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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF CORRECTIONS
LANSING

PATRICIA L. CARUSO
DIRECTOR

July 14, 2008

Mr. Bryan Weiler
Support Services Division
Office of State Budget
George W. Romney Building
111 South Capitol, 5th Floor
Lansing, MI 48913

Dear Mr. Weiler:

In accordance with the State of Michigan, Financial Management Guide, Part VII, attached please find a preliminary summary table and corrective action plans to address the recommendations that were directed at the Department of Corrections within the Office of the Auditor General's audit report of the:

Prisoner Food Services

Questions regarding the preliminary summary table or corrective action plans should be directed to Connie MacKenzie, internal audit liaison, at 517 241-7342.

Sincerely,

DEPARTMENT OF CORRECTIONS

Signature Redacted

Patricia L. Caruso, Director
Attachment
PC/22/cm

c: C. MacKenzie
G. McClellan
E. Mize
D. Straub
B. Wickman

**Prisoner Food Services
Department of Corrections
Preliminary Summary of Agency Responses to Recommendations
October 2004 through September 2007**

1. Findings/Recommendations MDOC complied with:

5

2. Findings/Recommendations MDOC will comply with by:

1	12/31/2008
2	10/01/2008
3	10/01/2008
4	09/01/2008

3. Findings/Recommendations MDOC disagreed with:

None

**Prisoner Food Services
Department of Corrections
Preliminary Corrective Action Plan
October 2004 through September 2007**

1. Food Services Cost Savings Measures

The auditors recommended that MDOC consider additional ways to reduce the costs of providing prisoner meals.

Agency Preliminary Response:

MDOC agrees with the recommendation and will continue to consider additional ways to reduce food costs while meeting the Dietary Guidelines for Americans. Requesting information from private contractors, explore developing partner relationships with other entities, evaluating a computerized swipe card system, review reducing the daily calorie standard (even though the current standard falls within the recommended range), and moving to a vegan (non-dairy and non-meat) kosher menu are just a few of the options that the MDOC continues to evaluate and had been evaluating even before the audit started.

However, the MDOC takes exception to the auditors' savings estimates and/or disregard for the following:

- *The Florida, Kansas, and Michigan Oakland County contracts only require the contractor to meet the nutrient recommendations of the National Academy of Sciences. The National Academy of Sciences does not specifically address how to obtain the recommended nutrients. Michigan adheres to the Dietary Guidelines for Americans which provide guidelines for obtaining the amount of nutrients recommended by the National Academy of Sciences.*

For example, Florida, Kansas, and Oakland County use menus that contain supplements or other fortified or enhanced beverages or food products as substitutes for milk and fruits. One contract menu that the MDOC reviewed contained only a one half serving of fruit per day instead of three servings as recommended by Dietary Guidelines for Americans. Artificial beverages and products cost substantially less than natural foods but do not have the same positive impact on the long term health of individual as natural food. According to the Dietary Guidelines for Americans, "... nutrient needs should be met primarily through consuming foods. Foods provide an array of nutrients and other compounds that may have beneficial effects on health. ...dietary supplements, while recommended in some cases, cannot replace a healthful diet." Long term studies on the positive benefits of serving natural food have been summarized in the Dietary Guidelines for Americans. Their recommendations are based on the preponderance of scientific evidence for lowering risk of chronic disease and promoting health.

Because Florida, Kansas, and Oakland County do not require the contractor to follow the Dietary Guidelines for Americans or the Food Guide Pyramid, comparing the food

cost rates of Florida, Kansas, and Oakland County to Michigan is not a like comparison and may largely explain the cost differential. Nine other states responded to the auditors' survey regarding prisoner food and each of them reported that they adhere to the Dietary Guidelines for Americans, the Food Guide Pyramid, or a combination of standards. The average daily prisoner food cost rate for the other states who provided data to the auditors was \$4.80 while the MDOC's average daily rate was \$4.68.

Being that the average minimum term is approximately eight years and that almost 5,000 Michigan prisoners are serving Life sentences, the MDOC will continue to follow the Dietary Guidelines for Americans as the MDOC believes that it is less costly to properly feed prisoners than to treat chronic diseases.

