Human Rights Defense Center

DEDICATED TO PROTECTING HUMAN RIGHTS

September 17, 2014 **Submitted Online Only**

The Honorable Tom Wheeler, Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: Comment for WC Docket No. 12-375
(Further Notice of Proposed Rulemaking)

Dear Chairman Wheeler:

The Human Rights Defense Center submits this comment for WC Docket No. 12-375 for the purpose of placing into the record the following recent news articles concerning prison phone-related issues:

- "Gouging L.A. County inmates with high phone fees," by David Lazarus, *The Los Angeles Times* (September 8, 2014) [Exhibit 1].
- "Iowa shouldn't profit from prisoners' calls," by David Ganim, *The Des Moines Register* (August 19, 2014) [Exhibit 2].
- "In prisons, sky-high phone rates and money transfer fees," by Stephanie Clifford & Jessica Silver-Greenberg, *The New York Times* (June 26, 2014) [Exhibit 3].
- "Sheriff Mirkarimi alleviates price gouging jail inmates for phone calls," *The San Francisco Examiner* (June 13, 2014) [Exhibit 4].
- "W.Va. should stop collecting on prisoners' phone calls," by David Ganim, *The Charleston Gazette* (May 14, 2014) [Exhibit 5].
- "Coalition says NJ inmates pay 'exorbitant' phone rates for local calls," by Alexi Friedman, *The Star-Ledger* (updated May 1, 2014) [Exhibit 6].

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- “Collect calls from Sedgwick County jail inmates will cost less, make the county more money,” by Deb Gruver, *The Wichita Eagle* (April 26, 2014) [Exhibit 7].

- “Alabama Public Service Commission could cut phone call costs for inmates; providers argue against proposed rate changes,” by Kelsey Stein, *The Birmingham News* (April 8, 2014) [Exhibit 8].

- “Prison phones ignite PSC board squabble,” by Mark Ballard, *Baton Rouge Advocate* (March 14, 2014) [Exhibit 9].

- “Prison phone company whines, “WE MISS YOU!” by Maya Schenwar, *Truthout* (February 18, 2014) [Exhibit 10].

- “Cost of TN inmates’ interstate phone calls will drop,” by Walter F. Rouche Jr., *The Tennessean* (February 10, 2014) [Exhibit 11].

These news reports reflect a continued interest in this issue by the media and the public, and describe ongoing problems and concerns which indicate that while the FCC’s August 9, 2013 Order regulating certain prison phone-related practices was a good start, additional reforms are required.

Thank you for your time and attention in this regard;

Sincerely,

Paul Wright
Executive Director, HRDC

Attachments

EXHIBIT 1

http://www.latimes.com/business/la-fi-lazarus-20140909-column.html

Gouging L.A. County inmates with high phone fees

David Lazarus

LOS ANGELES TIMES

Sept. 8, 2014

The Los Angeles County Sheriff's Department isn't breaking any laws with its lousy jail pay phone system.

But it isn't doing people any favors either.

It's not news that some of the country's highest pay phone rates can be found behind bars. Earlier this year, federal regulators capped rates for interstate calls from prisons and jails at 25 cents a minute after receiving numerous complaints that a 15-minute call could run as much as $17.

L.A. County officials say they're determined to protect family members of inmates from onerous pay phone charges. But the county has an incentive to keep rates high — it gets the lion's share of the take.

Global Tel-Link, the Alabama company that provides L.A. County jails with about 5,000 pay phones, *guarantees* the Sheriff's Department at least $15 million in annual payments.

Everyone's making a lot of money at the expense of inmates' families. They're in jail. They're paying their debt to society. That doesn't give us the right to fleece them. - L.A. County Supervisor Zev Yaroslavsky

And the department receives more than two-thirds of any pay phone revenue above $15 million.

"Everyone's making a lot of money at the expense of inmates' families," said L.A. County Supervisor Zev Yaroslavsky, who has spearheaded efforts to reduce jail pay phone charges.

"They're in jail," he said. "They're paying their debt to society. That doesn't give us the right to fleece them."

Even so, I was contacted recently by West Hills resident Kim Iannone, whose 24-year-old son was arrested last month on suspicion of drunk driving. The charge was later reduced to reckless driving.

During the three days her son was in L.A. County jail, Iannone said, she received an automated call from Global Tel-Link instructing her to set up a prepaid account to enable her son to call her collect. The minimum amount required to create the account, she said, was $25.

Iannone's son called once. They spoke for about six minutes. The call cost $3.15. Iannone deemed that rate exorbitant, but there was more to come.

After her son was released, she wondered why her account balance of $21.85 wasn't automatically refunded.

Global Tel-Link requires that account holders ask for their money and then wait possibly weeks to be reimbursed. Funds that remain inactive for more than 180 days become the company's property.

Moreover, a Global Tel-Link service rep told me that Iannone would have to pay a refund fee of $5, which would be deducted from her balance.

"The Los Angeles jail system steals from us," Iannone said.

Prison and jail inmates constitute the quintessential captive market. Private pay phone operators such as industry leader Global Tel-Link can charge prices well above the rates charged by phone companies for residential and business customers.

Karen Dalton, assistant director of the Sheriff Department's Custody Division, said officials have "the best interest of the consumer in mind."

