
INTRODUCTION

At the direction of the Executive Branch Audit Committee, we conducted an audit of the Nevada Department of Public Safety, Division of Parole and Probation. Our audit addressed the following four questions:

- ✓ What is the role of the Division?
- ✓ What services must the Division provide?
- ✓ Is the State the proper level of government to provide these services?
- ✓ If State government is the appropriate level of government, is the Division carrying out its duties efficiently and effectively?

Our audit examined how the Division can improve offender supervision and increase revenues.

Agency's Role and Public Purpose

The Division of Parole and Probation supervises offenders completing their sentences in Nevada communities. In 1909, Nevada started releasing prisoners on parole. Parole consists of offenders completing their sentences under supervision in communities. In 1951, Nevada also began placing offenders on probation. Probation consists of an offender staying in a community under supervision without spending time in prison. Supervision involves Parole and Probation Officers (Officers) periodically contacting each offender to ensure they meet all conditions set by the court and Parole Board (for parolees). Conditions may include requirements to not drink alcohol, seek and maintain employment, not possess any weapon, and pay restitution to the victim(s). To facilitate supervising offenders, the State created this agency in 1969 and subsequently placed it in the Department of Public Safety.

Among its responsibilities, the Division:

- ✓ Supervises offenders on parole, probation, and inmates in communities on house arrest;
- ✓ Obtains and disburses court ordered restitution payments to victims of crime; and
- ✓ Collects fees from offenders to defray supervision costs.

The State is the proper level of government for supervising probationers and parolees. The Division provides a single point of contact statewide for community supervision of adult felony and gross misdemeanor offenders.

The Division's main offices are in Carson City, Reno, Elko, and Las Vegas, with smaller offices located throughout Nevada. Staffing consists of 449 authorized positions, including 185 Parole and Probation Officers and 32 Supervisors to oversee them. For fiscal year 2004, the Division's budget of \$32.3 million included \$2.9 million in supervision fees. As of December 2004, the Division supervised an average of 3,907 parolees, 13,217 probationers, and 121 offenders on house arrest.

Scope and Objectives

We use a risk-based approach when selecting agencies for an audit. We focus our available resources on specific operational areas identified through a preliminary survey as having the most opportunities for improvement. A preliminary survey involves gaining an understanding of agency programs through interviewing staff, observing agency operations, reviewing laws, regulations, policies, procedures, agency records, strategic plans, budgeting and staffing levels, and other information on agency activities.

Our audit scope included evaluating the Division's supervision of offenders and fee structure. We discussed the agency's processes and our observations with Division management, staff, Attorney General's Office, Controller's Office, and five District Court Judges. We sampled the Division's records to evaluate offender supervision and examined statutes. We surveyed other states' parole and probation agencies to compare their staff supervision, fee structures, and collection processes. We also discussed offender income levels with the Division's house arrest monitoring contractor to estimate the potential increase in revenues from implementing our recommendations.

Our audit focused on the following objectives:

- ✓ Can the Division enhance offender supervision?
- ✓ Can the Division increase revenues?

We performed our audit in accordance with the *Standards for the Professional Practice of Internal Auditing*.

The Division of Internal Audits expresses appreciation to the Division of Parole and Probation's management and staff for their cooperation and assistance throughout the audit.

Division of Parole and Probation Response and Implementation Plan

We provided draft copies of this report to Division officials for their review and comments. Division comments have been considered in the preparation of this report and are included in Appendix A. In its response, the Division accepted all eight recommendations. Further, Appendix B includes a timetable to implement our recommendations.

Nevada Revised Statutes (NRS) 353A.090 specify that within six months after final release of this report, the Chief of the Division of Internal Audits shall evaluate what steps the agency has taken to implement the recommendations contained in this report, whether those actions are achieving the desired result, and where recommendations were not implemented, and the reasons why. The Chief shall report the results of the evaluation to the Executive Branch Audit Committee and agency officials.

The following report contains our findings, conclusions, and recommendations.

