically had in mind is if the requirement comes down that these services can only be provided by a nonprofit and there be -- you cannot have any of these services provided by any for-profit entity of any kind. I mean, that's-- If that's where the Committee comes down, and the Legislature and the Governor come down from a policy perspective, that may further constrict the marketplace and hinder the Department's ability

to place individuals -- the number of individuals that they are instructed, through the budget, to place.

SENATOR BUONO: I understand what you're saying, but I think that, that said, I think that if you have a private, not-for-profit engaging in this kind of service, it is very important, particularly if they are for-profit-- This is the issue with the for-profit. As soon as you introduce the profit motive into the equation, that runs the risk of them putting profit ahead of service, ahead of safety, ahead of giving the residents the services that they were provided so that, in fact, this therapeutic community can accomplish its goals.

And so I'm not necessarily opposed to a for-profit entity; but I think if, in fact, that is where the Attorney General comes down on this arrangement, that there has to be some higher level of scrutiny, without a doubt.

And then two more things and I'll be done.

I know that we were talking about that this is all about saving tax dollars. And I don't know who said that on the Committee, but for me, and I think for all of us that understand how this really works, it's far more than just about saving tax dollars -- far, far more. It's a better outcome for people than being incarcerated. It lowers -- ultimately will lower the rate of recidivism. We will have less need for prisons, we will have less crime. And so while cost is a very important factor, and that probably is what initiated a lot of people's philosophical change toward this, it is without a doubt not the singular concern coming out of it.

And then I just wanted to talk about-- Okay, this is the for-profit issue that I have -- I knew I had it somewhere. There are reports that

are indicating that because the for-profit entity, CEC, is going through some difficult times, that they've had to get financing at a rather high interest rate. And they have this private equity firm that doesn't have a lot of experience in doing this kind of work -- actually, at least, it seems to be calling a lot of the shots. And at the same time-- I mean, are they the ones that are determining staffing? You know, the reports that I've read make it appear as though these are entities -- these for-profit entities are making decisions that impact the general populace and impact the public safety. So who's making the decisions about (indiscernible).

SENATOR GORDON: Senator, that might be a better question to pose to the providers. And we're going to hear a panel of providers.

SENATOR BUONO: Yes. So in terms of the for-profit versus the not-for-profit, that would be a concern.

Thank you.

SENATOR GORDON: Senator Kean, and then I want to let Mr. Boxer go.

Senator Kean.

SENATOR KEAN: Thank you, Mr. Chairman. And through you, to the Comptroller, you continue to provide an extraordinary service to the taxpayers of the State of New Jersey. And I want to thank you for your service to the citizens of this great state.

STATE COMPTROLLER BOXER: Thank you.

SENATOR KEAN: We have talked, and had many conversations over the years, on a variety of your reports as you presented them to the Legislature and to others. And I think we all agree, obviously,

on the accountability in contracts, the necessary and appropriateness of the oversight, transparency -- obviously. But I want to get to a point that you talk about, a little bit in your conversation, regarding the changing need and the changing ability to get real performance matrices within -- whether it's in this area or in any area of the State contract. I know it's a little bit beyond the scope of this hearing; but I think the Chairman has held hearings of this Committee, since his tenure, on that type of issue. Have you looked either in this area, in other states, or in other contract managing areas where you are able to do, really, I guess, more dynamic oversight and more performance-based oversight -- those areas? In this area and in any of the other areas of contracting?

STATE COMPTROLLER BOXER: Sure. There is a spectrum, in terms of the availability of robust data that we find, differing from department to department and from government entity to entity on the local government level. In general, what our findings in this area have been, have been that the State is still ahead of what local governments are doing, in terms of measuring performance. And that this has been an area of increasing focus over recent years such that I know, in the work that we've been seeing, departments seem to be more and more focused on this issue, both from measuring their own performance, and then in posting those results. In a lot of cases we've seen those results being posted on websites, which I think is a great thing.

So it really runs the gamut, but that's, in general, what we've been finding.

SENATOR KEAN: I agree that in the last couple of years the Administration has really focused on a great deal of transparency on

performance throughout the myriad of government and outsourced responsibilities. Are there other states that you've looked to for a model, as well for oversight at all?

STATE COMPTROLLER BOXER: You know, we-- I don't know that there are others states that immediately come to mind in this particular topic. The Federal government is the entity that has been, over recent years, also very much focused on these kinds of issues -- with setting up websites from a national perspective concerning government agency performance. And so the touchstone in this area that we frequently use is actually what the Federal government has been doing.

SENATOR KEAN: Thank you, Mr. Chairman. Thank you, Comptroller.

SENATOR GORDON: Thank you very much, Mr. Boxer.

I think in the interest of the fact that we've got so many witnesses and more ground to cover, we're going to move on.

I want to thank you very much for your testimony today and for answering our questions. I'm sure we'll be working with you on any number of subjects, and also as we develop legislation that comes out of this process I'm hopeful that we can continue our partnership here.

STATE COMPTROLLER BOXER: Thank you very much.

SENATOR GORDON: At this point I would like to call Gary Lanigan, the Commissioner of Corrections, to speak to the Committee.

Commissioner, welcome to the Committee. We appreciate your being here.

Do you have a prepared statement you would like to make?

COMMISSIONER GARY M. LANIGAN: Yes, I do, Senator.

SENATOR GORDON: Would you please proceed.

COMMISSIONER LANIGAN: Yes. First let me introduce the players with me: On my left is the Chairman of the Parole Board, Chairman Plousis; and on my right is our legal counsel, Melinda Haley.

Good afternoon, Chairman and Senators, and thank you for giving me the opportunity to address you regarding the Department of Corrections oversight of the Residential Community Release Program.

Let me state up front that in my estimation the State of New Jersey and, specifically, the New Jersey Department of Corrections can be proud of the performance in housing State-sentenced offenders and for preparing them to return to the community.

In fact, based on the success of this reentry model, the Legislature deemed it appropriate to mandate that RCRP beds be filled at 100 percent of the contracted capacity. Statistics underscore the effectiveness of the model utilized by the Department. A study conducted by the Pew Center on the States released in April 2011 found that New Jersey was one of just six states -- and the lone state in the Northeast -- that showed a double-digit decrease in the number of offenders returned to State prison during the period examined. Among the inmates released in 1999 to 2004, the percentage of inmates returning to State prison within a three-year period dropped by 11.4 percent. Our own--

SENATOR GORDON: Excuse me, Commissioner, but isn't-- That's really the total prison population.

COMMISSIONER LANIGAN: That's the entire-- That's correct.

SENATOR GORDON: That's not the population in halfway houses.

COMMISSIONER LANIGAN: That's correct.

SENATOR GORDON: Okay.

COMMISSIONER LANIGAN: Our own results, which are published on the website, indicate that that downward trend has continued.

Let me now explain the process by which an inmate moves from incarceration in a secure facility to a resident in a halfway house.

From the moment a State-sentenced inmate enters the prison system, we begin preparing and assisting him or her to make the transition from incarceration to reentry into society. We call this our *continuum of care*. The process begins by quickly moving the inmate out of the county jail and into our facilities. We then assess the inmate's educational and program needs and, using an objective classification tool, assign him or her to a prison.

Over time, good behavior and program participation will allow the inmate to attain a reduced custody status. In order for an inmate in a Department of Correction prison to be considered for placement into an RCRP program, several criteria must be met: The inmate must have full minimum custody status; the inmate must be within 24 months of parole eligibility or completion of his or her sentence; the inmate must have a positive psychological evaluation and be medically cleared within the past year; the inmate must not have been convicted of arson or a sexual offense;

and the inmate must have favorable recommendation from the facility administrator.

There's been a great deal of discussion on the housing of violent and non-violent offenders in the RCRPs. As they are being transitioned back into society as their prison term ends, inmates convicted of certain violent offenses undergo additional screening before cleared for the RCRP. Pursuant to statute, if an inmate is convicted of murder, manslaughter, vehicular homicide, aggravated assault, robbery, kidnapping, or any crime of the first or second degree involving serious bodily injury, then the Department of Corrections contacts the county prosecutor's office before a placement is approved.

Any resident who does transition to an RCRP and was convicted of a certain violent crime is statutorily prohibited from being granted a furlough.

The aforementioned measures, in addition to the risk assessments and the objective classification tools utilized by New Jersey DOC, are designed to ensure public safety. However, despite the best efforts and risk assessment tools, reentry does involve moving inmates -- who have made bad choices in the past -- back into the community. The possibility of a limited number of additional poor choices and bad consequences is always present.

Inmates entering an RCRP are first assigned to an assessment and treatment center where they remain for an average of 30 to 60 days for comprehensive assessment of their needs and risks. During that time at the assessment center, they may not participate in community activities. Based on their comprehensive assessment and prior history, inmates are then

either sent back to prison or assigned to a correctional treatment program, or work release program, or a special needs program.

Following a blackout period and completion of any treatment requirements, inmates -- now known as residents -- seek services such as employment and other education in the community.

Halfway houses, which are located in the community, provide residents with substantially more liberty than prisons. These facilities are not prisons, nor should they be considered such. Halfway houses provide rules, treatment programs, work requirements, and curfews for the residents. Since time at an RCRP occurs near the end of their sentence, the focus is on reentry preparation including job training, education, and drug treatment.

Now I'd like to discuss the Department's activities concerning recommendations by the Comptroller in his report issued in 2011.

The report included 32 recommendations, of which-- I'm sorry, the report included 35 recommendations, of which 32 have been implemented. The Comptroller just spoke of some 28 recommendations -- there were 28 in his report, plus an additional 7 in the procurement amendment that was submitted. A number of these issues were addressed in the Fiscal Year 2010 contracts; the others were addressed subsequent to the issuance of the Comptroller's report. But again, 32 of the 35 have been implemented.

The New Jersey Department of Corrections has taken several steps to ensure RCRP provider compliance with contract provisions. Most importantly, all contract monitors were trained to utilize the contract compliance evaluation system. That tool now includes the central areas of

the contract, as well as 16 items that were added at the recommendation of the State Comptroller. Contract monitor schedules were adjusted to provide sufficient field visits and office time.

In addition, supervisory reviews and approvals of all site visit reports are now required. Furthermore, to ensure contract compliance each site is visited at least six times per quarter. These site visits are used to audit the following areas: the physical plant, program operation, program services, financial obligations, medical, and accountability measures.

It's important to note that the DOC conducted 161 visits to the RCRP in Fiscal Year 2010, but under this Administration in Fiscal Year 2012 and after the audit, the number of site visits more than tripled, to 551. Consistent with the auditor recommendations and the Comptroller's report, the Department has revised liquidated damages policy and procedures and put together a liquidated damages review committee that is comprised of staff from the Office of Financial Management, the Office of Legal and Regulatory Affairs, and the Office of Community Programs. This group is increasing our scrutiny of vendor adherence to contractual obligations. The first meeting was conducted at the beginning of 2012, with the recommendation for consideration of liquidated damages to three of the six vendors. The next meeting is scheduled for the week of July 31.

Let me now turn to issues of walkaways from halfway houses.

After having detailed the RCRP model, I believe you can appreciate the difference between an escape from a secure facility and a walkaway from a halfway house. A walkaway occurs when someone willingly chooses to leave a program or fails to return from a specific community appointment. I have frequently explained, providing an avenue

of successful reintegration of inmates for participation in the Residential Community Release Program represents both an opportunity and a choice for the inmate. He can make the wrong choice to walk away from the program or fail to make required accountability calls, and risk a criminal and/or administrative charge and penalties, as well as denial of further participation in a halfway house; or, as is overwhelmingly the case, he can make the right choice, follow the rules, and successfully complete his reintegration back into the community.

When an inmate walks away from a Residential Community Release Program, he or she is immediately entered into the NCIC -- that's the National Crime Information Center. This is done in order to ensure appropriate notification to all law enforcement personnel. As soon as this notification is made, the Department of Corrections Special Investigation Division initiates an investigation in conjunction with other law enforcement authorities for the purpose of apprehending the subject as quickly as possible.

From 2005 to present, there have been approximately 2,400 walkaways from DOC facilities. Significantly, 98 percent of them have been re-apprehended. On average, 29 percent return within 24 hours and 57 percent within one week. It should be pointed out that the number of halfway house walkaways has dropped 42 percent from 2005 to 2011, and 27 percent for Governor Christie's first two years in office versus the previous two years.

This decrease is the result of many improvements that have taken place under this Administration. Among them: dramatic increases in inspections, enforcement of liquidated damages, unannounced tours, direct

security assessments, action plans to correct deficiencies, enhanced intelligence and information gathering, and targeted searches based upon that intelligence.

As we look ahead, the Department of Corrections -- in conjunction with the New Jersey Office of Information Technology, the State Parole Board, the Juvenile Justice Commission, the Administrative Office of the Courts, and Rutgers University -- has created a real-time recidivism database with the ability to perform real-time data queries. The database will provide reporting capabilities that will allow for flexibility of individual offenders or ad hoc reporting. The database will be used to measure recidivism rates by offender characteristics or by halfway house program participation. This will provide useful information to the Governor's Reentry Task Force, which is charged with evaluating the efficacy of various programs.

While the database statistics will be available in the near future, current statistics clearly indicate that NJDOC is moving in the right direction and that we have proven to be more efficient and effective than ever before, as evidenced by the reduced rates of recidivism, a decrease in walkaways, and a continued reduction in the overall offender population.

I'd be happy to respond to any of your questions.

Thank you.

SENATOR GORDON: Thank you, Commissioner. I appreciate your testimony.

I have-- I'd like to start with a very basic question; it may reflect my lack of knowledge of Corrections.

We have-- According to the *New York Times*' reports, at least some of these institutions are dangerous places -- people, both the staff and residents, are fearful of their physical security. One has the impression that the staff is not trained in correction technique. But the thing that I found most troubling is I learned that they don't have the authority to restrain people who may be escaping or becoming violent. They're clearly not corrections officers. Why is it that we don't have corrections officers in these facilities? Or if that is contrary to the halfway house model, maybe the halfway house model doesn't work. I haven't been-- I can bet that that's still an open question, at least, for me. Why are we not training the halfway house personnel to deal with the kinds of issues that they would encounter in one of these facilities? Is the problem lack of -- insufficient personnel, inadequate training, the fact that there aren't corrections officers there? Why are these facilities unsafe?

