



Office of the County Auditor

Mary Modelski

Cook County Auditor

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October 5, 2020

The Honorable Thomas J. Dart, Sheriff
Cook County Sheriff's Office
50 W. Washington
Chicago, Illinois 60602

Sheriff Dart:

The Office of the Cook County Auditor (OCA) has completed the requested audit of the Cook County Department of Correction's Commissary system for the period from December 1, 2018 through November 30, 2019. The audit was conducted to comply with the requirements of the Illinois Department of Corrections for an Annual Commissary System Audit as part of the County Jail Inspections. Our audit was performed in accordance with the amended requirements of the Illinois County Jail Standards, Section 701.250 - Commissary.

The scope and objectives of our audit were designed to determine the Department of Corrections compliance with the amended requirements of the Illinois Jail Standards, Section 701.250 - Commissary. Our audit scope also included providing the required accounting of the total purchases, sales and expenditures of the Department of Corrections commissary for the period December 1, 2018 through November 30, 2019 as well as the total commissions received from commissary sales.

Please refer to following audit report for the results of our audit. The Executive Summary of our report provides an overview of the audit and the conclusion(s) reached.

We express our great appreciation for the assistance of the Department's staff extended to Della Hernandez during our audit.

Respectfully Submitted,

Mary Modelski
County Auditor

Cc: Sojourner Colbert, Chief Financial Officer, Sheriff's Office
Paula Driver, Undersheriff, Sheriff's Office



COOK COUNTY GOVERNMENT
OFFICE OF THE COUNTY AUDITOR

Inmate Commissary Services

Internal Audit Report

Report Date: October 5, 2020

Issued By:

Mary Modelski, County Auditor

Audit Conducted By:

Della Hernandez, Field Auditor V

Julie Stack, Audit Supervisor

EXECUTIVE SUMMARY

We have completed the audit of the Cook County Department of Correction's Commissary system for the period from December 1, 2018 through November 30, 2019. The audit was performed to comply with the requirements of the Illinois Department of Corrections to have an Annual Commissary System Audit as part of the County Jail Inspections. Our audit was performed in accordance with the amended requirements of the Illinois County Jail Standards, Section 701.250 - Commissary.

The scope and objectives of our audit were designed to determine the Department of Correction's compliance with the amended requirements of the Illinois Jail Standards, Section 701.250 - Commissary. The scope of the audit also included providing the required accounting of the total purchases, and expenditures of the Department of Correction's Commissary for the period of December 1, 2018 through November 30, 2019 as well as the funds received from the Commissary sales and a listing of how the commissions¹ were used for the benefit of the inmates.

Based on the results of our audit procedures, it was concluded that the Commissary Services offered to the inmates complies with each of the revised requirements of the Illinois Jail Standards, Section 701.250. Using the financial information provided by both the commissary vendor and the Cook County Department of Corrections, we provided an account of the total sales and expenditures of the Department of Correction's Commissary for the period December 1, 2018 through November 30, 2019, as well as, the total commissions received from Commissary sales and a listing of how the commissions were used for the benefit of the inmates. Please refer to Exhibit A, B and C at the end of our audit report to show the comparison of pricing with local grocery shopping chains, total commissions received from Commissary sales and a listing of how the commissions were used for the benefit of the inmates.

BACKGROUND

The Cook County Department of Corrections contracted with the Keefe Commissary Network, LLC to establish and maintain a commissary system offering a full range of services and products to inmates. The agreement between the Department of Correction's and the Keefe Commissary Network, requires that scheduled weekly commissary services be available to all inmates.

Inmates have a trust account that family and friends can deposit money, as well money earned from working during their time in jail. The inmates can purchase items from the Commissary using the funds in their accounts. The items available for purchase from the Commissary include clothing, stamped envelopes, toiletries, stationery and food items. The Commissary sales at the Department of Correction's are grouped into two categories: microwavable and general sales. Per the contract, Keefe shall pay to the Cook County Department of Correction's inmate commissary funds at a fixed percentage rate of commissionable sales; microwave sales at 49.1% and for general sales at 43.5%. The commissions from both types of sales are paid monthly and deposited into the Inmate Welfare Fund on a monthly basis. Commissionable sales shall be construed as all moneys received from the sales of merchandise, products or services.