"We didn't set out to gouge anyone," she said.

The current system in place at L.A. jails is actually an improvement over the steeper rates Global Tel-Link previously charged.

Under the company's former contract with L.A. County, Global Tel-Link charged $3.54 for the first minute of a call and 10 cents for each additional minute. AT&T and Verizon charge about 4 cents a minute — or less — for residential local calls.

After Global Tel-Link received the contract for L.A. jail pay phones from Pacific Bell in 2008 without any competition, county officials decided they could probably cut a better deal in the future by seeking bids from others. The bidding process began in late 2009.

The winning bidder was an L.A. company called Public Communications Services, which said it would charge $1.25 for the first minute of a jail pay phone call plus 15 cents for each additional minute.

It also pledged to pay a minimum of $15 million a year to the Sheriff's Department plus 67.5% of any revenue surpassing that amount.

Global Tel-Link seems to have understood that its lucrative lock on jail pay phone services was in danger. Three months after the bidding closed in August 2010, Global Tel-Link purchased Public Communications Services for an undisclosed sum.

A new contract with Global Tel-Link, featuring the lower rates offered by Public Communications Services, was approved by county supervisors in September 2011.

I reached out to Global Tel-Link to discuss its pay phone rates at L.A. jails. Steve Montanaro, the company's vice president of sales and marketing, instructed me to put all my questions in an email.

I subsequently received a reply from Global Tel-Link's complaint department saying that, for privacy reasons, it couldn't discuss Iannone's case. It ignored all my other questions about fees, refunds and the acquisition of Public Communications Services.

I received no response to a followup email.

Dalton said all proceeds from the pay phone contract go the Sheriff Department's Inmate Welfare Fund, which provides education programs for detainees and money for upkeep of jail facilities.

"If we didn't have those dollars, we wouldn't be able to provide life skills and other resources," she said.

From a budgetary perspective, the pay phone charges thus play a positive role for detainees. Without the influx of funds, Dalton said, the county would need to find another way to pay for inmate welfare — or go without such programs.

However, this raises the possibility of a conflict of interest. In its efforts to maintain revenue from jail pay phones, the county may not be as aggressive as possible in reducing costs for inmate families.

Dalton acknowledged that some could see the situation that way. "It's a conversation that comes up a lot," she said.

Seems to me that L.A. County isn't flexing enough of its bureaucratic muscle. We have the largest jail system in the nation. The pay phone concession for roughly 19,000 detainees has to be a desirable gig for any company in this line of work.

I'm not saying we need to go easier on inmates. But we could certainly do a better job of protecting their families from rip-offs. That $1.25 first-minute fee and $5 refund charge seem like particularly ripe targets.

Global Tel-Link's current contract is up in 2020. That gives officials plenty of time to cook up a tougher negotiating strategy.

EXHIBIT 2

http://www.desmoinesregister.com/story/opinion/columnists/2014/08/20/iowa-profit-prisoners-calls/14323215/

Iowa shouldn't profit from prisoners' calls

By David Ganim
11:14 p.m. CDT August 19, 2014

The Iowa Department of Corrections will renew or rebid its prison phone services contract in October. We encourage the department to enter into a contract that does not include commission payments and is based on the lowest cost to the call recipients — typically prisoners' family members — as eight other states have already done.

I realize that the Department of Corrections receives about $650,972 in annual prison phone commission revenue, which is mainly generated from prisoners' families who accept collect calls, pay for calls from their prepaid accounts or send money to their incarcerated family members for their debit phone accounts.

While the revenue from commissions likely funds many worthwhile programs, there is no legitimate reason why such programs should be funded largely by prisoners' families and friends through inflated phone rates.

When rebidding its prison phone contract, the department has the opportunity to become the next state to forgo commissions and institute lower phone rates. States that have banned such commissions include California, New York, Michigan, New Mexico, South Carolina, Nebraska, Missouri and Rhode Island.

Lower phone rates facilitate greater communication between prisoners and their families, which, research has shown, has a rehabilitative effect and results in decreased recidivism. In the words of the nation's largest prison phone company, Global Tel-Link: "Studies and reports continue to support that recidivism can be significantly reduced by regular connection and communications between inmates, families and friends — 13 percent reduction in felony reconviction and a 25 percent reduction in technical violations."

Further, practices that "facilitate and strengthen family connections during incarceration" can "reduce the strain of parental separation, reduce recidivism rates, and increase the likelihood of successful re-entry" of prisoners, according to a 2005 report by the Re-Entry Policy Council.

A 2004 study by the Urban Institute found "It is evident that family support, when it exists, is a strong asset that can be brought to the table in the re-entry planning process." As many prisoners are housed far from their families, phone calls provide such support.

Indeed, for many prisoners, phone calls to their family and children are the primary means of maintaining family ties and parental relationships. According to the Department of Justice, an estimated 2.7 million U.S. children have an incarcerated parent.

This is recognized by the Federal Bureau of Prisons: "Telephone privileges are a supplemental means of maintaining community and family ties that will contribute to an inmate's personal development ... a valuable tool in the overall correctional process."