COMMISSIONER LANIGAN: A) I don't believe that the facilities are unsafe, Senator. I have been in them several times myself; I did not find them to be unsafe whatsoever. But to answer your broader question, why are they staffed by counselors as opposed to corrections officers? I think a lot of that has to do with the concept about continuum of care. When in prison, an inmate learns very quickly to respond to the authority of a corrections officer, of a police officer. As they are transitioning back to society, I think it's also important that the inmate -- or resident at that point -- learns that there is other legitimate authority that they must respond to -- be that a counselor, be that an employer, be that a teacher, be that a boss. So that responding to the direction of a counselor in a halfway house, and a counselor's ability to reach out to

corrections or other law enforcement as needed, is part of that continuum of care. In terms of the rate of violence, I don't think that the-- I will agree that there have been horrific acts that have happened. There have been horrific acts that will happen in any prison; there will be horrific acts that will happen in the streets when a police officer has to intervene. So yes, there have been some bad acts. But in general, there are very few violent acts. Any inmate who is involved in physical altercation with an inmate, a counselor, or a correction officer is immediately given a charge of assaulting any person. And that can be another inmate, it can be a correction officer, or a counselor.

SENATOR GORDON: If I could just respond to that.

According to the press reports --- at least in the institutions that were examined by the *New York Times* -- there don't appear to be consequences of violent behavior or escape. I mean, one would think that-- In the case of an escape, I believe, that's a felony, isn't it?

COMMISSIONER LANIGAN: In the case of an escape--

SENATOR GORDON: People-- There are reports of people who have been assaulted and there don't appear to be criminal consequences of any of that. Could you respond to that?

COMMISSIONER LANIGAN: Well, let me stay with the violence first, and then I'll move right on to that.

In terms of violent acts -- just charges in general -- we move more than 6,000 inmates through the halfway houses each year. In 2012, there were a total of 340 charges at the halfway houses. Of those, 160 were deemed guilty of the charge, and only 61 of those were for *asterisk charges*. Asterisk charges are your more significant charges. So I don't think that

should be portrayed as a system out of control. So I would take exception with the fact that it's out of control. Have horrific acts taken place? Yes. Is the system out of control? Absolutely not.

Coming to your second question, which dealt with the consequences for those acts: First, let me talk about the most significant of the acts, which would be the escape -- or the walkaway, in this case. As I explained, a walkaway-- Those 2,400 walkaways that you had from DOC, they involved varying circumstances. If an inmate is late returning from work because public transportation failed, and they are not able to contact that halfway house, they are immediately entered into that NCIC system as an escapee -- and that's so that the system errs on the side of caution. We want to make sure that that inmate is put out there as an escapee so that the entire law enforcement body is aware of it.

A number of those inmates, as I said, within 24 hours return -- most of them just because they were late; a number of them because our special investigations division will immediately go to their house or their girlfriend and pick them right up. So that is part of the reason where you're not seeing the same level of consequence as you would for an escape of someone who walked away from a halfway house for a long period of time. In those cases it is always referred to the prosecutor's office.

SENATOR GORDON: Okay.

COMMISSIONER LANIGAN: The escape will be referred to the prosecutor's office and it's up to the prosecutor to decide whether or not to prosecute. A number of prosecutors have; we've talked to a number of prosecutors and encouraged that they do, because I believe it enhances the program when inmates -- or residents see the consequence of their

action. That consequence can be an additional three to five years on their sentence. Even if the prosecutor declines to prosecute, DOC does have the right and the ability, and does exercise that right, to remove good time from the inmate's sentence, bring them out of the halfway house and, if appropriate, put them in administrative segregation. So there are administrative penalties that can be taken if the criminal penalties are not.

SENATOR GORDON: Okay.

Senator Sarlo, did you have some questions?

SENATOR SARLO: Yes. Thank you, Mr. Chairman, and thank you, Commissioner, for being here.

I think you answered this question; just-- I think the big question always is: When is an inmate ready for transition to the-- When is the appropriate time for an inmate to be transitioned to a halfway house and to begin his reentry into society? Is that decision made by the Parole Board?

COMMISSIONER LANIGAN: No, that's actually made by the Department of Corrections, in this case, for the halfway houses. And it's based upon those several criteria and committees that I mentioned in my opening remarks.

SENATOR SARLO: Is there anything left on the amount of time left on the term?

COMMISSIONER LANIGAN: They must be within two years of their parole eligibility date or their maximum sentence date -- one or the other.

SENATOR SARLO: Okay. So someone, theoretically, could spend two years in a halfway house.

COMMISSIONER LANIGAN: That's correct.

SENATOR SARLO: Two years in a halfway house; on a four-year term they could do two years in a corrections facility and two years in a halfway house?

COMMISSIONER LANIGAN: Yes, you can.

SENATOR SARLO: Or you could do one year in corrections, and two years at the halfway house?

COMMISSIONER LANIGAN: Yes, you can.

SENATOR SARLO: Okay. And that, in your estimation, that's working?

COMMISSIONER LANIGAN: Yes. To date, I believe, it is working and it's working because of the classification system and the selection process.

SENATOR SARLO: What about, for instance -- we talked about this at Budget hearings -- like the Bergen County jail? The Bergen County jail is run by the Sheriff's Department. Who makes the decision there to transfer an inmate to a halfway house?

COMMISSIONER LANIGAN: That would be the Bergen County jail, and that would be based, I'm sure, on their classification system.

SENATOR SARLO: So they have the ability to move somebody at their-- They have their own classifications, and they can move somebody to a halfway house.

COMMISSIONER LANIGAN: That's correct.

SENATOR SARLO: And there's no oversight from Corrections on that?

COMMISSIONER LANIGAN: No, there is oversight-- Well, let me try to be clear on what the oversight is. We do have oversight responsibility for all of the county jails. That is basically for the minimum standards. And what I mean by the mean by minimum standards is really of the physical plant, which would be the ratio of toilet facilities to inmate, etc. With regard to things such as placement of inmates, we also review policies that the county jails have. If there is an issue with the policy we will discuss it with the county; but generally we try to leave the placement of inmates or staffing levels at a county jail to the local authorities and the correction and law enforcement professionals.

COMMISSIONER LANIGAN: You feel Corrections is doing a satisfactory job of providing oversight?

COMMISSIONER LANIGAN: Do I believe that we're doing a sat-- I believe today we are doing a much better job and I believe it would rate beyond satisfactory. Today, I believe that the Comptroller's report-- I'm from the school of any criticism can make you stronger if it's constructive, and there were a number of constructive criticisms that the Comptroller made. Life for me in DOC began in February 2010. The audit dealt with contracts that went back as far as 2004. And I believe the Comptroller, in his report, does indicate that a number of changes had taken place in the 2010 contract. That contract, while it was not let -- one of the recommendations that the Comptroller made was that we didn't have written policies regarding the issuance of the contract. That contract was let based upon the Comptroller's guidelines -- best practices. We did not have written guidelines; today we do.

SENATOR SARLO: Commissioner, in the budget that was sponsored -- that I actually was the sponsor of -- there was language put in there, that was input from legislative leaders in both houses, that would require Corrections to send quarterly reports to the Legislature detailing information about halfway houses' operations and the like. I know it was very important to the Speaker on the Assembly side -- the language. Were you opposed to that language?

COMMISSIONER LANIGAN: It's not for me to be opposed or in favor of; that's for the policy makers to work out. I will adhere to whatever language is placed in the budget.

SENATOR SARLO: Okay. It was ultimately vetoed out, so it's not-- But if that language was not vetoed out, is that cumbersome? Do those quarterly reports-- Are they too cumbersome, really, for Corrections to file?

COMMISSIONER LANIGAN: The language in the report that we're being asked to do, we can do. We will, again-- There are a number of requirements that are placed on us that are extremely cumbersome. We are collecting robust data at the request of the Comptroller -- or recommendation, I should say, as opposed to request -- in terms of performance indicators. So we, sort of, have to agree upon what it is we're going to collect and how to collect it. Again, our monitors are out in the facilities right now looking at six different areas six times a quarter, collecting probably to the tune of 40, 50, 60, 80 items of data. So it really has to become: What do you want to collect and how should we be reporting it? I believe that we can come to an agreement on providing the

information you need. Again, with the Data Mart coming up shortly, life will be a little bit easier for us.

SENATOR SARLO: The language was removed from the budget because it was too cumbersome for Corrections to prepare those reports on a quarterly-- I'm just trying to get--

COMMISSIONER LANIGAN: Again, those reports would be on top of these reports that we're currently doing. So the staff is being stretched thin. Do I believe we need more resources? No, I don't. I believe that we have the resources we need to do the job that we're doing. But there's that straw that will break the camel's back. I believe we need to redo what the Comptroller is recommending: put out the reports that we believe we can put out -- 2011 was a transition year for us; 2012, we started bringing up the recidivism Data Mart. We will now have that where we can start entering data and drawing data out of it from history. But, I mean, there's a limit to the amount of data and reporting that we can do.

SENATOR SARLO: Thank you.

SENATOR GORDON: Senator Ruiz.

SENATOR RUIZ: Thank you, Chairman. Thank you, Commissioner.

I have reserved my comments in light of time, but I just want to identify the work that the Comptroller did and thank him for it. And I am encouraged by the fact that you are using it as a starting point or a matrix to make things better. I think oftentimes we're having discussions based on budget line items. To me this is about an investment in human nature and giving people the best opportunities to turn their lives around. And that we

all agree that way, and in every sentiment that we're talking about.
(applause)

SENATOR GORDON: Please.

SENATOR RUIZ: But that we have to be sure that every dollar is invested properly. And you've already identified that 32 out of the 35 components that were highlighted -- you're making changes to it. Are you going outside of that structure to have a more open discussion with vendors, to have daily communications? Are you going outside of this to have other models of what you think would make it better, as far as contractual measurement? Does that make sense, or should--

COMMISSIONER LANIGAN: We have an open dialogue with all of the vendors. I personally talk to all of the officers -- the executive officers for the programs. There is a council that meets with our program staff on a regular basis -- I believe it's monthly. So we have a very open exchange with them. They're our vendors but they're also our partners.

SENATOR RUIZ: Thank you.

Thank you, Mr. Chairman.

SENATOR GORDON: Just a quick question, and I'm going to also turn to Senator Buono.

In the *New York Times* story this week there were questions raised about the financial stability of one of your vendors that accounts for, I believe, more than half of the halfway house population. If that organization or one of the other vendors were to fail or to find itself unable to provide its services, do you have a plan in place -- a contingency plan to

provide those services, to take over these facilities? What would happen if one of your major vendors was not able to provide the services?

COMMISSIONER LANIGAN: Certainly, in the short term, we would be able to house the inmates. So in terms of public safety, that would not be an issue. The Department of Corrections would be able to step up and provide adequate housing if any of the vendors were to go under. That would not be a problem.

Moving beyond that, the consequence would likely be the reentry. The services that the vendors provide -- and I believe they provide well -- is a very good reentry model. So if we were required to step up in a short-term notice without being able to gear up to perform some of those services that they're performing in a community, in-house the inmates would not receive the same service that they are today

SENATOR GORDON: Just one other narrow question as well.

There have been comments in the press about the mixing of pre-trial detainees with county detainees in places like Delaney Hall. I believe it's been suggested that you don't have the legal authority, or these institutions don't have the legal authority, to do that. Can you comment on that?

COMMISSIONER LANIGAN: I do not believe they're limited in that authority; but no, I can't really-- I wouldn't be comfortable commenting on whether or not they have the legal authority to do that. We do look at their policy, and I think the important thing, legal authority aside, is: are they using the right classification measures? Because again, when we talk of a violent inmate being housed with a non-violent inmate, defining *violent* is critical. You can have someone-- That's why we use a

classification measure which looks much beyond the initial charge. You can have an inmate who is incarcerated for a low-level, non-violent charge but is a gang leader. Alternatively, you can have someone over a long period of time that has committed a serious, violent offense, been incarcerated for a number of months, and over time has changed his behavior and outlook. And that's the type of classification that you want to look for when you're determining who belongs in a halfway house and who doesn't. So it's not just a single criteria; it's that individual's entire background, their education level, their prior incarceration -- violent versus non-violent.

SENATOR GORDON: Okay. With regard to Delaney Hall, there have been references to it being something like, really, a holding facility in which violent persons are combined with non-violent. And I recall one person calling it "Rikers without the guards." I mean, that seems to be a volatile situation. And it is a facility that is under your control, as the Department of Corrections. I mean--

COMMISSIONER LANIGAN: It's not under my control; that's under local control. I do not contract with Logan Hall (*sic*).

SENATOR GORDON: Okay.

COMMISSIONER LANIGAN: So I need to be very clear on that. State-sentenced inmates -- I'm responsible for their housing and their classification.

SENATOR GORDON: So it's really a county--

COMMISSIONER LANIGAN: That's correct.

SENATOR GORDON: Right; okay.

Senator Buono.

SENATOR BUONO: I just wanted to confirm, Commissioner, that you testified that you currently have enough resources to manage the contracts?

COMMISSIONER LANIGAN: Yes, I do.

SENATOR BUONO: And that's as of when? When did that occur?

COMMISSIONER LANIGAN: I've not hit a situation when we have not had, so I can only go back to February 2010. But from that point forward, I've not hit an instance where I believe we did not have sufficient resources.

SENATOR BUONO: Because I am really referring to one of the reports from the procurement Division in your Department. And they talked about the fact that even though it stated in your contract that payment had to be conditioned upon the contract, you're giving documentation -- in other words, corroborating that the expenses were actually expended -- that this was not being done.

COMMISSIONER LANIGAN: That's correct.

SENATOR BUONO: Is that-- I mean, it just seems to me, how can you possibly justify spending more than \$400 million without ensuring the services were actually provided?

COMMISSIONER LANIGAN: I'm not familiar with the exact quote that you're talking about. But the contract I believe you're referring to is several years old. I believe that goes back two or three Administrations -- either 1998 or a 2004 contract, I believe, that you're referring to--

SENATOR BUONO: I think so.

COMMISSIONER LANIGAN: --that had been amended several times.

SENATOR BUONO: I will tell you when it was -- it was either 2004 or 2010 -- hold on. But in any event, you know -- I can't tell from looking at this -- I thought it was 2010, but I can't be positive.

But what you're telling me is that you have enough contract managers to oversee the administration of the contracts? I mean, it really is a day-by-day management. And the reason I keep pressing you on this, Commissioner -- don't take it personally -- is when I was on Budget for all those years this is something that would come up, it's a perennial issue. We always got assurances that it was going to change and it never has. And what has happened is that we spend hundreds of millions of dollars -- sometimes billions, I think -- of taxpayer money-- It's just like flushing it down the toilet. Because we don't make-- We have no accountability.