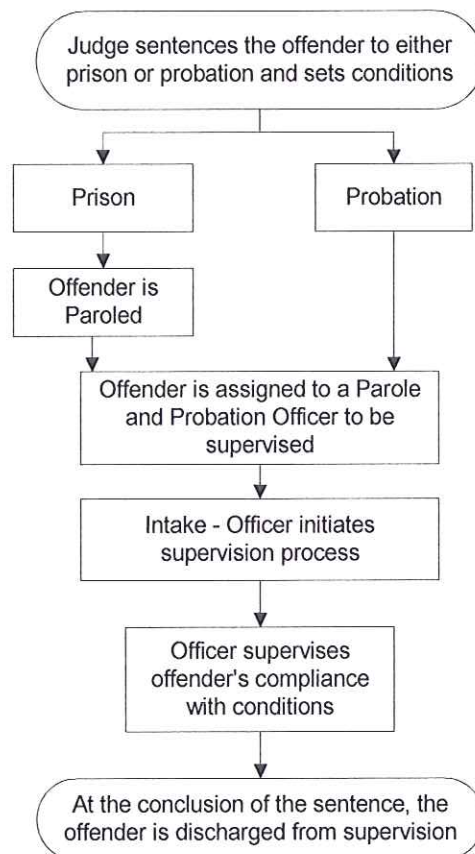
Can the Division Enhance Offender Supervision?

The Division of Parole and Probation can enhance offender supervision by identifying, monitoring, and ensuring officers' compliance with duties deemed high risk. Specifically, if officers do not perform these duties the offender poses an increased risk to the community.

Most offenders released on parole and probation are processed as described in Exhibit I.

Exhibit I

Offender Supervision Process



The intake process involves determining offenders' risk to the community, describing to the offenders their obligations under supervision, and explaining to

the offenders the Officers' role. The intake process involves a variety of duties including:

- ✓ **Risk Assessment** – Establishing a numerical ranking of the risk offenders pose to the community. Officers use this ranking to determine the appropriate level of supervision, including the number of contacts necessary to monitor offenders;
- ✓ **Home Visit** - Contacting and interviewing offenders at their residences to confirm where they live and if there are any roommates. Additionally, these visits may identify the presence of items such as liquor or weapons that violate parole or probation conditions;
- ✓ **Duty to Warn** – Evaluating the offenders' risk of harming or committing crimes against specific individuals, employers or others. If the Officers deem this risk is sufficient, then they warn appropriate parties; and
- ✓ **DONS Rating** - Establishing offenders' ratings in the Dangerous Offender Notification System. This rating identifies potential risk offenders pose to law enforcement officers. The rating is communicated to officers to warn them of the risk of dealing with offenders in situations such as traffic stops.

Next, Officers supervise offenders for compliance with the conditions of their parole or probation. Supervision involves a variety of duties including:

- ✓ **Reassessment** – Assessing changes in the offenders' risk level every six months, and
- ✓ **Violations Report** – Filing a violation report for failing to comply with condition(s) of supervision with either the court or Parole Board.

Throughout the Division's intake and supervision process, Officers may perform numerous duties. We interviewed management and criminal court judges who identified six of the most significant supervision monitoring duties. They deemed failing to perform these duties expose the community to increased risk. We sampled 61 cases and noted 70 percent did not have a record of the Officer performing one or more of these duties. The percent of duties not completed out of the cases sampled is described below in Exhibit II:

