

**Audit of the Statewide Electronic Monitoring Program
Report Number A-1516DJJ-007
June 27, 2016**

By

**The Office of the Inspector General
Bureau of Internal Audit**

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Christina K. Daly, Secretary

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STATE OF FLORIDA
DEPARTMENT OF JUVENILE JUSTICE

MEMORANDUM

DATE: June 27, 2016
TO: Christina K. Daly, Secretary
FROM: Robert A. Munson, Inspector General *RAM*
SUBJECT: Final Report - Audit No. A-1516DJJ-007, Audit of the Statewide Electronic Monitoring Program

Attached is our final report, *Audit of the Statewide Electronic Monitoring Program*, prepared by the Bureau of Internal Audit. We will conduct a follow-up via the Office of Probation and Community Intervention to determine the status of corrective actions taken to address the reported findings.

We would like to thank the Offices of Detention Services, Probation and Community Intervention, and Program Accountability for the assistance extended to our staff during the audit process. Please feel free to contact Michael Yu, Audit Director, at 850-717-2468, if you have any questions.

RM/rb

Attachment

Cc: Timothy Niermann, Deputy Secretary
Fred Schuknecht, Chief of Staff
Dixie Fosler, Assistant Secretary, Office of Detention Services
Paul Hatcher, Assistant Secretary, Office of Probation and Community Intervention
Amy Johnson, Director of Program Accountability
Melinda M. Miguel, Chief Inspector General, Executive Office of the Governor
Sherrill F. Norman, CPA, Auditor General
Kathy DuBose, Director, Legislative Auditing Committee

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Rick Scott, Governor

Christina K. Daly Secretary

The mission of the Department of Juvenile Justice is to increase public safety by reducing juvenile delinquency through effective prevention, intervention, and treatment services that strengthen families and turn around the lives of troubled youth.

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**Office of Inspector General
Bureau of Internal Audit
Audit of the Statewide Electronic Monitoring Program
Audit No. A-1516DJJ-007**

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EXECUTIVE SUMMARY

The Office of the Inspector General, Bureau of Internal Audit has performed an Audit of the Statewide Electronic Monitoring Program for the period of July 1, 2014 through December 31, 2015, and related activities through the end of fieldwork. The Department of Juvenile Justice's Inspector General directed the Bureau of Internal Audit to perform this audit after consultation with senior management.

The overall objectives of the audit were to provide management with reasonable assurances that:

- Sufficient internal controls are in place to support the oversight of the Statewide Electronic Monitoring Program;
- The Department complied with selected contract conditions and other applicable regulations and rules that could have a material effect on the electronic monitoring program; and
- The Department compensated 3M Electronic Monitoring, Inc., for only active monitoring tracking units.

Electronic Monitoring (EM) enhances public safety by providing an additional tool to supervise youth under the Department of Juvenile Justice's (Department) jurisdiction. However, EM increases the workload of Juvenile Probation Officers (JPOs) who may already have a substantial caseload. The audit disclosed that, in general, the Department complied with policies and procedures. However, we noted areas for improvement pertaining to the management of alerts and expenditures related to lost, damaged, or stolen EM units.

We reviewed fifty-seven (57) youth records to ascertain if the Department complied with guidelines pertaining to alert notifications received from the EM vendor. It appears that alert notifications were not adequately addressed for thirty (30) youth records. Our audit also noted expenditures for lost, damaged, or stolen EM units totaling \$405,414.35 for Calendar Years 2013 through 2015.

We recommend the Department:

- Respond to alert notifications from the vendor as required by policy; additional training be provided to JPOs related to documentation and properly addressing alerts;
- Explore the possibility of providing additional resources to judicial circuits to address the increase workload issues pertaining to youth placed on electronic monitoring; and
- Perform quarterly reconciliations rather than yearly reconciliations with the Provider pertaining to lost, damaged, or stolen EM units.

Audit of the Statewide Electronic Monitoring Program
Audit #A-1516DJJ-007

INTRODUCTION

The Office of the Inspector General, Bureau of Internal Audit has performed an Audit of the Statewide Electronic Monitoring Program for the period of July 1, 2014 through December 31, 2015, and related activities through the end of fieldwork. The Department of Juvenile Justice's (Department) Inspector General directed the Bureau of Internal Audit to perform this audit after consultation with senior management.