When the Iowa Department of Corrections renews or rebids its prison phone services contract, it should give serious consideration to forgoing commission revenue in whole or part and should place the greatest emphasis for the contract on the lowest overall cost of prison phone calls.

THE AUTHOR:

DAVID GANIM is the national prison phone justice director for the Human Rights Defense Center in Lake Worth, Fla. Contact: dganim@prisonlegalnews.org.

EXHIBIT 3

http://www.nytimes.com/2014/06/27/business/in-prisons-sky-high-phone-rates-and-money-transfer-fees.html?_r=0

In Prisons, Sky-High Phone Rates and Money Transfer Fees

By STEPHANIE CLIFFORD and JESSICA SILVER-GREENBERG

New York Times

June 26, 2014

Inside the razor wire on Eagle Crest Way, in rural Clallam Bay, Wash., telephone calls start at $3.15. Emails out, beyond the security fence, run 33 cents. Money transfers in, to what pass for bank accounts, cost $4.95.

Within that perimeter lies the Clallam Bay Corrections Center, a state prison — and an attractive business opportunity. One private company, JPay, has a grip on Internet and financial services. Another, Global Tel-Link, controls the phones.

These companies are part of a new breed of businesses flourishing inside American jails and prisons. Many of these players are being bankrolled by one of the most powerful forces in American finance: private equity. Private investment firms have invested many billions of dollars in the prison industry, betting — correctly — that it is a growth business.

Wall Street previously championed companies like Corrections Corporation of America, the nation's largest private corrections company. But unlike companies that have thrived by running prisons, the likes of Global Tel-Link and JPay are becoming de facto banks, phone companies and Internet service providers for inmates and their families across the nation.

It is a lucrative proposition, in part because these companies often operate beyond the reach of regulations that protect ordinary consumers. Inmates say they are being gouged by high costs and hidden fees. Friends and families say they have little choice but to shoulder the financial burden.

But private enterprises are not the only ones profiting. Eager to reduce costs and bolster dwindling budgets, states, counties and cities are seeking a substantial cut in return for letting the businesses into prisons, a review of dozens of contracts by The New York Times found. In Baldwin County, Ala., for instance, the sheriff's department collects 84 percent of the gross revenue from calls at the county jail. A Texas company has guaranteed the county at least $55 a month per inmate, according to a copy of the contract.

Similar stories are playing out in places like the Emanuel Women's Facility in Swainsboro, Ga.; MacDougall Correctional Institution in Ridgefield, S.C.; and the New Jersey State Prison in Trenton, The Times found. Some corrections departments use the commissions to provide services, said Steve Gehrke, a spokesman for the Washington State Department of Corrections. In Washington State, all commissions go toward compensating victims and improving services like libraries.

But even some industry executives see problems with the current setup, saying the commission system encourages providers to charge inmates more, not less, for services. Companies often win contracts based on how much they will offer states via commissions, rather than the rates they charge inmates.

Global Tel-Link, of Reston, Va., has contracts with 2,200 correctional operations serving at least 1.1 million inmates. It argued in recent comments to the Federal Communications Commission that the more states and cities demand in commissions, the more it will charge inmates. “There is no free lunch,” the company said.

“It is clear that it drives up the prices for these services and the commission system should be modified,” said Ryan Shapiro, the chief executive of JPay, which is based in Miami. Doing that, he added, can be difficult because many state budgets are strained.

Not that JPay is shying away from the business. It has deals in 33 states to provide money transfers, and contracts in 17 states to provide email, along with other services in states across the country. Now, it is offering a $50 tablet that allows inmates to download MP3s and get limited access to email, educational videos and books. The response from corrections departments has been overwhelming, Mr. Shapiro said.

The response from inmates and their families has been less enthusiastic.

Ely Peterson often wires a small amount of money each month to the commissary account of his fiancée, who is serving a 15-year-sentence at the Tennessee Prison for Women in Nashville for acting as an accomplice to murder. But transferring $25 costs Mr. Peterson $6.90. Mr. Peterson, who is 72 and a retired Marine, said that some months he can barely afford to send $15 to his fiancée, who uses her commissary account to buy food.

Walter Chruby, who has served 19 years of a life sentence for murder, calls such rates “unjust and unreasonable.” Mr. Chruby, 51, who is at State Correctional Institution-Laurel Highlands, in Somerset, Pa., argued in a lawsuit filed in federal court in Alexandria, Va., in April against Global Tel-Link that prisoners had no choice but to pay the high rates.

Mr. Chruby’s sentiment was echoed in dozens of lawsuits filed by inmates against Securus, Global Tel-Link and other providers. While the F.C.C. capped interstate telephone rates at 25 cents a minute earlier this year, after agitation from prisoners’ rights advocates, local phone rates can still be steep and other fees vary widely from state to state. For instance, using a phone to transfer $10 into an inmate’s account via JPay to the Southeast Correctional Center in Charleston, Mo., costs $3.95, while a similar transfer to the Illinois Youth Center in Chicago runs $5.95.

Placing a 15-minute in-state call from a Union County, N.J., jail costs $8.50, according to the New Jersey Institute for Social Justice, which recently filed a petition asking for lower in-state rates. In New York State, which does not accept commissions from providers, a 15-minute phone call costs just 72 cents.