And so you're here today, and so that's why I'm asking you: Are you-- Is it your testimony that you have enough resources to manage the contracts that we're discussing? Because it will come up again during the budget.

COMMISSIONER LANIGAN: I'm sure it will, Senator. And I've always said any manager could do more with more; a good manager will do more with less. The staff has done a terrific job. I think they've stepped up. There was a period where there was lax oversight -- that seemed to go back several years ago. The Comptroller pointed out the deficiencies. And what I've seen over the last two years is a dramatic increase in more of their focus. I believe they were working hard earlier; I don't know that they

were working smart. I believe they were making their site visits; I don't believe they were recording them properly -- things like that. So--

SENATOR BUONO: And so what do you attribute the improvement in their ability? Has there been more training? What's happened?

COMMISSIONER LANIGAN: There has been more training, there has been more focus based upon the Comptroller's recommendations, based upon the change of Administration. There has been a much greater focus on the halfway houses in general. If this is going to be a model that's used nationally, we have to make sure it works. I think we have made sure it works. I think that, over the years, this model has improved steadily, and I believe it will continue to.

SENATOR BUONO: Okay, that's it. Thank you.

SENATOR GORDON: Thank you, Senator.

SENATOR SARLO: Just one follow-up? I'm sorry.

SENATOR GORDON: Senator Sarlo, sure.

SENATOR SARLO: A quick follow-up.

And I respect and understand the counselor portion in halfway houses across the state of New Jersey. If there's an altercation or an assault or something going down in the middle of the night, who responds?

COMMISSIONER LANIGAN: These are--

SENATOR SARLO: Do you call the local police, or--?

COMMISSIONER LANIGAN: These are regional facilities, so if there is a problem each of those halfway houses has a parent correctional facility assigned to it. So a part of the response would be there, part of the response would be our special operations group.

SENATOR SARLO: Are they in the building at the time?

COMMISSIONER LANIGAN: No, they are not.

SENATOR BUONO: Oh, wow.

SENATOR SARLO: They're not in the building?

COMMISSIONER LANIGAN: No, they are not.

SENATOR SARLO: So if you have gang members who are in a facility and there's an altercation -- an assault, something that should not be happening, your counselor is there. Who is the law enforcement body-- Somebody picks up the phone and calls the special corrections unit or-- It could be 15, 20 minutes, it could be a half hour before they get there, correct?

COMMISSIONER LANIGAN: It would be the closest law enforcement body that was available. It would either be our corrections staff or it would be local law enforcement, depending upon the--

SENATOR SARLO: Like the one in Trenton -- Trenton police would be called -- whoever-- Corrections, Trenton police, whoever--

COMMISSIONER LANIGAN: We have a special investigations division that works with each of them. They would also be notified. So it would depend upon the particular situation and the particular halfway house. Some of these halfway houses are very small. Some are very large, some are very small. The very large ones tend to be more secure than the very small ones. So it would really depend upon the particular incident. It certainly would make no sense at all to have the -- or would be very expensive if you were to place corrections officers in a small halfway house in the middle of a community. It would be inordinately expensive.

SENATOR SARLO: I understand. So in a facility that has, perhaps, 200 people or so, there are no armed, trained officers in those facilities?

COMMISSIONER LANIGAN: No, there is not. Not on the correction (*sic*) facilities. Again, our classification is taking people who we believe are now ready to go back to the community and start phasing them back into the community.

SENATOR GORDON: If I could follow up.

You know, we passed legislation some years ago to create something called a *school resource officer*, and we put uniformed police officers in our schools so that there is that kind of presence there in the cafeteria or just in the building, with the idea that that has a calming effect. It's good to have that kind of authority there. I understand that in the halfway house system it's based on the idea that you have counselors as opposed to corrections officers there. But shouldn't we be considering, sort of, a hybrid approach where you have, in a particular facility, on any shift, a trained Corrections officer who is able to deal with a violent emergency on the scene? I mean, has the Department considered that?

COMMISSIONER LANIGAN: That's something we could consider. We could discuss that with the various players involved and find out what is appropriate and some type of a hybrid approach. That's not been the model that we use to date, but it's worth discussing.

SENATOR GORDON: Okay.

Unless I see some other questions by my colleagues, Commissioner, thank you very much for your testimony today.

COMMISSIONER LANIGAN: Thank you.

SENATOR GORDON: We're going to move along.

I'd like to bring up a panel of providers consisting of -- and I think we're going to need another chair -- John Clancy, Chairman and CEO of Community Education Centers; William Curry, Executive Director for the Re-entry Coalition of New Jersey; Diane DeBarri, President and CEO of The Kintock Group; and Dan Lombardo, President and CEO of Volunteers of America Delaware Valley.

Ladies and gentlemen, welcome.

And given the hour, I would just implore upon everyone to try to be as succinct as possible in your presentations.

WILLIAM CURRY: Good afternoon, Chair. My name is William Curry, Executive Director for the Re-Entry Coalition of New Jersey.

In light of the time, I will quickly just go through brief notes as far as presentation, and then I'll turn it over to some of my colleagues.

New Jersey Re-Entry Coalition is a network of agencies providing services to offenders when they return to the community from State prison. We provide a continuum of community corrections programs, from incarceration for both men and women, all over the state of New Jersey.

The Re-Entry Coalition is a multi-agency community corrections organization, and our members include the New Jersey Association on Corrections, Opportunities for All, Volunteers of America Delaware Valley, Volunteers of America Greater New York, Community Education Centers, Community Solutions, GEO, and Kintock.

Chairman, today I'm joined by John Clancy, CEO and Chairman of Community Education Centers; Diane DeBarri, President and

CEO of Kintock; and Dan Lombardo, CEO and President of VOA Delaware Valley.

I had some other prepared notes but I think, more importantly, Chairman, my colleagues and my partners to the left -- I will give the stage to them.

JOHN J. CLANCY: Thanks, Bill.

SENATOR GORDON: Okay. Mr. Clancy, would you like to follow up?

MR. CLANCY: I will.

If you don't-- Mr. Chairman, members, I have a prepared statement.

SENATOR GORDON: If you could summarize it as best as you can, given the time constraints.

MR. CLANCY: I can appreciate your time constraints, but I also know that you have raised a lot of issues here, and I think a lot of your focus and questions have been about us. And I would appreciate the opportunity to read the statement into the record.

SENATOR GORDON: Very well; proceed.

MR. CLANCY: Mr. Chairman, members of the Committee, my name is John Clancy. I'm pleased to be here this afternoon to explain why New Jersey has the best community corrections system in the country, how it evolved, and what it takes to keep it the best in the nation.

Myself, I've spent my professional career working with individuals and families afflicted with alcohol and drug addiction, and related behavioral disorders, both in public and private sectors. So at today's hearing I believe it is important to realize that despite recent press

reports to the contrary, New Jersey's community corrections system is the leader in reentry services in America.

I joined the system in the mid-1980s when the State's prison population was exploding with 1,200 additional inmates per year. At that time, Department of Corrections Commissioner Bill Fauver realized that the prison population was becoming a crisis. And so he began to seek alternatives.

Together we began nearly a 10-year dialogue to avert the looming prison crisis and the terrible cost it would mean to taxpayers and to the men and women caught in the revolving door of incarceration. Commissioner Fauver and I immediately recognized that there were a number of major obstacles in our way: First, the State of New Jersey had no money to invest in building or renovating facilities to accommodate large amounts of offenders. In addition, the State did not have the time to go through the long and arduous process of public acquisition and siting of facilities. And even if the State was able to get passed the usual "not in my back yard" syndrome, the Department did not have the expertise to provide the assessment and treatment needs of the offenders who needed preparation before returning to the community.

On a literal handshake, Commissioner Fauver and I agreed that I would seek to site, develop, and open a 500-bed treatment center to prepare offenders for the reentry process. The Commissioner made it clear that all the risk was mine and that I would have no contract without extensive negotiations with the Attorney General's Office.

Those negotiations took place and resulted in the contractual relationship between the nonprofit company, Education and Health Centers

of America, and its subcontractor, Community Education Centers. For the record, those contracts were reviewed by the Attorney General's Office in 1994, re-reviewed in 1996, and again, last year, subsequent to the report from the State Comptroller.

But here's the point: Commissioner Fauver saw the prison crisis coming and acted with the support from several different Governors and annual appropriations from the State Legislature. The decision was made to embark on a public policy away from building more prisons and to develop a more robust community corrections system and process.

Our vision at the time included a multi-disciplinary approach to reentry, meaning a blend of security personnel with educators, psychologists, and other treatment-focused staff. I will quickly just list some of the other major milestones in New Jersey's effort to make that public policy shift a success.

In 1998, with a focus on assessment services meant to evaluate offenders before they're released to community programs, Talbot Hall opened as a 500-bed assessment center. For the record I'd like to point out that no other private facility has been opened by us for the New Jersey Department of Corrections since 1998.

Between 1996 and 1999, the number of community beds jumped from 765 to more than 2,100 as the Department's vision for community corrections and its related services began to be implemented. The total grew to 2,700 in 2005, and today, seven years later, stands at 2,742. Public bidding for the work was instituted in 1997.

In 2004, the first study of effectiveness of the community corrections system was conducted in conjunction with New Jersey

Department of Corrections and Drexel University. Despite the fact that the study group had higher risk factors than the DOC control group, the Drexel study found that the New Jersey system reduced recidivism, rearrest, and reincarceration rates by nearly 30 percent.

In Fiscal Year 2005 the State Legislature increased funding for community corrections from \$58 million to more than \$61 million. Since 2005, that funding was unchanged until the Legislature package sponsored by Assemblywoman Bonnie Watson Coleman was passed and signed into law by Governor Corzine. That funding level has remained unchanged at about \$64 million under Governor Christie.

In 2009, the State prison in Camden County was closed and bulldozed as a result of the declining prison population.

Along the way, other enhancements and improvements have been added to the system. For example, in 2004, Commissioner Devon Brown added the requirement that community corrections facilities meet the accreditation standards set by American Correctional Association and/or Commission on Accreditation of Rehabilitation Facilities. As you know, Commissioner Lanigan has significantly increased inspections and fines since taking office.

By the way, the impressive track record has taken place without any increase in the per diem paid to us since 1994 and 1998 -- no increases. And that per diem includes providing full medical care for offenders, all medications, as well as food, lodging, and treatments services. Based on these policy decisions made by the State Legislature, the Department of Corrections and the State Parole Board, the New Jersey prison system receded from its near-overcrowding crisis. Since 1999, the prison

population in New Jersey has dropped from a high of 31,000 inmates to under 24,000 inmates today -- the most dramatic decline of any state in the nation.

Today, New Jersey's incarceration rate is the tenth lowest in the country. In addition, the Pew Center on States last year published a study on recidivism rates and found that New Jersey's rate dropped by 11.4 percent for the period studied -- the best in the Northeast and fifth-best in the country.

The point of all of this is that New Jersey's system did not happen by accident, nor was it created by private industry in secret or recently. The New Jersey system is successful precisely because it was well-thought-out, formed in a public-private partnership, well-monitored and studied. The reason for success from any perspective, as a treatment provider having spent many years working with offenders, the focus on assessment and addiction services adequately addressing an offender's behavioral problems, decision making, providing educational programming, developing strong linkages with community and church groups, establishing alumni associations, along with a focus on preparing offenders for job readiness in the community where they live and return, are keys of New Jersey's success.

In addition, the success has been the result of private-sector innovations to go above and beyond the State contract requirements. Our facilities instituted the ACA accreditation measures, mentioned previously, long before they were required. Our facilities provide an extensive network of family services programs to offenders and their families, including

partnerships with the National Fatherhood Initiative, and programs for incarcerated mothers, and weekly family gatherings.

These extra programs are conducted with master's- and doctorate-level interns from Rutgers, Seton Hall, Fordham, Drexel, and Columbia University, among others.

I don't need to tell anyone here that running a prison is expensive. The Pew Center of the States estimates that America spends \$60 billion annually to build, staff, and equip prisons. I have always believed that that is money not well spent. And while I know that there are dangerous criminals who need to be incarcerated, we also know that 98 percent of the people we send to prison come home to live in our communities. They drive trucks on our streets, work in our communities, serve food to our families. To me, the key question is: What are we going to-- How are we going to prepare these individuals before they get back into the community, and at what cost?

I'm extremely proud to have dedicated my professional career to building a reentry system that helps offenders and their families, and which has proven successful.

So allow me just a moment to comment on the grossly inaccurate reports of late regarding our facilities and staff.

First, the claims the facilities are understaffed and poorly trained are false. Employees receive extensive training before starting a position, plus on-the-job training, in-service training as well. In fact, with the exception of Talbot Hall, all our New Jersey facilities are unionized with employees represented by 1199J of the National Union Hospital and Healthcare Employees, or Communication Workers of America Local 1040.

I'm pleased to include in my testimony a statement from both unions, but let me read, in part, from the CWA statement which states, "Reports of inappropriate employee conduct, referenced by the *New York Times*, do not accurately reflect the efforts of our union members and their positive, meaningful experiences working inside Bo Robinson during Local 1024 and CEC's two-year relationship. I am also very proud of our employees."

In addition to that, Community Education Centers has an excellent relationship with our lending institutions.

And last, the inaccurate reports left the reader with a false impression that I, or the company, did not care or took no action in the face of some tragic events since the start of the facilities. To the contrary. All of us work with a difficult population, and tragic incidents have and will occur. Each and every incident is investigated, reviewed with a referring agency and/or appropriate law enforcement agencies. A corrective action plan is always submitted for review and implemented.

Again, I appreciate the opportunity to be here today to work with you to explain the track record of community corrections in New Jersey. And I pledge my commitment to work with you to implement any improvements that may come as a result of your hearing. My recommendation for the future is that all offenders leaving prison should be passing through the reentry system. (applause) Today, most inmates simply max out -- max out their prison term and return to the street. If every inmate passed through the reentry system, the New Jersey recidivism rate would fall further; and it is my hope we'd close another State prison.

In closing I extend an invitation to all of the members of the Committee to tour any and all of our facilities to see for yourselves what we do.

One closing statement: If Commissioner Fauver was here, I just want to recognize him. He passed away this past month. I believe if he was here today he'd shake my hand and tell me I've done a good job for him. (applause)

SENATOR GORDON: Please, ladies and gentlemen.