Background

The Department signed a contract with 3M Electronic Monitoring, Inc. (3M), a Foreign Profit Corporation with an effective date of November 21, 2011. The contract requires 3M to deliver statewide global positioning satellite (GPS) electronic monitoring services pertaining to youth under the Department's jurisdiction. Total compensation under this contract shall not exceed \$2,995,319.50, as stipulated via contract amendment #8. The current end date for this contract is September 30, 2016. The Department is in the process of vetting vendors for a new contract to replace the current contract.

Electronic Monitoring enhances public safety by providing an additional tool to supervise youth under 18 charged with a crime in Florida and assigned to the Department. Probation and Community Intervention and Detention Services jointly operate the Electronic Monitoring Program (EM). Youth must be court-ordered to participate in the program. Of the twenty (20) judicial circuits, there was no electronic monitoring usage for judicial circuits three and five in Fiscal Year 2015. The EM program is designed to provide:

- A non-secure alternative for youth pending disposition, as a progressive response/graduated sanction for youth on court-ordered supervision (i.e. Probation, Post-Commitment Probation, Conditional Release, and Drug Court); and
- An alternative to secure detention for youth who have been committed and are awaiting placement (i.e. Committed-Pending Placement) in a residential facility.

Youth participating in the EM program wear a one-piece GPS device (ankle bracelet) that communicates with GPS satellites to monitor the youth's exact whereabouts in near real-time, 24 hours a day, seven days a week. In general, EM units (inventory) are maintained at regional detention centers unless there is not a regional detention center in the region.

For EM Units not maintained at regional detention centers, The Chief Probation Officer or designee maintains the EM units and a JPO is responsible for placing the EM unit on the youth. There are only two judicial circuits without regional detention centers.

Juvenile Probation Officers are responsible for establishing inclusion/exclusion zones, and defining the youth's daily schedule and responding to alerts. The unit will generate an "alert" when there is a violation of the youth's schedule and/or zone restrictions. A 24-hour customer support-monitoring center monitors the movement of EM program participants statewide.

Objective, Scope, and Methodology

The overall objectives of the audit were to provide management with reasonable assurances that:

- Sufficient internal controls are in place to support the oversight of the Statewide Electronic Monitoring Program;
- The Department complied with selected contract conditions and other applicable regulations and rules that could have a material effect on the electronic monitoring program; and
- The Department compensated 3M Electronic Monitoring, Inc., for only active monitoring tracking units.

The Bureau of Internal Audit conducted the audit in accordance with *the International Standards for the Professional Practice of Internal Auditing*, published by the Institute of Internal Auditors. Our audit included limited test of records and other auditing procedures considered necessary for the period of July 1, 2014, through December 31, 2015, and related activities through the end of fieldwork. In addition, the audit scope included an examination of records at Department headquarters, on-site visits to the following detention centers and probation offices:

- Leon County Regional Juvenile Detention Center, Tallahassee;
- Orange Regional Detention Center, Orlando;
- St. Lucie Regional Juvenile Detention Center, Ft Pierce;
- Office of Probation and Intervention, Circuit 2, Franklin, Gadsden Jefferson, Leon, Liberty, Wakulla;
- Office of Probation and Intervention, Circuit 9, Orange, Osceola; and
- Office of Probation and Intervention, Circuit 19, Indian River, Martin, Okeechobee, St. Lucie.

To achieve our audit objectives, we reviewed the following:

- 3M Electronic Monitoring, Inc., and the Department Contract P2099;
- 3M Electronic Monitoring, Inc., and the Department of Corrections Contract #C2745;
- EM Equipment Detail (Total Number EM units signed and excess inventory);
- Annual Summary Report from 3M dated November 20, 2015;
- Department of Corrections On-site Monitoring Report for Fiscal Year 2015;

- Probation and Detention Interoffice Memorandum dated October 24, 2014;
- Florida Statutes 287.058, Procurement of Personal Property and Services;
- Office of Probation and Community Intervention-PCI-10-002 Case Notebook Module – Notes;
- Bureau of Finance & Accounting Invoices and General Ledger Sheets;
- Bureau of Monitoring and Quality Improvement Report for 3M Electronic Monitoring;
- OPPAGA Report No. 07-42;
- Youth Face Sheets;
- 3M Electronic Monitoring, Inc., Corporate Filing (Florida Department of State)
- 3M Electronic Monitoring, Inc., Usage Reports;
- 3M Activations Reports December 1, 2015 through February 29, 2016; and
- 3M Electronic Monitoring, Inc.'s, Offender Violation Notification Report.