Donna Starkey, of Nashville, Tenn., said that even dropped calls eat up money when she calls her son, who is serving a three-year sentence at Lois M. DeBerry Special Needs Facility.

Securus, Global Tel-Link, another company, CenturyLink, as well as corrections departments in Arizona, Mississippi and South Dakota, have challenged the F.C.C.’s rules in court. The companies say they need to charge high rates for security concerns — inmates’ access to financial services, telephones and the Internet is limited and, in most cases, monitored by providers. Even after prisoners are released, high fees can be difficult to escape. Rather than giving released inmates checks for the money they had when they were incarcerated, as well as any prison earnings, many prisons are putting the money on prepaid debit cards, which often come with high fees.

On its EZ Exit prepaid card, for instance, EZ Card & Kiosk of Irvine, Calif., charges $15 to replace a lost card, $4.95 a month to maintain it, $4 to receive a paper statement and $2.99 to withdraw money from an A.T.M.

Ronald Hodge, the company's chief executive, said that EZ Card tries to keep fees low but must balance that with administrative costs. "We, along with our jail customers, are very concerned about the cost and impact of the card," he said.

EXHIBIT 4

http://www.sfexaminer.com/sanfrancisco/sheriff-mirkarimi-alleviates-price-gouging-jail-inmates-for-phone-calls/Content?oid=2821879

Sheriff Mirkarimi alleviates price gouging jail inmates for phone calls

June 13, 2014

By Joshua Sabatini

After facing criticism last year over the high cost of making a phone call from County Jail, Sheriff Ross Mirkarimi presented new rates Thursday.

Mirkarimi had inherited a telephone service contract when he came into office in 2012 that was reflective of the high calling costs in jails throughout the country.

Members of the Board of Supervisors were critical of these costs in a contract extension vote last year, during which time Mirkarimi promised to lower rates.

On Thursday, he presented to the board's Government Audit and Oversight Committee those rates under an amended contract with service provider Global Tel*Link.

"We want people to preserve ties with the family and loved ones when they are incarcerated," Mirkarimi said. It is estimated that the cheaper phone calls will result in inmates making 20 percent more calls.

Rates vary based on local, state or national calls and call types, such as pre-paid or collect. One of the largest cost reductions is for a 15-minute collect and pre-paid long-distance call within the state, which today costs $13.35. Under the proposed new rates, it would drop to $4.05. Local collect calls currently come with a $2.80 surcharge and a per-minute rate of $0.11. That would become $1.25 and $0.10, respectively.

Supervisor London Breed said inmates should not have to pay for local calls. The sheriff said he's working on that.

"We need to reform and rein in this industry," Mirkarimi said.

EXHIBIT 5

http://www.wvgazette.com/article/20140514/ARTICLE/140519749

W.Va. should stop collecting on prisoners' phone calls

By David Ganim

Wednesday, May 14, 2014

The West Virginia Division of Corrections is to renew or rebid its prison phone services contract on June 30. We encourage the DOC to enter into a contract that does not include commission payments and is based on the lowest cost to the call recipients — typically prisoners' family members — as eight other states have already done.

I realize that the DOC receives about $931,600 in annual prison phone commission revenue, which is mainly generated from prisoners' families who accept collect calls, pay for calls from their prepaid accounts or send money to their incarcerated family members to place on their debit phone accounts. While the revenue from commissions likely funds many worthwhile programs, there is no legitimate reason why such programs should be funded largely by prisoners' families and friends through inflated phone rates.

When rebidding its prison phone contract, the DOC has the opportunity to become the next state to forgo commissions and thereby institute lower prison phone rates. States that have already banned such commissions include California, New York, Michigan, New Mexico, South Carolina, Nebraska, Missouri and Rhode Island.

Lower phone rates facilitate greater communication between prisoners and their families, which, research has shown, has a rehabilitative effect and results in decreased recidivism. In the words of the nation's largest prison phone company, Global Tel-Link: "Studies and reports continue to support that recidivism can be significantly reduced by regular connection and communications between inmates, families and friends — 13 percent reduction in felony reconviction and a 25 percent reduction in technical violations."

Further, practices that "facilitate and strengthen family connections during incarceration" can "reduce the strain of parental separation, reduce recidivism rates, and increase the likelihood of successful re-entry" of prisoners, according to a 2005 report by the Re-Entry Policy Council. And a 2004 study by the Urban Institute found "It is evident that family support, when it exists, is a strong asset that can be brought to the table in the re-entry planning process." As many prisoners are housed far from their families, phone calls provide such support.

Indeed, for many prisoners, phone calls to their family and children are the primary means of maintaining family ties and parental relationships — and according to the Department of Justice, an estimated 2.7 million U.S. children have an incarcerated parent.

This is recognized by the federal Bureau of Prisons, which states: "Telephone privileges are a supplemental means of maintaining community and family ties that will contribute to an inmate's personal development ... a valuable tool in the overall correctional process."

When the West Virginia DOC renews or rebids its prison phone services contract, it should give serious consideration to forgoing commission revenue in whole or part, and placing the greatest emphasis for the contract on the lowest overall cost of prison phone calls.