We normally don't do that at legislative hearings. We appreciate your support for Mr. Clancy, and we thank him for his testimony.

Ms. DeBarri, do you have a comment?

D I A N E D e B A R R I: Good afternoon, Chairman and Senators. Thank you for the opportunity to be here and to tell you a little bit about Kintock and our commitment to community corrections.

We partner with New Jersey Department of Corrections, New Jersey State Parole Board; and we're very proud of that relationship.

Kintock has facilities in Bridgeton, New Jersey, and in Newark, New Jersey. A good portion of them are work-release. We have a trained staff that works with the individuals by teaching them how to do applications and get them ready for employment. One of the difficulties and sometimes the challenge for us is that people with very limited or no work histories need this opportunity to be able to have training, to be able to know how to apply for a job and to obtain a job.

We also have staff that has a good relationship with employers in the community that help place our residents.

During the past 12 months we were able to place 952 residents in employment. And in these hard economic times, we really look at that as quite a success. Our staff is very committed, and has been since 1985 when Kintock was founded with the belief that people can change and deserve to have an opportunity to change.

I've been with The Kintock Group since its inception in 1985 and I've worked at various positions in the company, starting as a social service coordinator, to case manager, Director of Facilities, and two years ago being -- up to the President and CEO of the company. (applause)

I would be happy to answer any questions that you may have. And, again, I thank you for the opportunity to be here.

SENATOR GORDON: Thank you, Ms. DeBarri. (applause)

I'm sure-- Ladies and gentlemen, please.

Mr. Lombardo.

DANIEL L. LOMBARDO: Thank you, Mr. Chairman.

My name is Dan Lombardo and I'm CEO of Volunteers of America Delaware Valley. We are one of 38 Volunteers of America affiliates across the country. We have been providing services to offenders since 1896. We discovered and created the first series of halfway houses in this country. And instead of going through my prepared testimony, which I will leave for the Committee to review, I would just like to provide the Committee some facts regarding the system and its creation.

First of all, the community corrections system is not only 20 years old; it's closer to 50 years old. We have been on contract to the Department of Corrections since 1976 or so. Things began very slowly with the Department moving to community corrections, because the Department

realized, and again under the direction of Commission Fauver, that there was something really necessary to provide a decompression for folks coming from the prison system to the community.

In 1989 the first major change happened to the system when the Sentencing Policy Study Commission under the Florio Administration made a recommendation that offenders who had substance abuse offenses should be receiving treatment rather than incarceration.

In 1993, our organization introduced to New Jersey evidence-based best practice and risk/needs assessment. Also, about that same period of time, a prison by the name of South Woods was created. That was a 3,100-bed prison at the cost to taxpayers of \$258 million.

In 1997 to 1999 the population in both the prison system and the county jail spiked. At that particular point in time there were 5,000 State inmates in county jails awaiting placement. Counties were suing the State for funds, and so on and so forth. So at that particular point in time, it made a bunch of sense to really expand the use of community-based alternatives. They could be developed quickly at no expense to the State and could be then located in certain communities that would be targeted towards where most of the offenders would be returning to.

In 1997 the Department reached out to the community providers and asked them to continue to expand their base. In 2000, Parole was separated from the Department of Corrections. In 2001, the National Institute of Corrections did an analysis of Parole that found that 40 percent of all placements in the New Jersey Department of Corrections came from Parole. They also found in that study that of that 40 percent going to the Department of Corrections, 85 percent of the inmates were there for

technical violations of their parole, not new crimes. It was a strategy that was decided then: If you could divert that population away from the corrections system you could then save additional taxpayer dollars, as well as provide a better outcome for the offenders who would be diverted from the system.

The Federal government gave New Jersey a \$13 million grant award to, in fact, develop the parole-based programs that support not only what's happening in the Department of Corrections but what's happening out of the Parole Board.

In 2003, the first decline in the prison population begins to show. In 2004 to 2008 the prison population plateaus. From 2008 to 2012 the prison population drops precipitously. There are only a couple of reasons why that happens, and they happen to be sitting before you. It's community-based programs that have done it. (applause)

Thank you.

SENATOR GORDON: Thank you, Mr. Lombardo.

I'd like to pose a question, and anyone on the panel -- or more than one -- can respond.

I'm still struggling with this issue of the staff in these facilities not being able to restrain those who might be trying to get away or those engaged in violent behavior. Should there be personnel at these facilities who are trained to be able to deal with those kinds of situations? And should-- Is there a legal impediment to your personnel from acting to restrain a resident?

MR. CLANCY: Part of the testimony, as I've listened here, Senator, has been concerned along the lines of what you're saying and raising issues.

Our training is quite extensive. And a lot of the training is to de-escalate problems. That's a big part of how we run our institutions. I appreciated that you took the time to visit Talbot Hall and you saw that facility. I'll use that as an example. I asked the head of our operations back as that discussion was going on with the Commissioner. I asked him how many fights he's had and what the frequency is. Talbot Hall has processed approximately 28,000 people since it opened in 1998, and they only know of four fights. I wonder how many fights were in a prison. It's a different culture, it's a different environment. They are treated quite humanely. It's not about-- It's just not about the violence that you've read about. It's unfortunate that people have read a paper from a disgruntled fired employee who was responsible for the documents, okay? (applause)

SENATOR GORDON: Ladies and gentlemen, I really would like you to be able to hear the presentations today. But if you continue to applaud and disrupt the program I'm going to ask our uniformed guards to take action. (laughter) And I don't want to do that.

Mr. Clancy, please proceed.

MR. CLANCY: And not as a threat, but some of our staff are bigger. (laughter)

The point of it is that it's not-- Our places and our facilities are very engaging, they're very healthy environments. So many of what was reported -- and it's unfortunate; people who read-- I know some of the background and so do the people in this room. And the fact that they

would hear or read something in a newspaper and not give anybody a chance to respond to it, and just mark them as if those events happened, is, in my opinion, pretty sad.

One of the events that did occur at Bo Robinson, in particular -- the Trenton police were called. We were turned in right away, okay? And Trenton police did the investigation. That's what we would do, like any place else. We'd call the police. They chose not to process that, as I understand it. The person was moved.

The incidents at Delaney, which will come up, I'm sure-- Delaney Hall has had over 100,000 people through its doors; processes sometimes almost 10,000 people a year. And it had a bad incident. All of the people who were there -- the victim, which was sad, okay? Tragic, okay, as to what occurred -- but there wasn't any different background in previous charges that he had had and the charges in the history of the people who murdered him. So tragic, but all of this was investigated. It's investigated by the prosecutor's officers, by police departments, as well as the Department of Corrections, the counties. And to represent, or people write about, that nobody looked into it is just a total inaccuracy.

MR. LOMBARDO: If I can follow up and build on that.

The environment in a community-based program, especially a halfway house like ours -- and our programs are in the City of Camden. And we extend the Committee an invitation anytime you'd like to come see what we do. We'd be only too delighted to have you come and tour, and see what we do.

But please understand that the responsibility of a corrections officer is custody and control. It's incapacitation. We are a non-secure

environment. The doors are not locked. There is no secure perimeter fencing around our buildings. Folks are in the process of coming home. And so what we do with that time with them is we talk to them about their behavior and the issues that got them into trouble. And then we want to get them reunited with their family, which is one of the best diversionary strategies one can provide. And then what we do is we also talk to them -- in consequent behavior. That there's the door, you can go out the door -- we consider it a walkaway; the Department of Corrections considers it an escape. That's a two-year additional hit for you. The choice is yours.

One of the things that you want to build is a personal responsibility for actions. And what we do is we work relentlessly to make sure that we can get folks from one extreme to the other as quickly as possible; and build the resources around them to make sure that they will be successful in the community.

MR. CLANCY: Again, just to follow up on Talbot Hall. Initially when it opened in 1998, Senator, there was a corrections officer assigned to Talbot Hall, and he was there for eight years. And he found himself-- There was nothing for him to do.

SENATOR GORDON: You know, I appreciate that you're trying to create a humane environment and a place that facilitates reentry into the greater society. But you know we have police officers at sporting events. I'm just wondering-- And I appreciate the data you're presenting about the thousands of people who are moving through some of these facilities, and what you're saying is the relatively small number of incidents. But I'm just wondering whether there would be some benefit in just having a uniformed presence in some of these facilities as we do in schools.

MR. CLANCY: Let me give you another example. There's a facility that was replicated-- Talbot Hall was replicated by the Colorado Department of Corrections. We built a 750-bed facility, but in that state the requirement is that it has to -- the size of that facility falls into their private prison sector. We had to meet the requirements of the private prison sector. And there we have an armed security guard. We paid \$600,000 and built an armory. There are a lot of cobwebs in that armory, Senator, okay? There are as few fights in that 750-bed facility in Colorado Springs as there are at Talbot Hall. But we have an armed guard and they're riding around. In my opinion, it's a waste of money. They work for us; we're required to provide it. We can provide it, you can provide it. I personally think it's a waste of taxpayer money.

MS. DeBARRI: If I may, Chairman?

SENATOR GORDON: Sure.

MS. DeBARRI: We have also engaged a private agency that had an armed guard, initially because when our residents were coming home from work they were getting off at the bus stop and quite a few of them had been jumped and robbed. So we also hired this company to come in to provide armed security services in a car that drove around our facility from the hours of 7:00 p.m. to 7:00 a.m. In four years we were there, there was not one fight that that person ever had to break up. They did provide services by -- in the evening hours, to drive down towards the bus stop and just be able to provide a presence. But we have tried to do that.

SENATOR GORDON: Senator Sarlo.

SENATOR SARLO: Yes, Mr. Lombardo, is that your name, sir?

MR. LOMBARDO: Yes, sir.

SENATOR SARLO: Okay. You just said something that kind of intrigued me. And I have no questions for this panel, actually; but he just said something that kind of intrigued me.

Before the Commissioner of Corrections said it could be two years remaining. So if a judge sentences somebody in jail for five years for armed robbery or assault -- and the judge said they belong in a corrections facility for five years. After three years, they get assigned to your facility.

MR. LOMBARDO: Right.

SENATOR SARLO: The first day they show up to your facility, you said they could walk right out the door?

MR. LOMBARDO: Yes, sir.

SENATOR SARLO: That's a good thing?

MR. LOMBARDO: No, that's not a good thing.

SENATOR SARLO: Oh.

MR. LOMBARDO: That's the thing that we try to prevent.

SENATOR SARLO: No, you way you said it is, "Well, they could walk right out the door."

MR. LOMBARDO: No, no. My point was that we don't run a secure facility. It's our hope and--

SENATOR SARLO: Okay. So what happens if they walk out the door? They've served three years and now they get to you, and the first day they walk out the door.

MR. LOMBARDO: If they decide to leave, we give the Department of Corrections a call and say, "So-and-so left." Now, that issue is then turned over to the Department of Corrections to investigate and

begin the process of contacting all local law enforcement regarding that person leaving the facility. When that person is picked up he gets a new charge. So it's a new charge that sentences him and reincarcerates that person.

SENATOR SARLO: So he would go back-- And that point in time, he's not coming back to your facility, of course.

MR. LOMBARDO: He would not come back to us. He would go back to the system.

SENATOR SARLO: Okay. So you would report it to Corrections and you report it to local police, and then they begin--

MR. LOMBARDO: He's picked up and then returned to the system -- returned to Corrections.

SENATOR SARLO: Well, they have to look for him first if he's--

MR. LOMBARDO: Well, usually that's-- As you heard the Commissioner say, there are very, very few that they don't know where they are. They usually go home or they usually go with a girlfriend -- something like that -- and they are easily apprehended.

SENATOR GORDON: Senator Kean.

SENATOR KEAN: Thank you. Thank you, Mr. Chairman.

Thank you all for your testimony today.

And I think you gave a very clear analysis of the description of the services that you provide and the types of oversight that you provide. I guess the question that would follow on: One area that I tried to get to with the Comptroller, Matt Boxer, is -- as you're looking to a performance matrix's success building, you've said that New Jersey is the tip of the spear

in many of these areas. Where do you see where we need to be, as a State, from your perspective, five years from now? What's the model that's being built, if you want to offer that type of insight? As we're looking at future budgets, looking at future analyses, looking at future incentives, where do you see-- How would you define success five years from now -- to anybody on the panel?

MR. CLANCY: If the prison population is down 24 percent now, since 1999, hopefully it's down 50 percent, okay, five years out. I think that the bar should be high, and I think that the goal should be to continue to decrease those people who are being re-arrested. And the best way to do that-- I think you have some things that are happening. We're tail-end providers. I think that Dan may be involved in front-end and back-end and homeless and other things at VOA; let him speak for himself. But we really focus on the reentry side. And the reason that we went that way many, many years ago was because government was not willing to spend on the front-end. And a better investment of your dollars, I believe, is on the front-end. They're in the drug court initiative; they're in diversions and programs for kids. So as you think about it, I think that you can only do better by providing more treatment services.

I just think that so many of the people who we see, Senator, who come to us, they are absolutely desperate for the information we give them in general. One of our directors tells me all the time, "Coming in the door, a third of them are ready. They really want to get better. The third, we may not reach them this time out; and our battle is kind of that third in the middle." I think that's a good analysis of what we're up against. A lot of these people have just never had the opportunity to be educated about

their alcohol and drug addiction. They've just never been given the tools. And they're very, very receptive to us, given the opportunity. And that's why, again, I maintain I think everybody coming out of the system-- I think it's irresponsible to-- And I think it's a public safety risk to let people out of the system who have not been counseled, who have not been educated, who have not dealt with their addiction. I think it increases the risk in the community.

SENATOR KEAN: And to get to your point -- and the other panels are going to talk a little bit about -- the other members of the panel -- the recidivism rate issue as well, in that context.

MR. LOMBARDO: If you take a look at recidivism nationally, you're talking about between 40 to 50 percent of folks go from prison to the street and then reoffend within their first two to three years in the community. You send them to a community-based treatment, research is indicating that it's 20 percent or less that return back to the system. That being the case, that's where the investment needs to be made. It needs to be built on the research piece. The other thing is what John was speaking about, which is the treatment piece. The Legislature passed, and the Governor signed today, a piece of legislation that diverts drug offenders from the system. That makes a bunch of sense. You invest in the treatment part first, then you avoid the tremendous expense that you have post facto when you're in the corrections system. You have to save the most expensive resource for your highest risk client. The lowest risk client -- divert them from the system, provide community-based alternatives. That's where the resources are, is in the community. So if you can divert them to the community you can then align the resources around them and

their families to make sure that they don't reoffend. That's the best way to do it.