Exhibit II

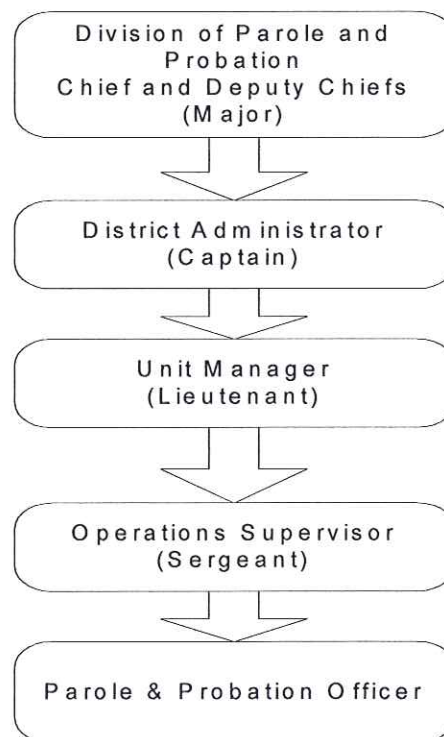
Sampling Results

Significant Duties	Out of 61 cases sampled:	
	# of duties not completed	% of cases not completed
Risk Assessment	6	10%
Home Visit	16	26%
Duty to Warn Evaluation	25	41%
DONS Rating	9	15%
Reassessment	8	13%
Violation Report	4	7%

As a result of our review, Division management stated they should improve Officer monitoring. To monitor Officer performance, management uses its chain of command, shown in Exhibit III.

Exhibit III

Parole and Probation Chain of Command



The Division's Operations Supervisors (Supervisors) monitor Officers' duties by reviewing their cases. Officers maintain offenders' case records in a database (case management system) and on hard copy. Cases contain information on the offenders' backgrounds and evidence of the duties performed by the Officer. Division policy requires Supervisors review every file created during the offender intake process and five cases per Officer each month.

Focus Case Reviews on High-Risk Duties

The Division can increase the effectiveness of Supervisors' case reviews by focusing on high-risk duties. Management should establish which duties they deem as most significant for maintaining public safety, then perform case reviews focusing on these critical duties. One member of Division management said he effectively used this technique as a Supervisor. Utah Parole and Probation also uses a similar technique on case reviews to target areas of concern. Utah officials said it helped ensure Officers performed the tested duties. When Supervisors identify a deficiency during a review, they should input this information into the case management system. The Supervisor should then work with the Officer to correct and avoid future performance deficiencies in the high-risk duties.

The Division can also reduce the time Supervisors spend reviewing cases by focusing on selected high-risk duties. According to a Supervisor, this would reduce case review time by 30 to 40 percent.

Division management agrees this would be helpful. In response to our findings, it created a senior management group to develop a process to focus on high-risk duties for case reviews. They plan to use this system to reduce error rates and increase accountability.

Develop Management Reports

Supervisors review Officers' cases and record the results in the Division's case management system in narrative form. This makes summarizing data difficult for a computerized database.

The Division should develop a method to record the results of Supervisors' case reviews in a manner its case management system can summarize. These reports could quantify instances of officer non-compliance. Management could use these reports to direct its efforts for improving public safety.

Recommendations

1. Identify Officers' duties that most reduce offenders' risk to the community.

2. Focus case reviews on high-risk duties.
3. Develop a method to capture and summarize Supervisors' case reviews.
4. Improve Officers' performance of high-risk duties.

Can the Division Increase Revenues?

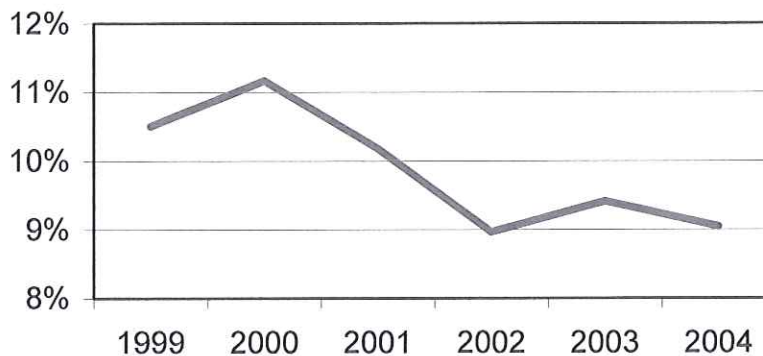
The Division can increase revenues by establishing and implementing supervision fees based on offenders' ability to pay. It can also increase revenues by continuing debt collection efforts on amounts owed by offenders who have completed their sentences.