David Ganim, a former West Virginian and Marshall University graduate, is an official of the Human Rights Defense Center, based in Florida.

EXHIBIT 6

http://www.nj.com/business/index.ssf/2014/04/coalition_calls_on_nj_regulators_to_lower_cost_of_phone_calls_inmates_are_charged.html

Coalition says NJ inmates pay 'exorbitant' phone rates for local calls

By Alexi Friedman | The Star-Ledger

on April 30, 2014 at 5:22 PM, updated May 01, 2014 at 3:18 PM

A coalition of social justice groups is asking New Jersey regulators to lower the rates on thousands of inmates who make in-state collect calls, saying the current high prices impose an undue strain on incarcerated people and their families.

The petition filed today requests the state Board of Public Utilities to require inmate calling-service providers to cap local calls at 5 cents a minute, similar to what New York state charges.

While New Jersey now charges state prison inmates 17 cents a minute to place a prepaid debit or credit card call — local or long distance — some prisoners making in-state calls from county jails can pay up to 56 cents a minute, the petition contends.

As it now stands, a county can enter into a state-negotiated contract with a calling service or negotiate a deal independently with a limited number of vendors. As part of the contract, the county receives a commission on each call an inmate makes.

Essex County, which operates under a state contract with Global Tel Link, charges its inmates 5 cents to 25 cents a minute for calls within the state, depending on the distance.

According to the petition, commission rates vary from county to county. Atlantic, Cape May, Hunterdon, Union and Bergen — which has an independent contract with Global Tel Link — collect commissions from 56 to 70 percent, the petition noted. Essex County receives a 54 percent commission on those calls, it said.

“These commissions create perverse incentives by encouraging the governments contracting with phone companies to choose high rates,” according to the 23-page petition, brought by the New Jersey Institute for Social Justice, other interest groups and a handful of former inmates and inmate relatives.

Last year, the Federal Communications Commission imposed a cap on the amount it costs a prisoner to make an out-of-state call, but did not address calls made within the state. So while the New Jersey Department of Corrections has since lowered its per-minute phone rate from 33 cents to 17 cents, some inmates at county jails can pay three times as much, the petition said.

The limited number of phone service providers allowed to operate in correctional facilities “depresses competition and elevates pricing, and is completely antithetical to the solid business values we hold in the state,” said Cornell William Brooks, who heads the New Jersey Institute for Social Justice. “The fact that you are calling someone who is in a prison or detention center does not make you any less of a taxpayer or any less of a consumer.”

The state Legislature deregulated some telecommunications services in New Jersey, although the BPU still retains authority over the “alternate operator services.” Two companies that dominate that market, Global Tel Link and Securus Technologies, are contracted to provide phone service

to New Jersey's prisons and county correctional facilities, which house more than 30,000 inmates combined.

Representatives for Securus and Global Tel Link did not return calls for comment on the petition, but both companies oppose the FCC's move to lower phone rates.

BPU spokesman Greg Reinert said the agency received the petition but would not comment on the matter.

Providing inexpensive phone access for convicted state inmates and those housed in county jails with pending cases is important for the individual and for society, Brooks said.

"It allows parents to stay in touch with children," he said. "And research shows that people behind bars who are in touch with their family are less likely to return to prison or jail."

EXHIBIT 7

http://www.kansas.com/2014/04/26/3424613/collect-calls-from-sedgwick-county.html

Collect calls from Sedgwick County Jail inmates will cost less, make the county more money

By Deb Gruver

The Wichita Eagle
Published Saturday, April 26, 2014, at 12:49 p.m.

Collect calls from inmates at the Sedgwick County Jail will cost their families and friends less beginning this week. At the same time, the county will make a higher commission.

The cost for a 20-minute call, whether local, in-state or out-of-state, will be $3.50 under the county's new five-year contract with Securus Technologies Inc. That is 55 cents lower than it was under the county's previous contract with Global Tel*Link, commonly called GTL. The new rates begin Wednesday.

Securus will pay the county a 71 percent commission on gross revenue, up from 56 percent from GTL.

Some prison advocacy groups say such commissions amount to a kickback. Eight state prison systems across the country ban commissions, as does one county, Dane County in Wisconsin.

"The commission is a large and unnecessary tax on the poorest residents of the county," said Peter Wagner, executive director of the Prison Policy Initiative, based in Massachusetts. "The research is clear that allowing families to stay in touch makes it easier for both the family and the person incarcerated to succeed. High commissions are a penny wise and pound foolish way to drive families apart."

Dave Unruh, chairman of the Sedgwick County commission, objected to the characterization of commissions as a kickback.

He said the county sends out requests for proposals and negotiates with companies to get the "best overall cost" for collect calls from jail.

Revenue from the commissions go into the county's general fund to help offset the cost of operating the jail, he said.

The county has received as much as $1 million in annual commissions from inmates' collect calls, records show. Last year, it made just less than $510,000, records show. Joe Thomas, the county's purchasing director, said revenue generated from inmate calls is not earmarked for any specific expenditure.

So far this year, the county has received almost $169,000 in commissions.

Commissions are standard for contracts between jails and prisons and providers of inmate calls, said Maj. Glenn Kurtz of the Sedgwick County Sheriff's Office.