As part of our audit procedures, we also communicated with appropriate personnel.

The auditor used judgmental sampling for selecting youth records for review. Judgmental sampling is a non-probability sampling technique where the auditor selects units to be sampled based on his/her knowledge and professional judgment. Therefore, projection of the auditor's conclusion to the universe based on the selected sample may be different if statistical sampling was used or all items in the universe were subject to our audit procedures for the audit period under review.

RESULTS OF AUDIT

The audit disclosed that, in general, the Department achieved the following:

- Sufficient internal controls are in place to support the oversight of the Statewide Electronic Monitoring Program;
- Complied with selected contract conditions and other applicable regulations and rules that could have a material effect on the electronic monitoring program; and
- Compensated 3M Electronic Monitoring, Inc., for only active monitoring tracking units.

In addition, our audit noted the following attributes and challenges pertaining to the management of the Electronic Monitoring Program:

Attributes

- The Office of Probation and Community Intervention, Central Office, has a process in place where staff monitors alerts based on reports received from 3M and conduct follow-ups with the various judicial circuits;
- Youth and parents/guardians are required to sign an electronic monitoring agreement indicating their understanding of the rules and agree to actively participate in and support its enforcement; our audit procedures disclosed no material deficiencies pertaining to the signing of electronic monitoring agreements during our audit process;
- There are detailed instructions on how to handle alerts;

- There is evidence of communication between probation offices and detention centers;
- We noted no youth placed on EM that did not have a court order; and
- There is evidence of coordination between Program Accountability (Contract Management) and programs.

Challenges

- EM enhances public safety; however, it increases the workload of the JPO who may already have a substantial caseload, as JPOs are required to follow up on all alerts. This same conclusion was cited in an OPPAGA Report pertaining to increase workload for supervising inmates placed on electronic monitoring at the Department of Corrections: “the Department notes that the technology increases probation officer workload due to the need to respond to monitoring alarms;”
- Generally, on weekends, after 5 p.m. and holidays; there is not a JPO to address alerts or physically go and check on a youth; There is a mechanism in place to address alerts but not on site visits by JPOs;
- Youth purposely destroying EM units or chargers (parent/youth) are not required to pay for EM units;
- Youth placed on EM awaiting commitment to a residential facility are more likely to violate EM rules; and
- Sometimes devices are unable to call into the 3M database; many are due to improper charging by the youths; but many more are due to poor cell connectivity in certain areas. It appears 3M is addressing the issues based on poor cell connectivity.

Notwithstanding the above comments, we noted areas for improvement pertaining to management of alerts and the expenditures related to lost, stolen, or damaged EM units.

Details of Findings and Recommendations:

Management of Alerts

The Office of Probation and Community Intervention is responsible for responding to ALL alerts pertaining to the management of the Statewide Electronic Monitoring Program (EM). It should be noted that not all alerts are the fault of the youth; occasionally, there are equipment failures, incorrect information loaded into the 3M database and connection issues related to cell towers.

The data listed in the table below is based on the following months: December 2015, January 2016, and February 2016. All judicial circuits were included in the review except Circuits three and five. We noted no electronic monitoring usage for these two judicial circuits.