SENATOR KEAN: And how-- If I may-- Thank you, Mr. Chairman, for your allowing me the longitude and latitude, as it were, on this.

How do you-- You measure that with-- I know the sheer numbers in the prison population -- that rate of recidivism. What are some other areas, other ways that you would measure success over the course of the next couple of years as we're looking at performance indices?

MR. LOMBARDO: I think John addressed some. You have a natural way of, really, assessing the outcomes of community-based programs. Research is already taking place in several of our programs across the state assessing the impact of our programs. The Department is spearheading research to discuss the outcomes that providers are generating.

There also has to be the statewide analysis. What are you spending now, today, on the population that you have in prison? As that number drops, as the number of folks who are treated in the community-- You're saving substantial amounts of money. The reason that you continued supporting parole programs to make sure that folks are not returning from parole back to the prison system, is because when the Feds gave us the original \$13 million grant to do that, the programs were so successful that when the analysis was done for the fiscal side -- of taking a look at the budget -- by providing those programs you saved the State \$154 million in services that folks would be receiving in the prison. You're serving them at \$30 million or \$40 million in the community. So you're saving about two-thirds of those dollars by doing alternative programming.

MR. CLANCY: Yes, one thing-- And Senator, I don't really have an answer. I think that there is a lot of focus of late with universities looking at this. I think that Rutgers is really gearing up and there are a lot of good, smart people who can work with the government to develop different ways of tracking.

But I'll tell you that there was a time -- early 2000s -- we also ran a juvenile facility. It was probably the worst and saddest thing I saw at that time: We had four generations in our facilities at the same time. I mean, how bad is that? So what's happening is that as you're reducing recidivism and you're helping the people who are now citizens, paying taxes, running businesses -- a lot of people here today that have gone through these program successfully are out of prison, they're free men and women for many, many years. And their children are going to college, their children are going to good schools. There's no risk now. They feel comfortable and confident that their kids aren't going to be where they were. It's a big, big factor for our future, you know. I've done my thing, okay? I'm not going to be here. But they have a real investment in their family. And the real change here is going to happen at the community level. And it's going to happen in our cities and our towns. And I think that we've really already begun to do that.

MR. CURRY: Senator, if I will, on behalf of the Coalition-- There's an entire continuum. Most of the folks here were talking about residential. But you also have outpatient-type treatment, day reporting services. So as you look at your investment and going forward in the future, its really expanding on the continuum that you have, and really the investment in evidence-based practices and evidence-based integrated

system. That you're not just putting programs in place that are just feel-good. They are actually based on science and research, and that investment proves its worth. It's also extremely important to look at locating these services in the communities from which offenders are coming. A lot of the offenders are coming from minority communities; overrepresentation in our community -- as a minority, it's extremely important that we're investing in strong, evidence-based programs; programs that are going to change behavior. And integrate those public-private partnerships between the government and private providers, because it really takes a joint effort.

I spent 26 years in government working in adult parole, juvenile parole, corrections. And really, the bond needs to be improved between "the public and private sector," working collectively, because ultimately it's about others. It's not about us. It's about changing the lives-- And most importantly, it's about folks of color -- and that's extremely important.

SENATOR GORDON: I want to move this along.

Senator Buono.

SENATOR KEAN: Thank you for your comments.

SENATOR BUONO: Thank you.

And I just wanted to preface my question by a restatement, if some of you weren't in the room: that everyone, I think, on this panel believes that reentry works. We're all very committed to it, we all supported the legislation -- the most recent legislation as well.

But I'm listening to this esteemed panel and I'm trying to reconcile what I'm hearing from you -- it sounds like it's all copasetic. I'm

trying to reconcile what you're saying with the *New York Times* exposé, the Comptroller report, the SCI report: Are they all fiction?

MR. CLANCY: If I may-- I don't think that the Comptroller's report found us to be doing anything. Most of that Comptroller's report was recommendations of things that the Department of Corrections could do to make the system better and to take another look at certain policies that were already in place.

As it relates to the *New York Times*, I would refute most of what you read. I will tell you that my daughter did get married (laughter).

SENATOR BUONO: So what do you recommend that we do? Should we just turn a blind eye and a deaf ear to what we're hearing?

MR. CLANCY: No, I would encourage you to have your employees -- State employees, not reporters -- investigate anything you're concerned about to separate the fact from fiction, from the person with the pen who can sit in an apartment in Brooklyn and write stories any way that they want. I encourage you to investigate, and I think you'll find the facts to bear the support of the statistics that were shared with you here today.

SENATOR BUONO: But do you feel there is any room for improvement in terms of either security or improvement of services like counseling, employment, security within the institution? There's no room for improvement?

MR. CLANCY: Well, again, we-- There's always room for improvement. And we-- I would say I speak for not only us, but our entire coalition -- and Bill could speak for it better -- we are all ready to do whatever will make this system better. We are all committed to it; we will sit and work with any of the departments, any one from your -- any

legislative bodies here in the Senate or Assembly. We are-- We're Jersey people, most of us. We're committed to this. We want to see it get better. But, again, to hold-- When you talk about hundreds and hundreds of thousands of people who have gone through this system and have better lives, I felt it was somewhat of a compliment for somebody to spend 10 months looking into something and finding four stories that go back seven years.

SENATOR BUONO: It's great when it works well. I think it's a great model. But I don't think that you-- I resent being put on the defensive and made to-- It seems to me that you're suggesting that if we're up here doing our due diligence, our responsibility, we're carrying that out, that somehow we're attacking the model. And that couldn't be further-- There's nothing further from the truth. And I think you all know that.

So let's not muddy the waters, shall we? Otherwise, we will have no progress on this issue. And there is room for improvement. And you know what? I have to tell you the story that really got me was the second story from the *New York Times* -- how the residents were being treated; that a woman was being raped, that it wasn't reported to the police; that people were supposed to be getting treatment, they were supposed to be getting counseling and that it wasn't happening. And not only wasn't it happening, but then reports were being falsified as if they did get that counseling. And these are human lives. And that is the report that bothered me the most.

MR. CLANCY: It bothered me too, especially because the person who was being quoted was responsible. It was a Deputy Director who was responsible to make sure that those services were being provided;

and then was talking about those services not being provided as if he had nothing to do with it. He was fired because those services were not provided.

SENATOR BUONO: Thank you.

SENATOR GORDON: Thank you, Senator.

I have just a couple of questions, then we'll move on to the next panel.

There have-- I normally don't make policy based on anecdotal evidence or stories, but I have been getting e-mails relating to the kinds of rehabilitation and counseling services that occur there. And just to summarize: Many of them were critical of the peer-to-peer approach used in some of these institutions. I got one e-mail from someone who was at Bo Robinson and she reported that her daughter's training sessions in the morning really involved talking about horoscopes. Can you address the issue of peer-to-peer counseling? Is there evidence to suggest that this actually has an impact, as opposed to something like your family services program where you have these Ph.D.-level people providing counseling? We're hearing about large lecture rooms and another resident speaking to the group, and that having limited effect. Can you comment on that?

MR. CLANCY: Well, again, specific issues are difficult to speak to, and I don't want to represent myself as a clinical expert. I can tell you that the woman, Dr. Angela Mims, who is in charge of the women's program at Bo Robinson is a national speaker, and coordinates and runs that program. And often it's very common in working with people that they work within a group. Did a group of women discuss horoscopes one

day? I mean, Senator, I'm going to assume that they did. Was that part of the service? Was it a side statement? I just can't relate to that specific.

I can tell you that there are gang members in every facility in New Jersey, in every facility in the country. I got a call from a former governor that read this -- he was from Utah -- and said, "We have gang members in Utah. We have gang members everywhere." So they have to be monitored. But I'm telling you the violence doesn't happen and there's an incredible-- I went to my lunchroom about a week ago and there was an alumnus from Delaney Hall; Delaney Hall has been a focus here. And it turned out that that gentleman actually was living in Delaney Hall the night of the tragedy that occurred at Delaney Hall. And he said, "Mr. Clancy, there was no way that thing was planned out. They didn't want to kill this guy. It was a total accident; it wouldn't have mattered if you had an army of officers -- when that guy walked by, that event was going to happen."

So it's very difficult, Senator, to speak to specific issues. I will be glad to get back to you on that particular issue. And I'll get back to you and Dr. Mims will get back too, I'm sure.

SENATOR GORDON: Okay.

Any other questions from the Committee? (no response)

Seeing none, let me thank you for your testimony today, and let's move on to the next panel.

MR. LOMBARDO: Thank you, Mr. Chairman. (applause)

SENATOR GORDON: Our next panel will consist of Thaddeus Caldwell, a former employee of both the Department of Corrections and CEC; and Derrick Watkins, former Deputy Director of Treatment at Bo Robinson and also someone who has worked with Kintock.

Gentlemen.

Gentlemen, thank you for being here. I don't know if you have any prepared testimony; you certainly have a lot of experience in these institutions. You've heard the discussion today; I assume you've read some of the press reports. I think we would find it very valuable if you could give us your personal perspectives on the problems you have encountered at these institutions and what we can do as legislators to fix them. Because that's the objective of this hearing.

DERRICK WATKINS: Good afternoon.

First of all, let me address something that Mr. Clancy said. The providers up here, I think, do a great job -- let me say that. But that's not the issue. In respect to me being fired, he got the facts wrong. The person who fraudulently documented -- I fired him. But that's not why I was fired. I was fired because there was an incident that occurred in another department which I was also held accountable for. Which is all right, that's fine -- so, first fact.

Second fact: When it comes to treatment at the facility I was at -- Bo Robinson -- for the most part, it was done well. That's not the problem. The problem is, I believe, the senior counselors are underpaid to do a very difficult job. (applause) Second point: The counselors who monitor the men in a security capacity are also underpaid to do a difficult job. Just as training -- because I was the training coordinator. But that's not the issue. They should receive the same training that a police officer receives; a corrections officer at Rikers Island receives. The training that we were offering was not at that capacity. Not to say that they couldn't do a

great job, but I think that the tools that they were given, the tools that they were left to use, were not great tools for the people they were working with.

Third point: To be an effective senior counselor I truly believe, after 22 years, you need to know three things: drug and alcohol counseling, criminal thinking, and a client's motivation to change. The problem here is that the motivational change part is the part that never got addressed. Because you need to know what is called *talk therapy* at an advanced level. Talk therapy could include something like cognitive behavioral therapy, rationally motive behavior therapy, motivation enhancement behavioral therapy -- all at a master's level. Not to say that the individuals who worked for me couldn't learn that, because I had a great staff. The problem is that the training -- the corporate level -- the corporate level -- in terms of giving the people down at the buildings where this work needed to be placed -- were not, in my opinion, as supportive as they could be. When you have 10 senior counselors in one office and you have 10 clients being seen by each senior counselor -- that's 20 people in that office. How much information do you actually think the clients are going to give to this counselor to help them change? There's a privacy issue, there's a confidence--

SENATOR BUONO: They're all in the same office?

MR. WATKINS: In the same office.

SENATOR BUONO: Wow.

MR. WATKINS: These are facts.

Now, again, the senior counselors who worked for me did the best they could do based upon those circumstances. It's summertime;

when I was there, the air conditioner was broke. So you had 20 people in an office, air conditioner broke, 100 degrees outside -- fact.

Second fact: There are many senior counselors who were asked to do groups -- 50, 60 people; not impossible, very challenging to do. The most difficult client, in my experience, to do any type of group lecture is a group of offenders. Oh, my God. These senior counselors do the best they can with what they're given, but they could be given more: location, structure, space -- all of these things could improve the problems which they read in the paper. Those were facts; I saw them with my own eyes. So that doesn't mean that they don't do a great job; that doesn't mean that the CEC is not a great company. It just simply means that they could do a better job of supporting the staff that delivers the services.

SENATOR GORDON: Mr. Caldwell.

T H A D D E U S B. C A L D W E L L: Yes, good afternoon, Mr. Chairman, Committee members. I apologize, first of all, for not having a prepared statement. But based on some of the issues that have been discussed and have been in the media -- if I may give you just a little bit of my background.

I worked for the Department of Corrections from 1984 until retiring in 2009. I began my career as a corrections officer, being promoted at a point to investigator; promoted again to principal investigator, again until ultimately retiring in 2009.

During a stint of my employment, for about four years from approximately 2002 to 2006, I was assigned to the Special Investigations Division's Fugitive Unit within the Department of Corrections. Our primary responsibility was to locate and apprehend anyone who escaped

from the custody of the Department of Corrections. That would be anyone from the secured facilities and the halfway houses.

Most of our work centered on the escapes from the halfway houses, as we didn't have very many escapes from within the confines of the correctional facilities. And there were hundreds. At the beginning-- I believe when I was assigned to the Fugitive Unit the open cases of halfway house escapes at that time was upwards of about 300. And it was the responsibility of six investigators assigned to the Fugitive Unit at that time to locate and apprehend all of those individuals.

As I sat here and, with all due respect, listened to some of the previous testimony, I heard a lot of interchangeable terms: absconder, walkaway, escape. My position is that it's a matter of semantics. The fact of the matter is that these inmates are committed to these facilities; they're not where they're supposed to be, they're doing things that they shouldn't be doing, and as a result the citizens of this state are being victimized.

SENATOR GORDON: Thank you; thank you both for your testimony.

Senator Bueno, do you have some questions you'd like to--

SENATOR BUONO: I don't think they'll--

I was just talking-- You saw I was talking to Senator Ruiz over here -- just talking about-- It's just such a disturbing story. And I don't know if you have an answer to this, but I was just relating something I had read in one of the newspaper stories that at night it was bedlam -- the way it was described. That people-- You're not in cells, obviously; you're in your bunks. And people live-- Is it true that people live in fear that somebody's

going to come and assault them? And is there anyone there who they can call that will come?

MR. WATKINS: I can tell you that, that's possible. I can't say that it is not.

You do have gangs in these buildings. And I used to always tell the clients when I would orientate them that this is sacred ground; meaning that if you're here to get help, I can help you. But if you're not here to get help, I'm going to help you get out. So that was clear, but there was always some resident or residents who didn't believe in that philosophy. Those were the ones who were the most dangerous.