Evaluate Charging Supervision Fees Based on Offenders' Ability to Pay

State general funds pay an increasing portion of the costs of supervising offenders. In addition to general funds, offenders on parole or probation pay a fee to defray the costs of supervision. In fiscal year 1998, the State set minimum supervision fees at \$30 a month. Since then, this fee's contribution relative to the Division's total budget has declined as shown in the following Exhibit IV.

Exhibit IV

**Parole and Probation Supervision Fees
as a Percent of Total Funding by Fiscal Year**



By changing the supervision fee structure, the Division could reduce its need for general funds. Specifically, instead of charging \$30 per month for all offenders, the Division can increase the fee for offenders with higher incomes. We surveyed two states, Kentucky and South Carolina, that charge offenders based on their ability to pay up to \$208 per month. Officials of these states said this helps defray their supervision costs.

The Division already charges offenders on their ability to pay in their House Arrest Program. This program allows offenders to stay at home as long as they are employed, wear electronic monitors, and pay the fees. The monthly monitoring fees are the offenders' wages for one-hour times the number of days monitored (for example \$8 per hour wage times 30 days equals \$240 per month). The hourly wages used each month are based on the offenders' most recent pay stubs.

The Division should charge supervision fees based on the offenders' ability to pay, similar to the House Arrest Program. However, since the House Arrest Program costs more to supervise, the Division should charge offenders supervision fees at lower rates. Specifically, the Division could charge offenders 4 hours of wages or \$30 per month, whichever is greater. Division managers and District Court judges agreed this would be an equitable method to help defray supervision costs. This method allows offenders earning minimal income to continue paying \$30 per month. Whereas, offenders with higher wages would help defray supervision costs by paying more. We estimate this would increase the Division's revenues by \$500,000 annually.

Recommendation

5. Evaluate implementing supervision fees based on offenders' ability to pay.

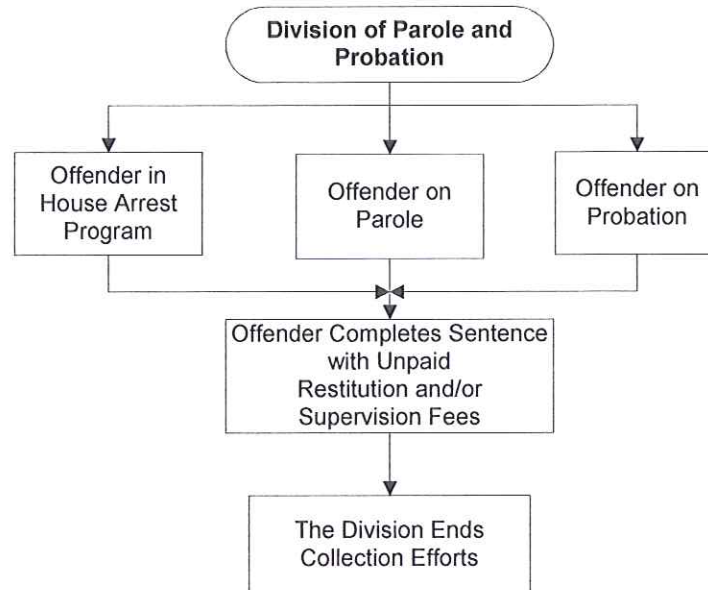
Collect Unpaid Debts from Discharged Offenders

Nevada can collect unpaid restitution and supervision fees from offenders who have completed their sentences. To do this, the Division should coordinate with the Controller's office.

While offenders are under the Division's supervision, Officers attempt to collect restitution and supervision fees. Restitution is the amount judges deem offenders owe victims. For example, the judge may deem the offender owes the victim for hospital costs. Supervision fees consist of the \$30 per month charged by the Division to help defray costs. Although offenders are legally liable for these debts, the judges we interviewed said they do not send offenders to prison solely for non-payment. We estimate that during fiscal year 2005, the Division ended its collection efforts for at least 2,200 offenders who completed their sentences, as shown in Exhibit V.

Exhibit V

Collection of Restitution and Fees



Nevada statutes allow the State to collect on outstanding restitution and supervision fees. An Attorney General's office opinion states discharged offenders are responsible for paying outstanding restitution and supervision fees. Additionally, statutes allow agencies to request the Controller's Office to collect their debts.