¹ "Commissions" in this report refer to the money collected from Commissary sales and deposited into the Inmate Welfare Fund, which are used for the benefit of the inmates.

The Inmate Welfare Fund is administered by the Sheriff of Cook County for the direct benefit, welfare or education of the individual and general inmate population and to enhance inmate activities and programs. The funds in the Inmate Welfare Fund are to be used at the discretion of the Executive Director of the Department of Correction's for the direct benefit of persons who are inmates in the Cook County Department of Corrections.

AUDIT SCOPE AND OBJECTIVE

Our audit procedures were designed to obtain, examine and test supporting documentation to reach a conclusion on the Department of Correction's compliance with the requirements of the Illinois Jail Standards, Section 701.250. The scope of our audit was for the period from December 1, 2018 through November 30, 2019. Our fieldwork was conducted from April through June 2020. The requirements we evaluated for compliance from the Illinois County Jail Standards checklist was to provide transparency and/or oversight on the following:

- The establishment and maintenance of a Commissary system to provide detainees with items or access to services approved by Department of Corrections.
- Department of Correction's staff did not gain personal profit directly or indirectly as a result of the Commissary system.
- Prices charged to detainees shall not exceed those for the same articles if sold in local community stores nor shall the prices charged for postal supplies exceed those for the same articles sold at local Post Offices.
- Commissary access shall be provided on a regularly scheduled basis and not less than once weekly.
- Commissions from the Commissary system shall be used for education, recreation or other purposes within the jail for the benefit of detainees, as deemed appropriate by the Sheriff. Profits may be used for record keeping expenses of the Commissary.
- Accurate accounting for all purchases, sales and expenditures of the Commissary system, including phone services and, if provided, email access, is maintained.

AUDIT RESULTS

Based on our audit work we have reached the following conclusions:

- The Department of Corrections, along with the contracted services of Keefe Commissary Network LLC, have established and maintain a Commissary system offering a sufficient range of services and products to the inmates.
- The Department of Corrections has complied with the jail standard on providing access to the commissary on a regularly basis to inmates and the orders are processed every Tuesday.
- It appears that no personal gain via the operation of the commissary system has been received either directly or indirectly by any personnel, including the Department of Corrections staff. This was concluded based our review of the current service agreement, the current commissary practices, the expenditures and approval procedures as well as interviews with the Department of Correction's and the management of the commissary vendor.

- Considering the fluctuations in the size of the item and the brand name compared, our review of price comparisons performed by the commissary vendor as well as our own sample of price comparisons indicated that out of the 15 sampled items we tested, 10 of the items sold in the Commissary system are sold at a price lower than a compatible item sold in a local store within the same zip code. While our review did indicate examples where the items sold in the Commissary system were priced slightly higher, between \$0.05 and \$1.40 than a compatible item sold in a local store, our overall conclusion is that the prices charged the inmates at the Department of Correction's are consistent with the prices charged at local stores in Cook County. Commissary services are provided on a weekly basis to the inmates. Per the agreement between the Department of Correction's and the Keefe Commissary Network, it is required that scheduled weekly Commissary services be available to all inmates. Based on our review of weekly sales reports, it appears that Commissary is offered to the inmates at the Department of Correction's on a weekly basis, every Tuesday at a designated time.
- Commissions from the Commissary sales are deposited into the Inmate Welfare Fund maintained at the Department of Corrections. They have established and issued a policy and procedure directive for the administration of the Inmate Welfare Fund. The directive clearly outlines how the fund is to be administered and what the funds are to be used for. Our review of the expenditures from the Inmate Welfare Fund indicated that the commissions received were appropriately used for education, recreation or other prior authorized purposes meant to benefit the inmates.
- Daily and monthly Commissary sales reports are maintained and produced by the Commissary vendor for each sale type, general or microwavable. The reports clearly breakout the amount of phone card sales as well as the commission amounts by sales type. Based on our review and testing of the sales reports, we concluded that the reports appeared accurate and a reliable source of information regarding both the commissary and phone card sales and commissions due to the Inmate Welfare Fund.