SENATOR BUONO: Right, right,

MR. WATKINS: You have addicts, and you have abusers. Abusers are the problems. They use drugs for a different type of reason -- not because they're in pain or lacking pleasure; they use drugs to make money. They use drugs as a celebration of robbing or stealing from someone. They use drugs when they do a carjacking as a group of people. So that mindset is the mindset that causes havoc in the evenings.

The gentlemen who are there for treatment tend to want to mind their business, tend to go to bed on time, tend to do most of the working and cleaning in the facility. They tend to stay out of trouble. But this 6 to 12 or 24 individuals -- they can disrupt a facility. It doesn't take a lot, it just takes a few.

SENATOR GORDON: Well, I think we can surmise from that that there needs to be some additional staffing or improved training, like you referred to the training of a corrections officer. Is it your testimony that there should at least be some presence in these facilities of people who

have those kinds of skills and training -- to keep those dozen or two dozen people under control?

MR. WATKINS: I think what needs to happen more often is people being more proactive. So it's not necessarily just about training; it's about getting off your butt and doing what you believe needs to be done.

Now, unfortunately, sometimes a staffing pattern in the evening is not the same as a staffing pattern in the day. So you may not have as many people staffing the evening shifts as you would in the day. So you are outnumbered two-, three-to-one.

SENATOR BUONO: Wow.

SENATOR GORDON: Okay.

MR. WATKINS: That counselor may or may not, based upon his thinking, his safety, do the things that he may do if there were more staff around. And I respect that; I truly respect that.

SENATOR BUONO: Sure.

MR. WATKINS: That makes sense to me.

So that being said, it's not just a staffing problem; once again, given the facilities, the tools that they need to do -- to make this really, really, really be effective requires staffing the evening shift just like you staff the day shift. It's not necessarily about the best-trained person, because I've been around people who were really trained who say, "I'm not going down that hall right now, there are too many of them." I respect that, okay?

So that's what my experience is. Once again, treatment is better than incarceration. But treatment that's controlled is better than treatment that's not controlled.

SENATOR BUONO: Exactly.

SENATOR GORDON: You know, some years ago Senator Kean and I actually attended a meeting on staffing of nurses in hospitals. Some states like California have passed legislation requiring minimum staffing levels within particular units of hospitals; a different staffing ratio of nurses in a psych unit as opposed to a medical surgical unit. And I think we've wanted to avoid that approach for our hospitals in New Jersey. But I'm wondering, given the fact that these are -- certainly the largest organization is a for-profit institution -- whether we need to establish certain standards -- some staffing standards -- for some of these units. Perhaps a different standard at night than during the day. I mean, do you think there's any merit to that idea?

MR. WATKINS: There could be. I can't say that that wouldn't help. I think more importantly to me is that the clients are always thinking about a way to cause havoc. They spend three times more time thinking about what not to do than doing the right thing. So you're always chasing from behind.

That being said, there needs to be more of a proactive approach. Instead of doing one search a week, how about doing four? And the reason why I say do many, is because when the clients know that you are always going to come into their room, more likely than not they won't take a chance of doing the wrong thing. But one search a week, four searches a month -- and I'm not saying this happens or doesn't. I'm saying what needs to happen; because it's about what do you do -- not complaining about the problem. Increasing the eyes on deck approach;

watching them to the point where they fear being caught versus fear of getting away with stuff.

So it's not necessarily to increasing the staff at night, because I know that may not be possible. I don't know exactly what the ins and outs are. But I do agree that a more proactive approach of simply being more proactive in saying, "I'm watching you, I'm watching you, I'm watching you," would improve the treatment component for the counselors. It would make it a little bit easier. When you have counselors -- senior counselors who are responsible for counseling, case management, large workshops, crisis intervention, suicide prevention, domestic violence prevention -- on and on and on -- that's not to say that the other department is not doing what they need to do. We should be working in tandem. It should be a cooperative effort. No group should be doing more than the other group and no group should be doing less. They should be all getting the same amount of tools -- not skills -- just skills -- but tools to perform what I believe is an extremely difficult job. Even though the clients come there talking about, "we're in treatment," they still act like criminals.

SENATOR BUONO: Do they have to want to come in order to get admitted?

MR. WATKINS: That would help. That would help to want to be there. But sometimes they have to be convinced. And sometimes when you have a lot of your friends from the prison there saying, "Don't do that; do this," the convincing becomes a little bit more challenging for the staff that has to address their treatment needs. So you have to work a little harder.

Another thing that needs to be balanced, in my opinion, is the case-management counseling approach. There's more case management than counseling. I'm talking about counseling in regards to talk therapy. Talk therapy is something that needs to happen for each individual client. I'm saying if they have to meet them three times a week -- I'm just throwing a number out there -- they need to meet them three times a week. My experience has been -- paper; a tremendous amount of paper. Documentation is important -- if it wasn't written down it didn't happen -- I respect that. But the documentation and the talk therapy components have to be on the same playing field, because that's the part that will get the clients from absconding -- walking away; feeling that this place is better than me being on the street. And that's the part that I believe that's not being addressed. How do you prove to me, as a client, that staying here is worth my while? That has to be addressed because you will keep getting the problems. We're all here today to talk about this stuff, but the stuff that I am addressing -- after 22 years in this field -- if it does not get addressed, by my own experience, we're going to be back here again.

SENATOR GORDON: Well, is there something that we can do as legislators to try and make that happen? Or is that something that has to happen within these facilities because the management wants to do it? I mean, how can we facilitate this kind of environment that you say would be a better one?

MR. WATKINS: I'm not sure about the policy from your level -- what can be done. I'm pretty sure you could do something; I'm not quite sure what that is right now.

But what I do know is that what I'm talking about with respect to the facilities and the providers -- that could be done instantly.

Now, let me give you an idea of what I'm talking about. And this is when it first hit me. When I was at Kintock I was in a meeting. There were some escapes, and that happens. And I was in a meeting, and in that meeting were some people from the State, and one was a judge -- I believe this was a judge. And this judge said this, and I quote. He said, "I'm not saying that you're not going to have escapes; I'm not saying that you're not going to have problems with gangs; I'm not saying that you're not going to have problems with drug and alcohol abuse. What I'm concerned about is what are you going to do about it? I'm concerned about this happening so much that it becomes a norm." And that rang in my head because it appeared to me that an escape, a walkaway, some type of thing that happens was becoming a norm. And that is the problem -- it is not normal. It is not normal, it should not be acceptable that the men who we say we want to help and treat should be-- "Oh, he just walked away? Check it off; call DOC, he's an escape. Next." It should not be that way. And I'm not saying that's intentional; I'm saying that that, in my opinion, is what it has become. That could be addressed. So at your level, I don't know. But that rang in my head when that judge said that. I will always remember that because he was right. It appeared that it was becoming a norm.

SENATOR GORDON: Senator.

SENATOR BUONO: I don't know -- this might be too detailed, but when a resident comes in, do they each have a-- When you say case management, do they each have an individualized plan or design

for their needs, in terms of how many therapy sessions, whether they need education or training?

MR. WATKINS: I would not say that's individualized. That type of system would not be an effective system in this type of system.

SENATOR BUONO: Okay.

MR. WATKINS: That requires-- We're talking about a lot of men at the same time. One senior counselor could lose all of his men to classification -- they all get transferred or they all get let go. And the next group of people coming in -- 25 -- would be his. So that individual part that you're talking about is challenging a little bit -- I don't like to use the word impossible, but it definitely would be challenging. That would be ideal.

SENATOR BUONO: So the way it works now, everybody-- Like when you were talking about having everybody in the same room doing the one-on-one. So everybody gets the same amount of -- the same frequency of those? Like, if you have 25--

MR. WATKINS: Yes, that should be-- They should get the same frequency, absolutely.

SENATOR BUONO: Okay.

MR. WATKINS: But the effectiveness is the problem.

SENATOR BUONO: Right.

MR. WATKINS: It's about the effectiveness. How much am I going to talk about when I have another resident sitting less than two feet away from me?

SENATOR BUONO: Nothing.

SENATOR GORDON: Okay, any other questions from the Committee? (no response)

This has been extraordinarily helpful, to have people who have been at the facility level and living with these issues for so many years, and who can offer the perspective that you do. So gentlemen, I want to thank you for being here. It's been very helpful and I'm sure the Committee will be back in touch as we move on to the next stage; which is hopefully going to be the development of some legislation.

So I want to thank you for being here.

SENATOR BUONO: Thank you very much.

MR. WATKINS: You're welcome.

SENATOR GORDON: Our next panel-- I believe the initial plan was we were going to have the PBA and the SOA appear together, but I'm advised by staff who know what's going on that we're going to ask for the representatives of the PBA -- Police Benevolent Association -- to appear first; and those individuals are Rich Brown, Joe Amato, and Don Ryland.

Gentlemen, could you come forward, please?

Gentlemen, thank you for being here. I don't know whether you have prepared statements, but we certainly would be interested in your perspective on this, and particularly your perspective on the source of the problems and how we can improve the situation.

So if you would proceed.

R I C H B R O W N: Good evening, Mr. Chairman, members of the Committee. My name is Rich Brown, Chairman of the New Jersey State PBA Corrections Committee. I also worked in Monmouth County Corrections for the past 24 years.

I'm joined today by representatives of the State and county departments of corrections who will outline for you what is broken in the policy and procedures and oversight of halfway houses in New Jersey.

Regardless of the spin brought before you and the public by halfway house management and some elected officials, halfway houses in this state have become nothing more than private prisons without rules. They lack oversight, they lack clear statewide standards, and they are used to free bed space to make county government millions. And they are breeding grounds for drugs, violence, and weapons that place residents, counselors, and corrections officers at risk.

The *New York Times* stories are merely the tip of the iceberg of the reality of what is wrong with the management of these facilities in New Jersey. Halfway houses do have an important role to play in assisting addicts or those in need of counseling or life skills to make the transition from jail into a better life. But when a halfway house becomes a dumping ground for gang members, drug dealers, and high-risk criminals, the security of the people who need the help of these programs are placed into question. As you will hear, that is a regular occurrence in these facilities.

We hope this hearing produces solutions that end this dangerous practice. There are a few things that legislators can do to establish sound policies for halfway houses to truly serve their intended purposes in the correction process.

One: Require that only sentenced offenders who are deemed low-risk and who are not facing other charges may be admitted to a halfway house, and provide that these individuals may not be gang members or Megan's Law offenders.

Two: Require that the State DOC institute regulations that establish a single, statewide standard for all county correction departments to follow.

Three: Require that inmates assigned to a halfway house can't leave the facility for medical or other reasons without being escorted by correction officers, sheriff's officer, or law enforcement personnel.

Last but not least: Prohibit any inmate who has escaped from a halfway house from being returned to the facility at any time during the remainder of their sentence.

Instituting these critical reforms will ensure that the halfway house program will help those who need it without endangering public safety.

I'll take this opportunity to turn things over to Joe Amato, who will express his concerns with Essex County; Don Ryland, from Mercer County halfway houses.

I appreciate you letting me speak on this. Thank you.

SENATOR GORDON: Thank you very much.

Mr. Amato.

J O E A M A T O: Good afternoon, folks. Again, I also would like to let you know that we appreciate the opportunity to be here today.

SENATOR GORDON: Yes, I think you need to turn on your microphone (referring to PA microphone).

In this environment, red is go.

MR. AMATO: Okay. (laughter)

So far today I've listened to a lot of things, and we agree 100 percent that there absolutely is a place in the system -- in the criminal justice system for reentry. It is very important.

You don't want to mix low-risk inmates and people who need rehab with violent criminals. But, unfortunately, at a county level that's exactly what's happening. I've heard Mr. Clancy state that his business is a tail-end provider; he's a tail-end provider. Well, not only am I speaking here today as a fly on the wall, because as officers we're actually there behind the scenes watching what goes on, speaking to the inmates, getting the complaints from the inmates, forwarding complaints to internal affairs, asking for investigations to be done. And this has been about the past eight years of my life -- that I could literally tell you -- that I could spread out the communications that I've sent out to local politicians, State investigative agencies, Federal investigative agencies, to look into Delaney Hall particularly. Delaney Hall is absolutely a jail that was built within the jail system. It's all about profit. And just to give you an example -- when we talk about whether or not they're in the rehab business or whether they're in the jail business: As of 10:00 a.m. this morning Delaney Hall's population was 798. Of those 798, 36 were sentenced. Logan Hall's population at 10:00 a.m. this morning: 216. Of those 216, 63 were sentenced. The rest of them are pre-adjudicated, pre-sentenced, recidivists, violent criminals with bails as high as \$100,000.

So I would hope that today is the beginning of the end that we're allowing any politicians, or elected officials, or company officials in the privatization business to try to tell you that they are in the

rehab/reentry business. They are in the corrections business. That's what it comes down to.

We're not shocked by what we heard in the *New York Times*; as a matter of fact, like I said, I could probably fill this table with communications that I put into the press -- statewide, local press. And it's either been completely ignored or, when it was addressed by county officials, they simply said that I was lying. If the Committees are going to move forward and try to investigate this type of stuff, I urge you -- I urge you that you have to get your hands on the internal documents that I can't provide. See, I'm here to tell you the secrets -- about the secrets. I can't provide you with the exact information. But I don't want to talk about the graphs and the charts and the studies that were done. I want to talk to you about the horror shows that go on 24/7 in the county jail -- especially the Essex County jail -- that go on when the lights go out; that go on when the investigators are not around. The things that go on when the people who do the studies, and the people who do the walkthroughs, and all the people who have told you, "I've been to these facilities; they are beautiful. I can't believe how nice it is"-- It is very nice to pass an inspection when you put all the fancy china and all the fancy tablecloths out. But when the inspectors leave is when the problems start. And again, I've gained this knowledge through my own experience in dealing with the people who are housed there; family members who call me asking me to help; ex-inmates, including my own family, unfortunately, who have been incarcerated for almost all their lives and have ended up in Delaney Hall or Logan Hall. I get my experience and my knowledge through officers who, unfortunately,

at one time, took part-time jobs in Delaney Hall. And when they saw what goes on they left like there weren't enough minutes in the day.

So I really hope that, moving forward, we don't just concentrate on the whole business part of it and the contract part of it -- the profit/nonprofit part of it. It's a real issue going on here. These inmates are sent there before they have even been arraigned, okay? Talk about reentry -- we don't even know what their threat level is yet. There's a mad rush to get inmates into Delaney Hall and Logan Hall to keep beds available in the Essex County jail. That's what it comes down to. It costs -- I don't have exact figures -- \$100 a day to keep an inmate in jail; it costs \$60 a day to keep an inmate in Delaney Hall. That's what's it about -- that's what's it about.