The Division should send discharged offenders' debts to the Controller's Office. This would generate additional monies for crime victims and the State. In fiscal year 2005, we estimate the Division will stop collection efforts on about \$21 million in unpaid restitution and \$700,000 in unpaid supervision fees from discharged offenders.

We surveyed Utah's Division of Parole and Probation, which transfers unpaid restitution and supervision fee accounts from discharged offenders to its Office of Debt Collection. According to Utah's staff, it collects six percent of offenders' debts. If Nevada collected at the same rate; we estimate it would recover \$1.3 million in victims' restitution and \$40,000 in supervision fees annually.

Coordinate with Controller's Office

For the Controller's Office to collect these debts, the Division must:

- ✓ Enter into a written agreement with the Controller's Office transferring these debts for collection. Currently, the Division does not have an agreement with the Controller's Office.
- ✓ Notify offenders in writing their debts will be sent for collection.
- ✓ Provide information on each transferred debt to enable the Controller's Office to collect.

Division managers assert that it would only take minor revisions to its case management system to produce the information needed by the Controller's Office to collect future unpaid debts.

Recommendations

6. Enter into an agreement with the Controller's Office to collect debts.
7. Notify offenders in writing when transferring offenders' debts for collection.
8. Compile and transfer discharged offenders' unpaid restitution and supervision fee data to the Controller's Office for collection.

Appendix A

Division of Parole and Probation Response and Implementation Plan

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Governor

GEORGE TOGLIATTI
Director
Department of Public Safety

AMY WRIGHT
Chief
Division of Parole and Probation



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August 18, 2005

RECEIVED

AUG 23 2005

DIVISION OF INTERNAL AUDITS

William Chisel, Chief
Dept of Administration
Division of Internal Audits
1665 Old Hot Springs Road, Suite 157
Carson City NV 89706

Dear Chief Chisel:

The following detail represents the Division's response to the Division of Internal Audits' audit findings, conclusions and recommendations dated August 5, 2005:

OBJECTIVE #1 - Focus Case Reviews on High-Risk Duties and Develop Management Reports:

Case Reviews on High Risk Duties: The Division's current policy regarding case reviews already represents a very similar concept as outlined in this recommendation, providing oversight to the most significant or higher risk duties via the Intake Audits (required within first 30 days of being placed on active supervision) and through the case reviews performed by Sergeants (Operations Supervisors). The Division recognizes that emphasis needs to be placed on specific high-risk duties and that additional mechanisms need to be put into action, not only at the Sergeant level, but particularly at the Lieutenant (Unit Manager) level and above to ensure that the officers are consistently executing the duties identified as the most significant and high risk.

To meet this objective, the Department of Public Safety has recently deployed a team to conduct an extensive review and assessment of the Division's internal processes, along with Division policies 8.6 and 8.6a (copies attached), in order to develop and implement a performance management system that is front-line driven. This project is currently underway in one of our urban offices (Reno), as a pilot for the Division. The review and assessment segment is expected to last through December 2005, with operational implementation (as a pilot) in Reno by January 2006.

OBJECTIVE #1 CONT'D - Develop Management Reports: The Division continues to develop management reports designed to identify deficiencies and assist first line supervisors and upper management in addressing areas of highest risk. Many reports are already in place and several are currently in development. The Division will also be planning for any programming changes that may be necessary in our case management system for capturing data not already available in our system, such as duty to warn, which is currently recorded in free-text form as a chronological case note, data that is not available to track and report on.

Recommendation 1 – Identify Officers' duties that most reduce offenders' risk to the community: The Division has already begun implementation, with full implementation anticipated by July 1, 2006.

Recommendation 2 – Focus case reviews on high-risk duties: The Division has already begun implementation, with full implementation anticipated by July 1, 2006.

Recommendation 3 – Develop a method to capture and summarize Supervisors' case reviews: The Division has already begun implementation. However, additional programming in the Division's case management system will be necessary for full implementation. Availability of programming hours is limited and it is not feasible to project when these data elements will be added to our system. To the extent possible, it is the Division's desire to incorporate the programming into the available programming hours this fiscal year. It may be necessary, however, to complete the programming during fiscal year 07, possibly extending into fiscal year 08.

