New Jersey State Legislature
Office of Legislative Services
Office of the State Auditor

Department of Corrections
Mountainview Youth Correctional Facility

July 1, 2005 to June 30, 2007

Richard L. Fair
State Auditor
The Honorable Jon S. Corzine  
Governor of New Jersey

The Honorable Richard J. Codey  
President of the Senate

The Honorable Joseph J. Roberts, Jr.  
Speaker of the General Assembly

Mr. Albert Porroni  
Executive Director  
Office of Legislative Services

Enclosed is our report on the audit of the Department of Corrections, Mountainview Youth Correctional Facility for the period of July 1, 2005 to June 30, 2007. If you would like a personal briefing, please call me at (609) 292-3700.

Richard L. Fair  
State Auditor  
March 20, 2008
# Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope</td>
<td>1</td>
</tr>
<tr>
<td>Objectives</td>
<td>1</td>
</tr>
<tr>
<td>Methodology</td>
<td>1</td>
</tr>
<tr>
<td>Conclusions</td>
<td>2</td>
</tr>
<tr>
<td>Findings and Recommendations</td>
<td></td>
</tr>
<tr>
<td>Buildings and Grounds</td>
<td>3</td>
</tr>
<tr>
<td>Auditee Response</td>
<td>5</td>
</tr>
</tbody>
</table>
Department of Corrections
Mountainview Youth Correctional Facility

Scope

We have completed an audit of Department of Corrections (DOC), Mountainview Youth Correctional Facility (facility) for the period July 1, 2005 to June 30, 2007. Our audit included the financial transactions accounted for in the state's General Fund. We did not audit transactions or balances of the Commissary Account, Inmate Welfare Fund or the Inmate Trust Fund. These funds are reviewed by the internal audit unit of the DOC. In addition we did not audit medical expenses, which totaled $5.3 million, since these charges are controlled through the central operations of the DOC and are included in the scope of that audit.

Total operating expenditures recorded in the General Fund accounts were $46.1 million in fiscal year 2007. The primary responsibility of the facility is to receive, diagnose, and classify offenders legally committed to the correctional institution with emphasis on satisfying the individual rehabilitation programs of the offender. This facility does so in a medium security setting for males, providing work opportunities within a farming operation and two State Use Industries shops which build furniture and mattresses. The DOC also provides educational and other programs to aid in inmate rehabilitation.

Objectives

The objectives of our audit were to determine whether expenditure transactions were related to the facility's programs, were reasonable, and were recorded properly in the accounting systems. This audit was conducted pursuant to the State Auditor's responsibilities as set forth in Article VII Section 1, Paragraph 6 of the State Constitution and Title 52 of the New Jersey Statutes.

Methodology

Our audit was conducted in accordance with Government Auditing Standards, issued by the Comptroller General of the United States.
In preparation for our testing, we studied legislation, administrative code, circular letters promulgated by the Department of the Treasury, and policies of the Department of Corrections. Provisions that we considered significant were documented and compliance with those requirements was verified by interview, observation, and through our samples of expenditure transactions. We also reviewed the budget, financial trends, pertinent labor contracts, and interviewed personnel to obtain an understanding of the programs and the internal controls. We also reviewed audit reports issued by the department's internal audit unit.

A nonstatistical sampling approach was used. Sample items were selected based on dollar value, attributes, and auditor judgment. Our samples of expenditure transactions were designed to provide conclusions about the validity of transactions as well as internal control and compliance attributes.

We found that the expenditure transactions included in our testing were related to the facility's programs, were reasonable, and were recorded properly in the accounting system. In making this determination, we noted certain conditions related to the institution's assets which we believe merit management's attention.
Buildings and Grounds

We noted the facility has five vacant personal residences which are under-maintained. A sixth residence will be vacant in the near future. We learned that management has discussed various solutions but to date there has been no final decision. Solutions range from selling the residence and property to restoring them for their original purpose. We also note that various prerelease programs could utilize these residences such as half-way houses or group homes. We toured all but one of the houses. We found them to be in various stages of neglect; but, in our opinion, all were repairable. The department often uses skilled inmates to perform labor in their area of expertise. Utilizing such workers would allow restoration costs to be kept to a minimum.

Following are pictures of the (external) residences. The degree of disrepair is not shown.

1,662 Sq. Ft

2,550 Sq. Ft.
Recommendation

We recommend that the department and facility work with appropriate state agencies to determine the best approach to preserve and utilize the six buildings and grounds.
March 11, 2008

Richard L. Fair, State Auditor
Office of Legislative Services
PO Box 067
Trenton, NJ 08625-0067

Dear Mr. Fair:

I have reviewed the audit report prepared by your office summarizing the audit of the Department of Corrections, Mountainview Youth Correctional Facility for the period July 1, 2005 to June 30, 2007. I appreciate this opportunity to respond to its findings and recommendations.

Buildings and Grounds

Employee Houses

We are in agreement with your recommendation that the department and facility work with appropriate state agencies to determine the best approach for the six vacant employee houses. The department has submitted a Request For Real Property Review on June 19, 2006 to the Division of Property Management and Construction. The request was for the disposal of four employee houses, 61 Petticoat Lane, 37 Petticoat Lane, 53 Petticoat Lane and 121 East Main Street. The decision to sell the four houses, was made in conjunction with staff from the Governor’s Office and the Department of the Treasury in March 2006. The plan for the remaining two houses is as follows; 72 Petticoat Lane is under consideration as a storage building and 152 East Main Street is being considered as a staff residence for an employee working in department’s farm operations.

In closing, I would like to thank your audit staff for their continued diligent work, and professionalism exhibited during the audit. I have always found their recommendations to be meaningful and we at the department appreciate their efforts.

Sincerely,

George W. Hayman
Commissioner

New Jersey Is An Equal Opportunity Employer • Printed on Recycled and Recyclable Paper
c: Peter T. Roselli, Deputy Commissioner
   James Barbo, Acting Deputy Commissioner
   Carmella M. Elmer, Assistant Commissioner
   Kathy Baker, Director
   Larry Glover, Administrator
   Joseph Haines, Manager