And again, I don't deny that CEC is absolutely, 100 percent capable of providing the services that they claim to provide. I'm sure they have an excellent program. I'm sure the accreditations are all 100 percent unquestioned -- that they do provide a service. However, on a county level, I have to say it again: It's been turned into a make-shift jail system. That's exactly what it is. Our jobs are being mirrored by counselors. And I also would urge the Committee, moving forward, whether it be Senate or Assembly, that you have to get your hands on some of these documents that were reported in the *New York Times*.

SENATOR GORDON: Mr. Amato, could you tell us what documents, specifically--

MR. AMATO: Well, when I talk about documents, I'm talking about-- You have to be able to-- Not to make light of it, Senator, but I'm talking about documents that would take us probably months to sift

through. I'm talking about the documents that show the housing reports of each inmate; the arrest reports of each inmate; how many times they were put back in the jail from Delaney Hall and then returned to Delaney Hall a few days later. I'm talking about the arrest reports; the internal affairs investigations; the disciplinary reports that talk about drug use, sexual activity, drug distribution, weapons, zip guns. When was the last time we heard about a zip gun? Zip guns are being made in Delaney Hall.

It's a prison; it's a jail. These inmates are acting like incarcerated inmates because that's what they are. They're not adjudicated yet. We don't know what the threat level is. They're all waiting to go to trial. And along with those documents, I would hope that you would be able to get your hands on the transcripts from the murder trial. We had a man who was arrested for traffic violations murdered by three recidivists, gang-associated, prison-bound inmates. Why were they there? Why were they there?

And again, if you look at the housing reports you'll see where they start in the jail, went to Delaney Hall, got in trouble, came back to the jail a week later, went back to Delaney Hall -- up until the point when the murder happened. And to find out that this one particular person who was accused was part of the welcoming committee. He was doing classes on life skills seminars. This was what was going on, this is what goes on every day.

Jails and prisons are secretive to begin with. It's a secretive part of society that, unfortunately, no one in this room, unless you walked the halls of a jail, would know. And it's bad enough that jails are secretive and away from the public eye; but imagine when we turn our jail system over to

private operators where it becomes even more secretive. And that's what the problem really stems from.

And like I said, just to reiterate: We're talking about nearly -- actually over 1,000 inmates at this point, as of today, with bails as high as \$100,000. We do have criteria; we do have a handwritten policy that's basically the opinion of our director, who said here's the people who he believes should be in Delaney Hall. So there's really no State oversight. The State Corrections Department does have State oversight, where the inmates have to be clearly low-risk, have a clear parole date, have no pending charges. Not only do our inmates have pending charges in Essex County that are housed in Delaney Hall, but they have pending charges from out of state, they have pending charges from other counties. Police officers come to our jail and they ask for inmate Smith, and we have to go next door to get inmate Smith out of Delaney Hall. And he's wanted for homicide, God forbid. That's happened. Where an inmate comes in for a minor charge with a \$200 bail, and within hours he's in Delaney Hall. The next day a teletype comes across the system that says he's wanted for a triple homicide and his bail is raised to over \$1 million. I mean, these are issues that go on. When you allow pre-adjudicated inmates to be removed from the county jail, this is what you're going to find.

SENATOR GORDON: If I could just follow up on that.

There have been comments made that the legal authority to place these pre-adjudicated people into Delaney Hall doesn't exist for the county. Can you comment on that, or is that something that we need to run down with our legal resources here?

MR. AMATO: Yes. The Administrative Code that covers Corrections is Title 10A.

SENATOR GORDON: Yes.

MR. AMATO: And in Title 10A -- it's Chapter 20 if you want to look into it -- Chapter 20 describes what the criteria is for what they call *community-based residential treatment facilities* or -- I forget exactly how it's worded. Chapter 31 of 10A is what governs county jails -- and it's not addressed at all. That's the problem. See-- I have a handouts here, by the way; I thought I was going to be brief, but obviously I didn't-- I have handouts here which I would like you to go over, if you can at your leisure. But I explain it all in these handouts. The reason why it wasn't written into county Administrative Code is because I would imagine that no one ever dreamed that we would have to write a law that kept pre-trial, pre-adjudicated inmates in jail. How are we providing reentry services for an inmate who possibly is facing 30 years to life?

Now, the policy that we have does say: no capital crimes. You're talking about murder, rape, arson, armed robbery; however, if somebody did that type of crime and spent time in State prison, then comes to us on a minor charge, according to our classification system, even though he did time for murder, he's still allowed to go to Delaney Hall. Because now he's not here for murder now; he's only here for shoplifting.

But regardless of the fact that we might not be sending murderers to Delaney Hall, what we learned twice, unfortunately -- we also had the girl in Bergen County who lost her life -- is that people in these facilities are capable of murder because we simply don't know. You're talking about pre-adjudicated inmates; haven't been before a judge yet;

haven't had a chance to be tried. Why are we taking them out of the confines of the county jail and putting them in CEC? And then CEC comes to this table and says that they're in the reentry business. That's simply not true, at least on a county level.

SENATOR GORDON: Okay. Thank you.

Mr. Ryland.

DONALD J. RYLAND: Mr. Chair and members of the Senate, I thank you for the opportunity to speak before you.

My name is Donald J. Ryland. I'm a Mercer County Corrections Officer for 17 years, and President of Police Benevolent Association Local 167.

I stand before you with concerns about the safety, operations, and treatment programs at the halfway houses, owned and operated by Community Education Centers, that are funded largely, if not entirely, by public funds.

The County of Mercer began contracting services with Community Education Centers in 2005. The reason given by County representatives was to afford nonviolent drug offenders the opportunity to be treated. The union understood this concept but voiced its concerns regarding the programs oversight, security, and criteria used to determine which inmates go there, and the ability of the staff to deal with county inmates.

These concerns fell on deaf ears, resulting in no oversight for these services from the County, nor from the Department of Corrections -- a criteria that allowed a more dangerous inmate to go there, and afford

facility administrators the ability to use these facilities for housing purposes instead of treatment programs -- which exist on a county level currently.

I frowned upon this because many of the staff at halfway houses have either very little or no training at all comparable to corrections officers, nor the ability to handle security issues. When there are security issues at Bo Robinson, trained county and State corrections officers are called to respond. For example, in 2010 nearly 20 county corrections officers were called to conduct a search for what was considered a very dangerous contraband, because they could not do so. In August 2009, a Bo Robinson counselor let a county inmate under her control walk away from a dentist's office. Shortly after, an inmate escaped, having a domestic violence complaint. Fortunately, a family member alerted authorities and he was apprehended. But what if he or the family -- the individual -- would have sought out the victim?

These occurrences pose dangers to the residents that live nearby, diminish property values, and hinder the progress of those seriously seeking treatment. In fact on one occasion, as was reported in the *New York Times*, more than half of the county inmates there failed drug tests. They received very little if no discipline at all and returned to the facility within three to five days.

I have voiced concerns about the recidivism that has often been said of these programs. To educate you: There are State-sentenced inmates and county-sentenced inmates. Many individuals who have State sentences go to halfway houses prior to their release. Unfortunately, once they reenter the penal system-- They do crimes that only give them what's

considered to be a county sentence. This is significant because statistical success can be manipulated on the surface, when actually they are failures.

As a corrections officer, I hear firsthand the stories about what goes on in these places. I am told of the lack of safety, the heavy gang violence, the fights, extortions, and the fears that staff have of inmates; and the lack of any real programs. In fact, many inmates boast of the relaxed security and the ease of getting contraband. It is a very common practice for inmates to request to speak to my warden when they are processed, seeking to go to Bo Robinson -- not for treatment, but for an easier jail stay.

I also would agree that there is a place for halfway houses and treatment facilities to exist; however, the record is clear: Treatment centers are not correctional facilities and should not be allowed to function as one. They should not be allowed to shirk the law and have no real government oversight. They should be held accountable and provide services that they have been contracted to perform.

I strongly believe there should be established criteria that all county correctional facilities must adhere to when determining who is eligible for treatment. I would also advocate for the courts to have an active role in this process.

Governments nowadays have turned to these facilities to curb costs. If governments continue to expand reentry programs then governments have conceded that our citizens will inevitably become defenders. Therefore, just by the need for incarceration (indiscernible) reentry programs, we must realize that these programs are largely funded with funds at the expense of taxpayers. It is morally and socially wrong to

use citizen's taxes to ensure the continuation of for-profit reentry programs that stand to gain financially.

I appreciate your time here. Thank you.

SENATOR GORDON: Thank you very much, gentlemen. This has been very helpful, given your detailed knowledge of corrections facilities.

I'd just like to pose a question which I've raised earlier today. Do you think there's merit to the idea of putting a uniformed officer, someone trained as a corrections officer, in these facilities; or alternatively, providing correction officer-type training to these halfway house personnel to try to improve the safety of these institutions? Your thoughts on that.

MR. BROWN: First, I would think if you take-- To start off, if you would take the bad characters out of those halfway houses and leave the people there who need to -- who want to be rehabilitated and move on, then there may not be a need for that.

SENATOR GORDON: Okay.

MR. BROWN: I think we should start there first, and take those characters out.

SENATOR GORDON: So you're saying there's a problem with the-- Well, we know there's a problem with these pre-adjudicated people, but in these other halfway houses, you're-- What I think what you're saying is the assessment of these -- of the candidates for care has to be improved.

MR. BROWN: Correct.

MR. AMATO: Sir, if I could just add something.

I mean, for me to coin a phrase, I would say our best bet would be to keep the people who need to be in jail in the jail, rather than try to bring the jail to the halfway house. That's really what it comes down to. Because like Mr. Brown said, if we weren't misusing these facilities, we wouldn't need to worry about officers being in there. I mean, if the true intent is to rehabilitate low-level, about-to-be-released offenders, then you don't need officers there. It would serve its own purpose to have counselors.

The other issue is -- I'm sorry, I lost my train of thought -- the fact that inmates are being sent there against their will also causes a security breach, because they fight from the minute you put them in the van until the minute they get out of the van; and a couple of days, if not less, they're coming back to the jail. And we've instituted a policy in our jail -- again, just to show you how desperate they are to keep inmates flowing in and out of these facilities -- is that if an inmate refuses to go, they're disciplined. And discipline in the jail means lockup. And lockup means where you're put in a cell 23 hours a day and you lose your privileges for as long as management thinks you should. And to imagine that we're disciplining inmates who want to stay in jail. They're saying, "Please don't send me to Delaney Hall;" and we're saying, "You have to go; and if you don't go, you're going to lockup." Again, that's black and white; I wish I had that document to show you. But if you ever need it, I could provide it to you.

SENATOR GORDON: Okay.

Senator Buono, any questions?

SENATOR BUONO: No.

SENATOR GORDON: Any member of the Committee? (no response)

Gentlemen, thank you very much for your testimony. This is very helpful.

I believe next on our list are the representatives from the Superior Officers Association. I'm afraid I don't have names; but gentlemen, if you're here we would appreciate hearing from you.

SOA -- anyone here from the SOA?

UNIDENTIFIED MEMBER OF AUDIENCE: Yes.

SENATOR GORDON: Ah, okay, great.

If you would identify yourselves and present your testimony.

L O U I S H A L L: Actually, the President just went to the restroom -- who is going to be speaking today. (laughter)

My name is Lou Hall. I'm on the Executive Board of the New Jersey Superior Officers Association. I served 29 years in Corrections and retired in 2005.

M I C H A E L M E S I: My name is Mike Mesi. I've done 26 years in Corrections. I'm on the Executive Board of the New Jersey Superior Officers Association.

J E F F R E Y S M I T H: Hi, my name is Jeffrey Smith. I'm President of the NJSOA. I have 30 years experience with the State Department of Corrections.

We appreciate your taking the time to hear our testimony today. I may not have the facts and figures established through the lack of time to prepare, but I want to speak more in layman's terms from our perspective.

Based on our experience in dealing with the inmate population, a lot of the convicted persons who go back and forth between the private halfway houses, State-run facilities -- it's a revolving door sometimes. We see them, they go out, they come back, they go out again, they come back. So we hear the stories of the situations and the environment in these privately run facilities.

Basically they tell us that there is a lack of security, there is a lack of programming; and there are different perspectives from the inmate population. There are some who approach a private halfway house -- these drug programs -- as a means to get help. Some of them are seeking that help. Others look at it as a means-- It's an enterprise. It's an environment where it's easier to obtain contraband, it's easier to obtain drugs, it's easier to distribute drugs. And there's, quite frankly, usually a very good customer base in those facilities because there are people with drug problems there. They are the people who they are looking to sell to.

You raised a question to several of the people giving testimony today about: would it work to put either a correction officer in that environment, or would it help the system if they gave additional training in police powers -- things like that. In my opinion, you throw enough money at a problem and it will work. I think that if you approach it in that manner, you wouldn't have the companies beating down the door to take the contracts. Because, frankly, salaries is where they achieve their cost savings and their profit. If you mandate them to give additional training or to create additional positions -- staff positions -- that's going to cut down their profit and affect the bottom line.

As it stands right now, the salary, I think, is the problem. There's not a big incentive for staff; they're low-level, low-paid staff members who, oftentimes, turn a blind eye or just don't have, really, a care about the job they do because it's low-level.

The numbers that I've heard kicked around -- I don't know what the exact numbers are in comparison; what it costs to house an inmate in the State Department of Corrections as opposed to what it costs to house an inmate in the private sector. I feel that the lack of transparency on the private end -- those numbers, we don't even know what those numbers are because, quite frankly, we're limiting our comparison to the numbers that a private company gives us. And those numbers are skewed. I've heard testimony that I feel is inaccurate based on my experience working in a State prison.

We had a constant flow of privately run, halfway house inmates coming into the facility on, basically, a daily basis -- receiving medical treatment, dental treatment. We bear-- The Department of Corrections would bear the cost of transportation if they needed to go to an outside medical facility from a halfway house. We would bear the transport costs for an inmate who was being transported from a halfway house back to a correctional facility due to disciplinary reasons, or health reasons, or a variety of different reasons. The Department bears those costs.

So all those costs that are incorporated with housing an inmate in a privately run facility -- they elevate the per diem cost of an inmate in the State facility while they take the cost level down for the private facility.

It's been mentioned about the high level of escapes, and I heard someone testify there are different labels put to that. But as far as from a

correctional standpoint, an escape is an escape. If you're sentenced by a court to a certain amount of time for a crime you commit, then you're under the custody of the Department of Corrections -- whether you're in a privately run facility or a State-run facility. And if you leave that custody then that's considered an escape.