SELECTED EM MAIN DATA ELEMENTS		
1	Youth on EM Daily	231 ¹
2	Youth Placed on EM	919
3	Youth Taken off EM	949
4	Total Alerts	11,814
5	Serious Alerts (Represents 32% of Total Alerts)	3,817
6	Alerts For 12 Months (Estimated)	47,256
7	Number of Youth Contributing to Alerts	1,328
8	Youth Records Reviewed for this Audit Procedure	57
9	Not in Compliance	30

We applied audit procedures to fifty-seven (57) youth records, each had 30 or more alerts, to ascertain if the Department complied with guidelines pertaining to alert notifications received from the EM vendor. Our review criteria (Probation and Detention Interoffice Memorandum dated October 24, 2014) was the following:

“All alert notifications shall be investigated, and if no appropriate justification can be established the following will occur:

Noncompliance for Unable to Connect, Inclusion Zone or Motion No GPS alerts shall be handled as follows:

- First violation per alert type: verbal warning.
- Second violation per alert type: The JPO shall prepare and submit written notification of the noncompliance and request for a judicial review to the court.

Noncompliance for WMTD Battery Alarm, Exclusion Zone, Tamper, and Strap alerts are considered serious and shall be handled as follows:

- Each violation: The JPO shall prepare and submit written notification of the noncompliance and request for a judicial review to the court....”

Among the fifty-seven (57) youth files reviewed, thirty (30) files indicated that the Department did not materially comply with its policies:

- We could not determine if all alerts were addressed (lack of documentation) based on case notes contained in JJIS;

¹ Daily Average Number of Youth on EM, - May 23-26, 2016

- Battery alarms, tamper and strap alerts were not addressed in accordance with policies; and
- Actions taken pertaining to alerts were not addressed in a timely manner.

Electronic monitoring can save taxpayers money and deter crime. To ensure the effectiveness of the Electronic Monitoring Program, the Department must respond to alerts promptly and adequately document those responses.

We recommend the Department:

- Respond to alert notifications from the vendor as required by policy;
- Provide training to Juvenile Probation Officers related to documentation and properly addressing alerts; and
- Explore the possibility of providing additional resources to judicial circuits to address workload issues pertaining to youth placed on electronic monitoring. Additional resources could enhance compliance rates.

Payments for Lost, Stolen, or Damaged Electronic Monitoring Units (EM units)

In general, youth on EM have been provided services through other programs such as teen court, civil citation, conditional release, etc. Therefore, youth placed on EM at this stage in the juvenile process could be at a higher risk for not complying with EM guidelines. The number of lost, stolen, or damaged EM units have increase each calendar year. To a certain extent, the increased usage of the Electronic Monitoring Program could lead to more lost, stolen, or damaged EM units.

The Department has paid \$405,414.35, to 3M Monitoring, Inc., since the effective date of the contract (November 11, 2011) for lost, stolen, or damaged EM units, as shown in the table on the next page. Total compensation under this contract shall not exceed \$2,995,319.50. Currently, lost, stolen, or damaged equipment represents 13.5 percent of the contract amount.

PAYMENT FOR LOST, STOLEN, OR DAMAGED EM UNITS ¹			
Calender Year	Units	Unit Costs	Amount
2013			
Lost, Stolen EM Units	105	\$900.00	\$94,500.00
Damaged EM Units	0	0	0
Less Allowance ²			\$18,052.25
Total Dollars Paid 2013			\$76,447.75
2014			
Lost, Stolen EM Units	195	\$900.00	\$175,500.00
Damaged EM Units	6	\$115.00	\$690.00
Damaged EM Units	1	\$182.44	\$182.44
Less Allowance			\$21,257.84
Total Dollars Paid 2014			\$155,114.60
2015			
Lost, Stolen EM Units	212	\$900.00	\$190,800.00
Damaged EM Units	7	\$115.00	\$805.00
Damaged EM Units	3	\$900.00	\$2,700.00
Less Allowance			\$20,443.00
Total Dollars Paid 2015			\$173,862.00
Total Amount Paid (Three Years)			\$405,424.35
Total Units Lost, Stolen, or Damaged	512		

We tested inventory controls at three detention centers and noted no material deficiencies. We were able to reconcile EM units in use and spare EM units back to 3M's equipment detail report. EM units were maintained in a central location. However, there is a risk a device could be listed in inventory as a spare but lost.

In addition, we noted the following:

- There is a detailed report in 3M's database indicating the number of EM units in use and spares that should be in inventory. Therefore, detention centers should know daily their overall inventory count. The Department controls deactivations and activations of EM units.
- Based on our review of accounting data for calendar year 2015, it appears the Department is reporting lost EM units on a monthly basis.