“It’s a very competitive industry,” he said.

Kurtz said he did not consider the commission when negotiating the county’s recent contract as much as he considered the cost to inmates and the capital investment Securus agreed to make. Securus also is handling the jail’s video visitations, scheduled to debut in July or August.

“They’re responsible for everything from the handset that the inmates picks up, the wires, the phone, the switching gear, hooking it up to the hardwire phone system. They take the loss if somebody doesn’t pay the bill,” Kurtz said of Securus’ contract for inmate calls.

The trend nationwide has been call rates dropping and commissions rising, Wagner said.

A commission of 71 percent is among the highest in the country, he said.

“I believe the record is 81 percent,” he said.

The Kansas Department of Corrections’ contract with its inmate phone provider features a 68 percent commission, records show. The state also received a $250,000 signing bonus from CenturyLink.

If Sedgwick County did not accept a commission, it stands to reason that inmates’ families and friends would pay less for calls, Wagner said.

Calls from prisoners in state custody in New York cost seven cents a minute after commissions were banned, he said. GTL has the New York prison contract.

Jail inmates can use the phone from 9 a.m. to 10 p.m. but must ask permission from a pod deputy to do so. Phones are mounted on the wall in day rooms.

Inmates’ families and friends sporadically complain about the cost of collect calls, Kurtz said. Unruh said he has not received complaints.

“It is basically free money” for the county, said Alex Friedmann, managing editor of Prison Legal News, a publication of the Human Rights Defense Center., of which he is associate director. “The gross revenue comes from prisoners’ families and thus they’re the ones who are paying the commissions.”

The argument that if inmates don’t like the cost, they shouldn’t break the law doesn’t compute because it’s not the inmates who pay the bills, he said. Even if inmates were to pay, “that doesn’t mean you price-gouge them. It doesn’t mean we can line our pockets while they’re in jail.”

Staying in touch with family and friends is important for inmates because that maintains their support systems, Friedmann said.

Kurtz, of the sheriff’s office, agreed.

“The person that is incarcerated in the Sedgwick County detention facility will possibly be back in the community tomorrow. They have contacts back to the community to support them and help them when they get out of here. We don’t want them to just walk out the door, starting over without a support system,” he said.

EXHIBIT 8

http://blog.al.com/wire/2014/04/alabama_public_service_commiss_7.html

Alabama Public Service Commission could cut phone call costs for inmates; providers argue against proposed rate changes

By Kelsey Stein | kstein@al.com

on April 08, 2014 at 6:28 AM, updated April 08, 2014 at 6:49 AM

MONTGOMERY, Alabama – Inmates at jails and prisons throughout the state could see the often steep cost of calling home reduced if the Alabama Public Service Commission approves a proposal at its Tuesday meeting.

An agenda for the 10 a.m. meeting in Montgomery shows that the commission is set to discuss a proposal to reform the state's Inmate Calling Service. It would limit fees, cap call rates and lower the initial rate for making or accepting a call.

Rules outlined in the proposal would require companies to inform customers who visit their websites of the available payment methods, payment processing charges and estimated time required to establish service for each payment option.

The commission outlined the proposed changes to the calling service in November 2012 and sought comments through December 2013.

Darrell Baker, the director of the Utility Services Division, said he could not comment on the proposal until the commissioners put it to a vote.

"I will say that this is very important for Alabama," Baker said.

"(Fees) are not a profit center for the service provider nor are they to be a source of commissionable revenue for the inmate facility" - PSC proposal

The changes are in line with a plan released in August 2013 by the Federal Communications Commission to reduce interstate inmate calling service rates.

The proposal notes that many inmates and their family members do not have the resources to pay the fees incurred using the Inmate Calling Service. Any amount of money they must spend on "unnecessary or excessive ICS provider fees" detracts from the money they can use to place calls.

Authorized fees for calling services are intended to recover costs incurred by the ICS provider.

"They are not a profit center for the service provider nor are they to be a source of commissionable revenue for the inmate facility," commissioners state in the proposal.

Other fees – for items such as account setup, customer refunds and fines or penalties for inmate behavior – would be prohibited.

The proposal faults ICS providers for charging additional fees for prepaid services and urges an end to the practice. The providers previously received the commission's approval to establish debit and prepaid services by describing the potential savings.

"It is, therefore, incomprehensible that providers should now insist on charging these customers for the 'privilege' of using a service established for the provider's benefit," the proposal states.

Throughout the end of 2013, ICS providers that serve Alabama facilities submitted responses claiming that the proposed rate structure would not cover the costs of providing phone services and would contribute to significant revenue loss.

Attorneys for Global Tel*Link Corporation filed a response in December, claiming that the "single largest cost component" affecting rates is the commission that must be paid to correctional facilities.

"Adoption of arbitrarily low ICS rates undermines the ability of correctional facilities (in conjunction with their ICS provider) to ensure the safety and security of their facilities," the response states. "There is no question that security measures and ICS costs are interrelated, and without such security measures, the risks to institutional security and public safety would quickly outweigh the benefits of allowing inmate telephone access."

Attorneys for Telmate LLC argue that some services simply cannot be provided under the commission's recommended rate structure.