I think with the recent reports in the newspapers and the Committee's recommendations with regard to oversight by the Department of Corrections, I think that needs to happen. I think there needs to be more oversight. To compare: If the State House contracted with a vending company to fill the vending machines in the lobby and that wasn't being done, they would find a new vending company. That oversight isn't occurring with privately run facilities in the Department of Corrections.

And basically, just in closing, I feel that there's an income incentive for these privately run facilities to really be trying to get these contracts. And I think that the inmates and the offenders that are affected have become merely a commodity that's being-- They are being traded back and forth for the financial benefit of companies and certain individuals.

SENATOR GORDON: Any other comments from the panel?

MR. MESI: Yes, I have a few comments I'd like to make.

During my tenure as a correctional lieutenant, and also with my involvement in the union, we see a lot of problems. I've seen a lot of problems at these halfway houses firsthand. And we've been battling this for years and it's fallen upon deaf ears.

One of the problems I've seen, specifically: We would always see inmates coming back from these halfway houses for the same disciplinary charge: refusing to submit to a search. So after a while, when

you start seeing that pattern -- what's happening here? They're refusing to submit to a search. When we go over there they have drugs on them, they have a cell phone on them. Well, after questioning these inmates time and time again -- they were being extorted. They have to pay a fee when they come back in. If they don't pay the fee -- refusing to submit to a search. So naturally they have the drugs and the cell phones on them, because if they were coming in through the door and they knew they were going to be searched they wouldn't have that on them -- they'd have it hidden; they'd have another way to get it in. And I'm telling you, in my-- Just from South Woods State Prison alone, when I worked there two or three years, I must have seen 25 inmates brought back on that same charge. And when we pass it on to be investigated, there is nothing you can really do. Who is going to investigate it? Halfway houses aren't going to investigate it. As soon as they empty a bed, they throw it right back up again the next morning -- Department of Corrections does.

To reiterate what the previous gentleman had stated about inmates being disciplined if they refuse to go to a halfway house: I have personally sat in on classification meetings where there is an assistant superintendent, somebody from custody -- it's either a lieutenant -- there are other people there -- psychologists. We were going over an inmate's status. An inmate can get a-- As their time goes along, the first thing they'll receive is gang minimum. When you receive gang minimum -- I'm not going to go into the details behind it -- but you can actually work more of your time off as long as you go charge-free. The next step is full minimum. Once you get full minimum, one of the things they ask you to do is to go to these halfway houses, and if you refuse you're riding a charge

for refusing a program assignment and you lose all that good time. So there is some pressure put on for them to go to these halfway houses.

And the other thing I'd like to bring up is the drug program. The drug programs that they have going on in these halfway houses-- I heard a lot of people talk about the staff in the halfway houses. Every correctional facility in this state has on their staff counselors, psychologists, teachers, social workers -- they are all right there in the facilities. When these inmates go to -- I guess they call them residents; I'm sorry. When the resident goes to the halfway house and they are asked to participate in a drug program, they don't have to meet any criteria. They can just go in there and sit in that room and fall asleep. There is no incentive to send them back, because what happens if they send them back? It's money out of their pocket. If you left them in the correctional setting and had the correctional staff -- professionally trained -- administer these programs, you're holding all the chips. You need to participate, you can meet certain criteria or you're not getting released early. It's a system -- I don't know how you can fix it, but it just doesn't work.

The other thing is when they tell you how they look at the inmates to decide who is going to the halfway house, a lot of these inmates, when they go to court -- everybody here knows how the court system works -- their crime gets plea-bargained down. It'd not the actual crime they committed. So you could actually have a violent offender that was plea-bargained down to something else. And it goes by their current charge -- what they're in jail for is what sends them to the halfway house. That is part of the problem. You can't change the individual when you change their status, when you move them to the halfway house. The individual is

the individual. If it's a bad seed, he's a bad seed. And if the crime was plea bargained down, they just go by what he was sentenced for at that particular time; that's why they sent him there.

And just other than that, we don't know what the actual cost is for the halfway houses. We bear a lot of the expense -- the Department of Corrections does. We have to pay for the transportation. You pay for all their medical treatment, they come back to whatever the sending facility was to see the nurse, they get their medication.

Oh, and the last thing I wanted to bring is the amount of escapes. We know the amount of escapes that happen from these halfway houses. And the big picture here is, yes, they're saving money by putting inmates in a halfway house, but are you really saving money? When that inmate walks, if he commits another crime, even if he gets captured to be brought back -- he got police going after him; if he committed another crime, now you're bogging the courts system down. You're paying attorneys, you're paying the prosecutors. Has all that been factored in? And while he sits in the county jail waiting to get newly sentenced, the State has to reimburse the county jail for the cost of keeping him there if he was an escaped inmate. Because, theoretically, he's a State inmate. These are all the costs that nobody takes into consideration that, when you jumble them all up, yes, they are coming out of different kitties, but it's still costing the taxpayer an exorbitant amount of money.

And that's all; thank you.

SENATOR GORDON: Gentlemen, thank you all very much. Particularly I appreciated your comments about not capturing all the costs so that we can-- We may not accurately be making comparisons between

the cost of an incarcerated prisoner versus someone in a halfway house. And I certainly appreciate your presenting your knowledge of what the situation in these halfway houses is, opposed to the prisons.

Senator Ruiz, do you have any questions or comments? (no response)

Gentlemen, thank you very much. We particularly appreciate your hanging out here as long as you did to make your presentation. We certainly appreciate the information you imparted to us.

Thank you very much.

MR. MESI: Thank you.

MR. SMITH: Thank you.

MR. HALL: Thank you.

SENATOR GORDON: I believe our final panel-- And I -- if they're still here, I would certainly appreciate their willingness to be here at this late hour: Arthur Townes, Director of the CEC Alumni Association; and I would also like to bring up Charles Venti -- if he's still here -- the Executive Director of the Nicholson Foundation.

Gentlemen, are you still here?

C H A R L E S V E N T I: Yes.

SENATOR GORDON: Thank you very much for being here. Gentlemen, if you have testimony prepared, please proceed -- either one.

MR. VENTI: Can you hear me? Is this on (referring to PA microphone)?

SENATOR GORDON: Certainly, it is.

MR. VENTI: Yes. Thank you, Arthur, for letting me go first. (laughter) And thank you, Committee members and Chairman, for allowing me this opportunity.

I do have a prepared statement, but I'm only going to read one paragraph. And I want to comment on a couple of things that have not been addressed today, or some things that may be have fallen in the cracks.

First let me tell you a little about my background. The Nicholson Foundation is a family foundation based in Newark, New Jersey. And over the last seven years we've invested \$19.8 million in the reentry system in New Jersey with grants to the Department of Corrections, the State Parole Board, Rutgers University, several community colleges, nonprofit organizations, and others.

For five of the last seven years I've been the Chairman of the Board of the Street Warriors, Inc., an ex-offender service organization that was based in Newark, New Jersey. And I actually started my professional career with the Fulton County Adult Probation Department in Atlanta, Georgia, almost 40 years ago.

So a couple of things: First, the issue about performance contracting. Our Foundation, in our grant making, requires that a minimum of 25 percent of the funds that we provide are subject to reaching performance benchmarks. And in some of our work in the reentry area, our grants are 100 percent performance-based. Which means that if we're funding an organization to assist ex-offenders with employment, they only get paid if the ex-offender is working for 30, 90, and 180 days; no funds are provided for training, no funds are provided for job placement. It increases the level of performance.

So my comment about performance contracting, that was mentioned earlier, is that if there are certain things that are expected around safety, around recidivism, around reducing the number of walkaways or escapes or whatever you want to call it, if in the contract -- and the State contracting process allows for this -- a portion of that contract is subject to reducing those numbers. Otherwise the provider is not being paid. It's something, I think, that should be considered. So real introduction of performance contracting.

The issue of review of what's happening: I really think that it would make sense for some type of third party review. I think that the Department of Corrections does a very good job of monitoring its contracts, but I think that there's an inherent conflict around the success of those contracts, in that it might make sense to have an additional system of oversight and review. And there are a couple of different ways to do that -- more probably more than a couple ways. And I'm not going to take the time on that now.

But what I would like to talk about is the prospect for financing that. One of the things that our State, as compared to other states, is not very effective with is drawing down Federal funds to match private and local government investments in activities that support global populations, ex-offenders included, towards employment. So things like GED programming -- and it's in the State plan, in New Jersey, in the State supplemental nutrition assistance program -- things like GED, transportation, uniforms, job training, etc. Those activities for individuals in the system who are poor, who are food stamp eligible -- any dollars spent can be matched dollar-for-dollar with Federal funds. Many states take advantage of this.

Many county colleges across the country that have specialized programs for this population take advantage of this dollar-for-dollar match. And it's something that we can do a lot better. We do something in New Jersey, but it's very, very little.

So that could be one source of financing.

It could also help to finance some additional supports in the system. As the Chairman has asked several times, what about having more security in the community programs? Well, if part of the funding for the community programs is contingent upon lowering the number of escapes, then the local program, whether it's for-profit or nonprofit, has to make a business decision about whether to bring in more personnel -- either with more training, or more of a history, or part-time corrections, or whatever -- officers -- in order to meet their performance goals.

One other thing that was mentioned earlier on -- and I'm almost done -- one of the things that was mentioned earlier on in the hearing was that, "Well, there aren't that many providers in the state, so we can't really disrupt the system because we don't want to lose them." Well, I think it's very important to open up the system -- open up the bidding. I think that there probably are providers in adjacent states; there may be others in New Jersey. If there were more competition, if it was based more on performance, I think we'd see some innovative programming, programming geared towards meeting the expected outcomes around safety, around cost savings -- whatever those priorities are for the State. And at least it's worth a try, because I think we've been doing the same thing for a long time.

One last thing, because it came up and it really, I don't think, was-- I wasn't going to talk about this, but the issue of county jails, for instance. Many other states-- When people enter county jails and they haven't been adjudicated, they are waiting for a hearing, if they are already on Medicaid the counties in New Jersey immediately take them off Medicaid when they go into jail. It's not necessary. So everyone gets a physical evaluation when they enter jail. Those costs are borne by the counties in New Jersey. Those costs, for a significant portion of the population who are already on health insurance, can be paid for through that health insurance. There is no reason to take them off of their insurance, because they haven't lost any rights -- they haven't been convicted of a crime; in fact, many of them end up being released from jail on bail, on bond, or whatever after having those medical services provided.

There may be other things -- I'm not trying to say I'm an expert in this area -- there may be other opportunities to look at not only controlling costs, but maximizing revenue so that an investment can be made in strengthening the system. And possibly a portion of the funds could also go towards the general treasury for general support.

In my volunteer work with the ex-offender group in Newark, I can tell you that among the members are former bank robbers and murders. These people have been to my house. They know my kids. They've hugged my mother. They've come to funerals. They have created an organization to give back. One of the gentlemen was here -- I think he left earlier -- and I have tremendous respect. They are people who are no different-- We're talking about people no different from anyone else. Everything that we can do to make a system make sense to support them, and to ensure that we

have public safety, is what we should be doing. I think New Jersey does a very good job. We've had a lot of exposure and work with the Parole Board, with the Department of Corrections, and others. We can make things better. And I know that's what the Committee is here to do.

So I want to applaud you for your work, and thank you for staying to hear this testimony. Thank you.

SENATOR GORDON: Thank you, Mr. Venti, and thank you for staying.

I personally found this very valuable and enlightening. I mean, what a concept: performance contract.

MR. VENTI: Absolutely.

SENATOR GORDON: I think we do that when we let contracts for highways and physical infrastructure. Maybe we should be doing the same thing for our human resources so that the appropriate business decisions are made. If we're going to continue relying on nongovernmental or for-profit organizations to provide these services, let's use financial incentives to get the kind of results that we're looking for so that we don't have to add security personnel. If there are financial disincentives-- If there are financial costs to escapes and to violent incidents, these organizations will have an incentive to make sure that those things don't happen. I think it's an excellent idea that we need to consider.

I appreciate your comments about the benefits of third party review. That the Federal match-- I think it sounds like a no-brainer. Why aren't we doing this? And I think that it is just a lot of information for us to consider as we move forward with this.

So thank you for your testimony.

MR. VENTI: Thank you.

SENATOR GORDON: Mr. Townes, I think we've met before.

ARTHUR TOWNES: Yes.

SENATOR GORDON: Talbot Hall. I appreciate your staying as well, and would welcome your comments.

MR. TOWNES: Yes. Good afternoon, Chairman and members of the Committee.

In respect of time, I'm just going to leave my testimony; I'm not going to read it. There is a copy for all of you guys.

Just to close, real quickly. Just for the voices of the formerly incarcerated: We thank you all for having such a prevalent issue to most of us. There were many in the room, and had the proceedings gone a lot quicker they probably would have wanted to stay while I spoke, because I speak not just for myself but for them.

But I we want to thank you for looking into this situation and understanding that reentry does work; it's needed; and there is some improvement. We're willing to do what we can in that process.

But we want to thank you, and I've left copies of my testimony.

SENATOR GORDON: Thank you very much, Mr. Townes. I particularly appreciate your summarizing, (laughter) given the hour.

This represents our last panel. If I could just make just some closing comments.

We have heard a lot of good ideas today that I think provide some guidance for this Committee in developing legislative responses to the problems that have been reported. Certainly we want to take a look at tightening our procurement regulations and processes so that we can be

assured that the contracts are going to the appropriate vendors, and vendors capable of doing the job.

I think we're going to want to revisit the staffing and training levels in these institutions. This pretrial detainee issue is certainly one we want to take a look at. I do want to consider the possibility of requiring the assignment of uniformed personnel in some of these institutions. We're going to need to think about whether that's going to provide a benefit; the circumstances under which it would be appropriate or not appropriate. Staffing levels, greater oversight over the county facilities and, again, performance contracting. These are all issues that I think provide the raw material for legislation that this Committee can develop.

And I want to thank everyone who participated in this, who presented testimony. I want to thank my colleagues for sticking it out as long as they have, and the staff as well.

I certainly want to express my thanks to the Committee staff who helped us pull this together under some time pressure. I think they did an excellent job.

I want to thank everyone for attending and sharing your thoughts with us.

And with that, I'm going to call the meeting adjourned.

Thank you, all, very much.

(MEETING CONCLUDED)