¹ This information was obtained from Finance and Accounting and Contract Manager's records.

² The Provider allows the Department a 5% allowance (based on the annual cost of the contract) towards lost, stolen, or damaged equipment.

The Department has not developed an effective strategy to reduce the loss of EM units. The Department does not charge or collect payments from youth/parents for lost, stolen, or damaged EM units. The Department conducts an annual inventory to reconcile its records to the Provider.

An annual inventory by the Department is insufficient to control lost, stolen, or damaged EM units for the following reasons:

- There is a continuous flow of equipment between the Provider and Department. For Calendar Year 2015, there were 645 items shipped by the vendor to the Department and 553 items shipped by the Department to the vendor. A more frequent inventory accounting, such as quarterly, may provide better inventory controls for the Department.
- The inventory for EM units is dispersed throughout the state.

Although the amount paid for lost EM units when compared to total contract dollars is significant, having parents/youth pay for EM units may not be desirable for the following reasons:

- The cost of the device (\$900.00) could place a heavy burden on indigent parents; even though we noted in some isolated cases, where a state attorney has imposed a charge on youth for damaging EM equipment; and
- It may not be cost effective to collect fees from parents/youth.

To stem the increase in expenditures for lost, stolen, or damaged EM units, we recommend the Department:

- Perform quarterly reconciliations rather than yearly reconciliations with the Provider pertaining to lost, stolen, or damaged EM units;
- Have the Bureau of Monitoring and Quality Improvement perform an inventory count of EM units (reconciliation) as part of their annual review of detention facilities; and
- Conduct a research or study to develop a strategy for better controlling the loss of EM units.

The audit was conducted in accordance with the *Standards for the Professional Practice of Internal Auditing*, published by the Institute of Internal Auditors. Please address inquiries regarding this report to Michael Yu, Audit Director at (850) 717-2468.

APPENDIX

MANAGEMENT RESPONSE



STATE OF FLORIDA
DEPARTMENT OF JUVENILE JUSTICE

INTEROFFICE MEMORANDUM

DATE: June 23, 2016

TO: Robert Munson, Inspector General

FROM: Paul Hatcher, Assistant Secretary, Probation and Community Intervention

SUBJECT: Response to Audit of the Statewide Electronic Monitoring (EM) Program
Audit No. A-1515DJJ-007

The following responses represent Probation and Community Intervention's (PCI) plan for correcting or improving the findings of the recent EM audit:

Recommendation: Respond to alert notifications from the vendor as required by policy; additional training be provided to JPOs related to documentation and properly addressing alerts.

Management Response: PCI leadership will conduct an in depth review of our EM policy and develop policy specific training materials and annual training plan for all applicable staff.

Projected completion date: October 2016.

Recommendation: Explore the possibility of providing additional resources to judicial circuits to address the increase workload issues pertaining to youth placed on electronic monitoring.

Management Response: PCI leadership will work with the Executive Leadership Team to identify additional resources within current allocation, or as part of the Legislative Budget Request (LBR) process, if deemed necessary.

Projected completion date: August 2016.

Recommendation: Perform quarterly reconciliations rather than yearly reconciliations with the provider pertaining to lost, damaged, or stolen EM units.

Management Response: PCI will conduct monthly reconciliation with the EM provider.

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Rick Scott, Governor

Christina K. Daly, Secretary

The mission of the Department of Juvenile Justice is to increase public safety by reducing juvenile delinquency through effective prevention, intervention, and treatment services that strengthen families and turn around the lives of troubled youth.

Projected begin date: December 2016.

In addition, as part of our efforts to improve the EM program, PCI leadership will do the following:

- **Contract with a new EM vendor. Anticipated start date, December 2016;**
- **Conduct ongoing circuit audits of EM program as part of the annual Quality Improvement (QI) process, effective July 2016;**
- **Determine feasibility of identifying, per circuit, staff(s) whose primary role is to track youth on EM, effective September 2016; and**
- **Evaluate the need for a system of progressive penalties intended to encourage and reform employees who consistently fail to respond EM alerts. Projected completion date September 2016.**