Calhoun County Sheriff Larry Amerson also submitted a response asking the commission to amend the proposed rate structure, which he said will have a negative impact on the ability of law enforcement officials to be innovative and stay ahead of criminals technologically.

Prison Policy Initiative, a Massachusetts-based nonprofit focusing on criminal justice, commended the commission for its work to regulate inmates' calling expenses.

"We believe that regulating fees is an integral part of comprehensive regulation of prison and jail phone companies, and we commend Alabama for being the first state to, in our knowledge, directly address this major but hidden part of the industry," the initiative's response states.

EXHIBIT 9

http://theadvocate.com/home/8615468-125/prison-phones-ignite-psc-squabble

Prison phones ignite PSC board squabble

Baton Rouge Advocate
13 March 2014

by mark ballard

mballard@theadvocate.com

With raised voices, angry epithets and stabbing fingers, one state regulator accused another Wednesday of trying to keep secret efforts to lowball a fine that would settle alleged violations of a campaign contributor.

“This company could owe hundreds of thousands of dollars and this company is offering pennies on the dollar. I’m not for doing this behind closed doors,” said PSC Commissioner Foster Campbell, of Bossier Parish.

He is one of the five elected members of the Louisiana Public Service Commission, which oversees utility and telecommunication companies.

Campbell said PSC Chairman Eric Skrmetta, of Metairie, was trying to help out the owners of City Tele Coin Company, Inc., of Bossier City, a company contracted to provide phone services for inmates in about 30 parish and municipal jails around the state.

Skrmetta denied any wrongdoing.

Jerry Juneau, who owns City Tele Coin, and his wife gave Skrmetta’s campaign fund $10,000 on Dec. 10, 2013, according to the Louisiana Board of Ethics.

The PSC in 2006 refused to allow City Tele Coin to add surcharges to fees charged to inmates for using jailhouse phones. City Tele Coin started charging the additional fees in 2010 without the PSC voting on the increase, according to PSC documents.

In March 2013, the PSC found City Tele Coin and another private contractor of jailhouse phones were collecting unauthorized fees. The commission could impose fines of up to $10,000 per violation.

City Tele Coin offered $5,000 to settle the claims, according to a PSC staffer who asked not to be identified because employees were told not to discuss the issue publicly.

Another prison phone contractor, Securus Technologies, of Dallas, offered $2,500 to settle similar claims. Securus has a contract with the state Department of Corrections to provide inmate calling services to 10 state prisons.

Both offers were summarily rejected, Skrmetta said after the hearing. “The staff will be negotiating with these companies,” he added.

PSC rules require discussions about litigation and settlement negotiations be conducted behind closed doors in executive session. “We’re not hiding anything,” Skrmetta said.

“There is a very personal element to this, a whole lot of finger-pointing,” Skrmetta said, adding all commissioners receive campaign contributions from utilities and other companies that they regulate and make decisions about every day.

Skrmetta’s effort to take the settlement offer up in executive session prompted a heated 15-minute exchange during which he and Campbell told each other to be quiet and to stop interrupting.

“You can’t put words in my mouth,” Campbell told Skrmetta at one point

The chairman responded that Campbell was not recognized and what he said didn’t matter.

“It does matter. I say we make a motion that we take out the jail house phones from the executive session,” Campbell said. “This is worse than any payday loan scheme that’s ever hit the state of Louisiana. It’s terrible. It’s immoral. ... We got someone with thousands of charges and we go in there and try to cut a deal.”

The commission voted 3-2 to hold the discussion behind closed doors.

Commissioners Skrmetta, Scott Angelle, of Breaux Bridge; and Clyde Holloway, Forest Hill; voted for executive session. Commissioners Campbell and Lambert Boissiere III, of New Orleans, voted to air the issue in public.

The PSC in December 2012 cut the rates charged for all prison calls by 25 percent. The order required removal of all surcharges not specifically approved by the commission.

The Louisiana sheriffs, who run the parish prisons and use revenue from inmate phone calls to bolster their budgets, opposed the order.

Inmates are charged more because law enforcement is required to monitor calls that originate from behind prison walls, the sheriffs said.

Supporters, including Catholic, Episcopal, Methodist and Baptist churches, argued the families of the incarcerated are the ones who are called upon to pay for the expensive phone calls.

EXHIBIT 10

http://www.truth-out.org/opinion/item/21930-prison-phone-company-whines-we-miss-you

Prison Phone Company Whines, "WE MISS YOU!"

Tuesday, 18 February 2014 10:22

By Maya Schenwar, Truthout | Op-Ed

Giant, money-sucking phone companies are only one symptom of the monolithic prison-industrial complex that rules this country. But they're a potent one. They're a burning reminder that within this insidious system, destruction - of families, of communities, of human lives - turns a profit.

Late last week, I opened my email to find a message with a sad, guilt-trip-laden subject line: "It's Been Awhile." I opened it up to a blaring announcement - "WE MISS YOU!" - accompanied by a photo of a woman smiling encouragingly. No, this wasn't a tender note from a group of sweet long-lost cousins or old high school chums.

This email was a message from Securus, the private phone company that services the Illinois prison system. It wanted my business back.