- *The Department of Community Health's Center for Forensic Psychiatry relies on MDOC to provide food service to its facility. Costs associated with providing food service to the Center are included in the cost figures that the auditors used to compute an average per day per prisoner food cost rate. If the auditors had excluded food costs related to the Center from its calculation, MDOC's per day per prisoner rate would be less. In addition, the cost figures that the auditors used to compute the average prisoner food cost rate includes costs associated with providing meals to corrections officers. If costs associated with providing meals to corrections officers were excluded from the calculation, MDOC's per day per prisoner rate would be even less.*
- *The Oakland County Jail food service contract provides for the contractor to provide employee meals at \$5.00 per meal which is almost six times its prisoner meal rate. In addition, the food service contract provides for the contractor to provide bagged prisoner meals for \$.33 more per meal than non-bagged prisoner meals.*
- *The Florida Department of Corrections Inspector General reported that Florida's "feed rates have declined sharply since the contract's inception in 2001, creating a windfall for the vendor and reducing the value of the services provided" The Inspector General also reported that, "the food service master menu was changed repeatedly, allowing the vendor to substitute less costly meat products such as ground turkey for previously required beef products. This cut the vendor's production costs with no proportionate decrease in the per diem rates charged to the Department."*
- *Florida newspaper articles reported that Florida has fined its contractor for running out of food, insufficient staffing, poor quality food, and slow meal delivery. MDOC believes that the food service program is an integral part of the management of a correctional facility. The service of well prepared food helps to set the morale of a facility and enhances the security of staff and prisoners.*
- *Qualified and trained staff is the most valuable asset any company or agency has. MDOC is fortunate to have a stable work force that has extensive training and experience in food service and other aspects of safety and security of MDOC prisons. The average MDOC seniority rate for a food service prisoner leader, assistant food service director, and food service director is 11.5 years, 17 years, and 19 years, respectively. MDOC food service staff are trained as first responders in the event of*

violence and coordinate and participate on non-food service committees including but not limited to fire safety, energy reduction, prisoner store, ACA accreditation, institutional training, Warden forums and the like. Food service directors also oversee food warehouses, serve as acting facility managers; others have been promoted to facility and business manager positions. This is a direct reflection on their intelligence, training and human relation skills.

In contrast, other agencies have informed the MDOC that there is a high staff turnover rate with food service contractors. High staff turnover rates increase training costs and add security risk in that prisoners would have additional opportunities to manipulate or take advantage of new hires. In addition, there would be a potential need for additional custody assignments in contracted facilities since private employees are not typically trained as first responders which could significantly reduce cost savings.

- By utilizing a private contractor, the economic impact on Michigan businesses and farmers could be substantial. In FY 07, MDOC purchased approximately \$43,000,000 of food from Michigan vendors. Attached are several letters of support from Michigan vendors which explain the possible impact privatization would have on them as national food service companies typically buy products to fit their national distribution system.*

2. Food Production

The auditors recommended that MDOC effectively monitor food production.

Agency Preliminary Response:

MDOC agrees with the recommendation and will comply by clarifying its statewide operating procedure and by revising applicable forms.

However, it is important to note that regarding item a, one of the reasons that extra quantities of main entrées are prepared is because food service directors have to predict how many of the prisoners will choose one entrée over another entrée. MDOC allows prisoners to choose entrees because this allows the MDOC to avoid preparing more expensive therapeutic diet trays for certain prisoners. As prisoners select menu items, it is necessary to ensure that prisoners at the end of the line have the same food choices as those at the beginning of the line.

Regarding item b., MDOC believes that serving an average of only 19 extra meals per day at any one facility may be attributed to work crews from other facilities, mistakes made in counting prisoner in dining rooms, changes in institutional counts resulting from prisoners transfers in and out, or from time to time – accidents such as trays that are dropped, or spilled during transport to special housing units.

In addition, this figure (19) needs to be put in context. These facilities house approximately 1,100 prisoners and would prepare about 3,300 meals per day. The generation of 19 extra meals out of 3,300 prepared daily amounts to 0.5% excess meals.

Regarding item d., MDOC agrees that the use of leftovers may not have been documented on some production sheets. However, it is MDOC's practice to use leftovers in snacks or bagged meals, or to incorporate the leftovers into future meals, therefore, the leftovers were not likely wasted. In fact, in virtually every instance the OAG auditors actually observed the leftovers in facility coolers labeled and dated. However, since staff did not document when and for what the leftovers were used, the auditors concluded the leftovers were unaccounted for. While we believe the leftovers were used, we understand that by thoroughly documenting their use on production sheets we will be able to positively confirm this fact.

3. Food Commodity Purchases

The auditors recommended that MDOC's correctional facilities consistently ensure that they obtain food commodities at the best price.

Agency Preliminary Response:

The MDOC agrees with the recommendation and will comply. The Bureau of Fiscal Management (BFM) has drafted a purchasing memo clarifying spot buy parameters and providing instructions for purchasing all food commodities including produce. As multiple vendors seek to provide MDOC with spot buys an increase of gate activity would occur as deliveries are made within the secure fence perimeter. This increase of activity would be a security issue and could impact public safety. In determining to proceed with a spot buy or not, the facility has to take into consideration the security issues of the facility as well as the safety of the public.

BFM will also take steps to adopt a statewide spot buy tracking system.

4. Warehouse Controls Over Food Inventory

The auditors recommended that MDOC ensure that its correctional facilities implement sufficient controls to safeguard food inventory stored at the warehouses.

Agency Preliminary Response:

MDOC agrees with the recommendation and will comply. The Bureau of Fiscal Management will develop an operating procedure that will be utilized by all correctional facilities.

5. Prisoner Food Service Wages

The auditors recommended that MDOC ensure that its correctional facilities correctly and consistently classify prisoner food services wages in the State's accounting records.

Agency Preliminary Response:

MDOC agrees with the recommendation and has complied. The Bureau of Fiscal Management is conducting a bi-monthly review of food service expenditures to verify expenditures are being recorded accurately.