Based on the results of our audit procedures it was concluded that the commissary services offered to the inmates complies with the requirements of the Illinois Jail Standards, Section 701.250.

Using the financial information provided by both the Commissary vendor and the Cook County Department of Correction's we have provided tables of the total sales and expenditures of the Department of Correction's commissary for the period December 1, 2018 through November 30, 2019, as well as the total commissions received from Commissary sales and a listing of how the commissions were used for the benefit of the inmates. Please refer to the following exhibits:

Exhibit A - Comparison of commissary unit prices vs. local neighborhood prices by zip code 60608

Exhibit B - Commissary Sales and Commission Summary for the period December 1, 2018 through November 30, 2019

Exhibit C - Summary of Expenses by Category - Inmate Welfare Fund

Exhibit A Comparison of Commissary unit prices to local neighborhood by zip code 60608

ITEM DESCRIPTION	OUNCES	PRICE PER COMMISSARY PRICE LISTING LESS TAX	Mariano's (online)	Jewel-Osco (online)	Target (online)
6600-FLOUR TORTILLAS 8oz	8oz	\$ 1.15	\$1.99	\$1.44	\$3.49
1563-XLRG THERMAL BOTTOMS (1)		\$ 5.95	\$0.00	\$0.00	\$16.99
6757-HORMEL SPAM SINGLE 2.5oz	2.5oz	\$ 1.75	\$1.39	\$1.58	\$1.66
6241-KFT RANCH DRESSING 1.5 oz	1.5 oz	\$ 0.65	\$0.62	\$0.62	\$0.56
0106-P UP WOMENS A/P DEODERANT 2oz	2oz	\$ 3.50	\$4.80	\$4.32	\$3.16

Exhibit B

**Cook County Department of Corrections
Commissary Sales Summary
December 1, 2018 – November 30, 2019**

Commissary Sales

General Sales	5,852,940.31	
Microwavable Sales	<u>2,544,157.34</u>	
Total Commissary Sales		8,397,097.65

Commissary Expenditures

Vendor Commissions	4,068,661.76	
Phone Card Sales	909,037.00	
Sales Tax	<u>241,687.56</u>	
Total Commissary Expenditures		5,219,386.32
<i>Inmate Commissary Fund due Inmate Welfare Fund</i>		<u><u>3,177,711.33</u></u>

Exhibit C

**Cook County Department of Corrections Summary of Expenses by Category
Inmate Welfare Fund Expenditures
December 1, 2018 – November 30, 2019**

Account Description	Total
Armored Car Charge	\$18,560.49
Audio/Video Equipment Supplies	\$397.04
Bank Check/Supplies	\$6,747.99
Bank Service Charge	\$45,035.53
Barber/Beauty Equip/Supply	\$4,807.61
Cable Expenses	\$43,416.71
Clothing & Toiletries	\$521.28
Consulting	\$110,402.65
Educational	\$10,904.69
Entertainment & Shows	\$7,832.58
Eyeglasses	\$13,048.92
Garden/Greenhouse Project	\$5,814.03
IL. Dept. Rev-Farmers Mkt Tax	\$25.79
Indigent Carfare/Postage	\$90,000.00
Indigent Inmate Expenses	\$9,359.28
Inmate Payroll	\$307,691.00
Lawnmowers & Equipment	\$22.19
Library Books/Materials/Supplies	\$78,222.08
Misc. Expense	\$150.00
Office Equip/Supplies	\$1,556.50
Other Equipment/Supplies	\$38,826.61
Phone Card Expenses	\$313,500.00
Pizza Expense	\$149,337.44
Recreation Equipment/Games	\$10,103.96
Repair Ice Machines	\$8,008.03
Sewing Supplies	\$2,795.00
Special Meals/Snacks	\$1,423.15
Special Projects	\$22,278.57
Washer/Dryer Machines	\$72,980.00
Total Inmate Welfare Fund Expenditures – FY 2019	\$1,373,769.12