About four months ago, to the immense joy of my family - most of all, to the joy of her baby daughter - my sister was released from prison. While she was incarcerated, I spoke with her at least every other day, and as you may have heard, prison phone calls cost a lot. My calls totaled $4.10 apiece. Illinois prices recently were lowered to $3.55, but that's still steep for many prisoners' families; most don't have much money to spare, so they're often forced to do without calls. In some states, costs are even higher. (A recent FCC ruling set caps on prices for interstate prison phone calls, but the change doesn't affect calls made from prisons in state.)

A 2011 investigation by Prison Legal News disclosed some of the motives behind the pricey rates:

These contracts are priced not only to unjustly enrich the telephone companies by charging much higher rates than those paid by the general public, but are further inflated to cover the commission payments [kickbacks to state contracting agencies], which suck over $143 million per year out of the pockets of prisoners' families - who are the overwhelming recipients of prison phone calls. Averaging a 42% kickback nationwide, this indicates that the phone market in state prison systems is worth more than an estimated $362 million annually in gross revenue.

For people with multiple incarcerated loved ones, those companies' kickbacks can mean back-breaking sacrifices. My friend Barbara Fair, who lives in Connecticut, knows the prison phone struggle well. Each of her seven sons has been locked up at one point or another. (There's a reason, she notes, saying, "The greatest factor influencing my sons ending up in prison is the fact that they are young African-American males, and thus the targeted commodity for the prison industry.")

For Barbara, phone calls were just one of the many, many burdens piled on top of her during

those incarcerations. Her phone bill at one point amounted to $400 per month. She lost service often, trying to keep up with payments. In poor communities of color, the theft enacted by private prison phone companies exacts an ongoing, chronic financial and emotional toll.
So - why keep talking on the phone? The thing is, phone calls are not a frivolous luxury for the families of prisoners. They're an essential component of maintaining relationships, as most prisons are so far from home that frequent visits are impossible for poor people (and for most busy people, for that matter). Sixty-two percent of parents in state prisons are placed more than 100 miles from home. For federal prisoners, distances are often much vaster.

Lower-priced phone calls - or even free phone calls - won't "solve" the disaster that is the institution of prison. In fact, when it comes to having a loved one in prison, phone calls are a small consolation. Speaking to each other can simply become a reminder of how your family member, partner or friend has been deprived of freedom and disappeared from society.

But for incarcerated people, phone calls are one of the few meager ties that link them to their community, if they're lucky enough to have a community to call their own. Bonds with family and friends are crucial to prisoners inside the institution and upon their release - when they'll need support to stay afloat, and, if possible, avoid a return to prison. Stats show that people are a whole lot less likely to recidivate if they've stayed in touch with family while locked up.

As long as there are prisons, people behind bars must be able to communicate with their loved ones on the outside.

Giant, money-sucking phone companies are only one symptom of the monolithic prison-industrial complex that rules this country. But they're a potent one. They're a burning reminder that within this insidious system, destruction - of families, of communities, of human lives - turns a profit.

So, Securus: You miss me? You're sad that it's been awhile? Well, for the moment, I'm going to take a pass on your services. For good measure, you're going straight to the spam box. As for myself, I'm going straight to work, to see what I can do to make you go away for good.

EXHIBIT 11

http://www.tennessean.com/article/20140210/NEWS21/302100039/Cost-TN-inmates-interstate-phone-calls-will-drop

Cost of TN inmates' interstate phone calls will drop

Feb. 10, 2014 4:02 AM

Written by Walter F. Roche Jr.

Thanks to advocacy groups and a recent federal court ruling, the cost of interstate phone calls by inmates in Davidson County and throughout the state prison system will drop by more than 70 percent as of Friday.

The rate drop is a result of new rules issued by the Federal Communications Commission. Though some of the FCC changes have been put on hold by a federal judge, the cut in interstate rates will be allowed to take effect.

Alex Friedmann of Tennessee-based Prison Legal News said the cost of a 15-minute collect call for prisoners in Tennessee Department of Correction facilities will drop from $12.80 to $3.75. A call made on a debit or prepaid card will go from $11.52 to $3.15, a 72.6 percent reduction.

Friedmann said the cost of interstate calls placed by Davidson County inmates will drop from $18.34 to $3.75 for a 15-minute collect call and from $18.19 to $3.15 for a debit or prepaid call of the same length.

Friedmann's organization joined other advocacy groups in petitioning the FCC to set a first-time cap on inmate calls.

Dorinda Carter, spokeswoman for the Tennessee Department of Correction, said the state will comply with the order, but added that interstate calls represent a relatively small percentage of calls by prison inmates.

Carter said the state plans to solicit proposals for a new contract sometime this month.

Melinda McDowell, spokeswoman for the Davidson County Sheriff's office, said the county-run correctional facilities also will comply with the rate cut.

McDowell said the current prison phone contract has been extended for six months.

Both Davidson County and the state have contracts for prison phone service with Global Tel Link. Global and other major prison phone providers filed the suit challenging the rate cuts.

The January court ruling put on hold provisions in the FCC order that set other limits on inmate calls and required prison phone companies to provide financial data to the FCC on their actual costs.

In a separate action, the FCC also issued a proposed rule that would cap rates on in-state prisoner phone calls.