Recommendation 4 – Improve Officers' performance of high-risk duties: The Division has already begun implementation, with full implementation anticipated by July 1, 2006.

OBJECTIVE #2 - Evaluate Supervision Fees Based on Offenders' Ability to Pay: The Division will proceed with a full evaluation and analysis of charging supervision fees based on an offenders' ability to pay.

Recommendation 4 – Evaluate supervision fees based on offenders' ability to pay: The Division will submit a full report of our findings and conclusions by July 1, 2006.

OBJECTIVE #3 - Collect Unpaid Debts from Discharged Offenders: The Division agrees with the recommendation to submit all unpaid debts at the time an offender discharges to the State Controller's Office for continued collection. The benefits are two-

William Chisel, Chief
Division of Internal Audit
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fold, in that, any outstanding restitution that is collected will contribute to making victims whole and, any outstanding supervision fees collected will return to the State's General Fund. The Division will be consolidating whatever programming changes are necessary to our case management system to facilitate this process with the rewrite of our restitution system, a project already under study and planned for full deployment by the end of this fiscal year. We will also be developing the internal and external processes that will be required to implement this new program and anticipate we will be fully operational in all aspects, by July 1, 2006.

Recommendation 6 – Enter into an agreement with the Controller's Office to collect debts: The Division will begin negotiations with the State Controller's Office in order to work out the details necessary to enter into an agreement that is acceptable to both agencies, by no later than January 1, 2006.

Recommendation 7 – Notify offenders in writing when transferring offenders' debts for collection: Full implementation anticipated by July 1, 2006.

Recommendation 8 – Compile and transfer discharged offenders' unpaid restitution and supervision fee data to the Controller's Office for collection: Full implementation anticipated by July 1, 2006.

We appreciate the opportunity to have worked with you and your staff and look forward to working toward our goals on achieving a positive result to the recommendations made.

Sincerely,



Amy Wright, Chief
Division of Parole and Probation

Cc: George Togliatti, DPS Director
Dave Ellison, DPS ASO
Kathalie Koche, DPS Director's Assistant
Mike Ebright, P&P Captain
Mark Teska, P&P ASO
Kathy Thompson, P&P Management Analyst

Appendix B

Timetable for Implementing Audit Recommendations

In consultation with Parole and Probation management, the Division of Internal Audits categorized the eight recommendations contained within this report into two separate implementation timeframes (i.e., *Category 1* – less than six months; *Category 2* – more than six months). The Division of Parole and Probation should begin taking steps to implement all recommendations as soon as possible. The Division's target completion dates are incorporated from Appendix A.

**Category 1: Recommendation classified with an anticipated
implementation period of less than six months.**

<u>Recommendation</u>	<u>Time Frame</u>
6. Enter into an agreement with the Controller's Office to collect debts. (Page 12)	Jan. 2006

Category 2: Recommendations classified with an anticipated implementation period exceeding six months.

<u>Recommendations</u>	<u>Time Frame</u>
1. Identify Officers' duties that most reduce offenders' risk to the community. (Page 7)	July 2006
2. Focus case reviews on high-risk duties. (Page 8)	July 2006
3. Develop a method to capture and summarize Supervisors' case reviews. (Page 8)	July 2007
4. Improve Officers' performance of high-risk duties. (Page 8)	July 2006
5. Evaluate implementing supervision fees based on offenders' ability to pay. (Page 10)	July 2006
7. Notify offenders in writing when transferring offenders' debts for collection. (page 12)	July 2006
8. Compile and transfer discharged offenders' unpaid restitution and supervision fee data to the Controller's Office for collection. (page 12)	July 2006

The Division of Internal Audits shall evaluate the corrective action taken by the Division of Parole and Probation concerning report recommendations within six months from the issuance of this report. The Division of Internal Audits must report the results of its evaluation to the Committee and the Division of Parole and Probation.