

2012 annual report

PEN
PRODUCTS
Prison Enterprises Network



career focused
reentry



Reducing Indiana's recidivism



Statute

Acts 1917, Chapter 83, Sec. 1, Page 237, authorizes prisons in the State of Indiana to manufacture "articles and products as may be found practical" for use by the state, its institutions and political divisions and to sell the surplus upon the market. Indiana Department of Correction was established in Acts 1961, Chapter 343, Sec. 3, Page 1051. Under this Act, the Division of Industries and Farms was created to administer the operation of offenders who produce goods and services for sale to state agencies and residents of Indiana.

Indiana Code 1991, 11-10-6-2 Sec. 2. (a) The Department shall establish, maintain, and operate industry and farm programs for offenders assigned to equip the participant with a marketable skill which will provide to participant a means of earning a livelihood upon the participant's return to the community...

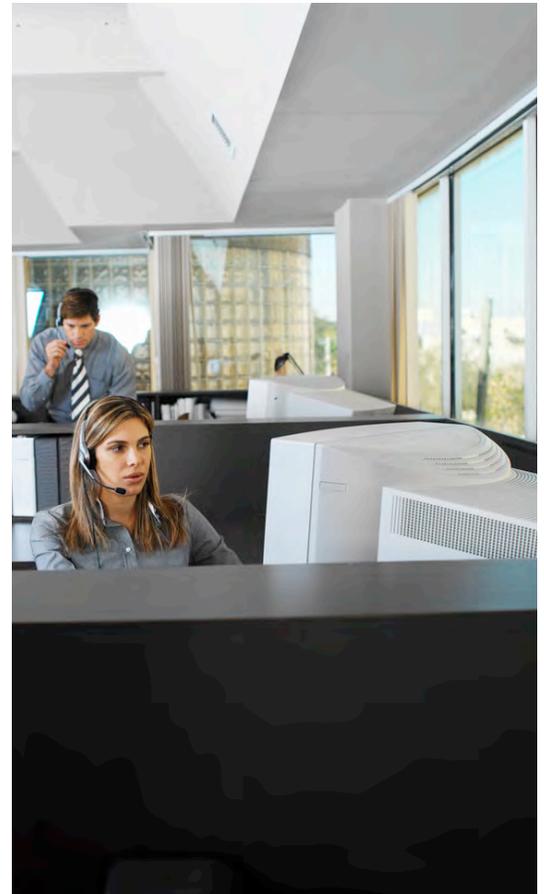
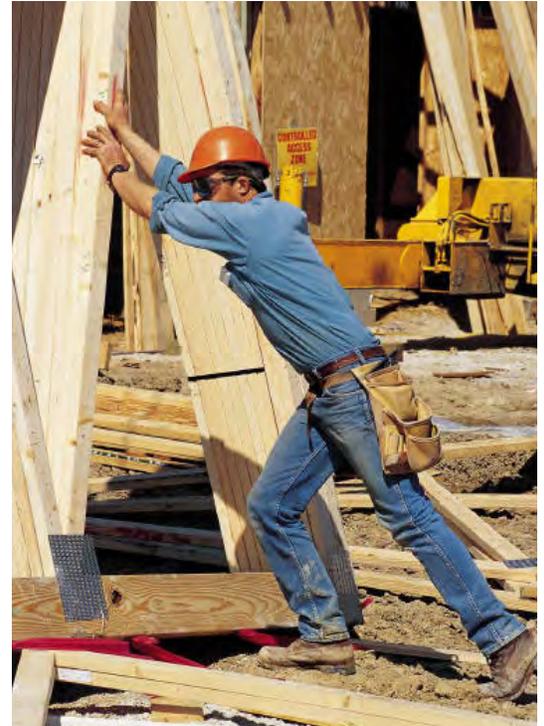
The Division of Industries and Farms changed its name to PEN Products in November of 1993.

Indiana Code 1998, 5-22-11, mandates that all state agencies and political subdivisions of the state shall purchase from the Department goods produced or manufactured by the Department as listed in the department's printed catalogue, providing those goods meet the specifications and needs of the purchasing governmental body and can be purchased at a fair market price.

through Career Development.

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Message from the Department of Correction Commissioner



Indiana Department of Correction

Vision

As the model of public safety, the Indiana Department of Correction returns productive citizens to our communities and supports a culture of inspiration, collaboration, and achievement.

Mission

The Indiana Department of Correction advances public safety and successful re-entry through dynamic supervision, programming, and partnerships.

Greetings:

The Indiana Department of Correction (IDOC) is in the business of public safety while preparing offenders for successful reentry back into Indiana communities. I commend PEN Products on their efforts in preparing offenders for release by providing work assignments and job training. PEN's innovative approach to increasing offender jobs while finding cost savings for the State of Indiana is a win for Indiana taxpayers. PEN Products is the only self-funded reentry program in Indiana.

I also applaud PEN for its growth and oversight of the U.S. Department of Labor (USDOL) Apprenticeship program throughout the Department. PEN Products continues to be a national leader in USDOL in corrections. Through these apprenticeship programs, PEN Products is providing IDOC's offender population with work opportunities daily and participants are rewarded with certified training documentation that aid in post-release employment.

I commend PEN Products' staff for their efforts in offering valuable resources in the form of trade and skills to our offenders, thereby providing a great service to Indiana government and Hoosier taxpayers. Director Mike Herron and the PEN Products staff are manufacturing quality products, providing viable services, saving taxpayer dollars, and preparing offenders for reentry.

Reducing recidivism by teaching and training offenders how to work leads to safer Hoosier communities.

Sincerely,

Bruce Lemmon
Commissioner

Message from the Director



Greetings:

Over 97% of Indiana's incarcerated population returns to our communities. Upon their release we want them to be equipped to find a job, be able to keep a job and remain law abiding citizens. PEN Products provides offenders work opportunities every day teaching job skills and developing a work ethic and a sense of self-worth.

PEN Products prepares offenders for reentry by enrolling and graduating offenders in the U.S. Department of Labor Apprenticeship program. PEN Products also provides offenders training opportunities in its Career Resource Centers and Job Clubs. PEN Products continued its partnership with the National Institute of Corrections (NIC) expanding the Offender Workforce Development Specialist training statewide and increasing the participation of the Indiana Department of Workforce Development. The collaboration between the Indiana Department of Workforce Development and the Indiana Department of Correction is important in reducing recidivism in Indiana.

In 2012, PEN Products continued its efforts in reducing its financial obligations. By utilizing monies from its Revolving Fund PEN Products paid off the lease on the 83,000 sq. ft. Commissary building at the Plainfield Correctional Facility. PEN Products has eliminated all leases and is poised for future growth. Future growth at PEN Products translates to more operations and more offender work opportunities.

I extend a special thank you to our loyal customers whose continued support makes all we do possible. PEN Products values your business and we look forward to serving you in the future.

I commend the PEN Products staff members who every day work to prepare offenders for a successful reentry.

Sincerely,

A handwritten signature in cursive script that reads "Mike Herron".

Mike Herron
Director



PEN Products

Vision

PEN Products workers positively impact the recidivism rate.

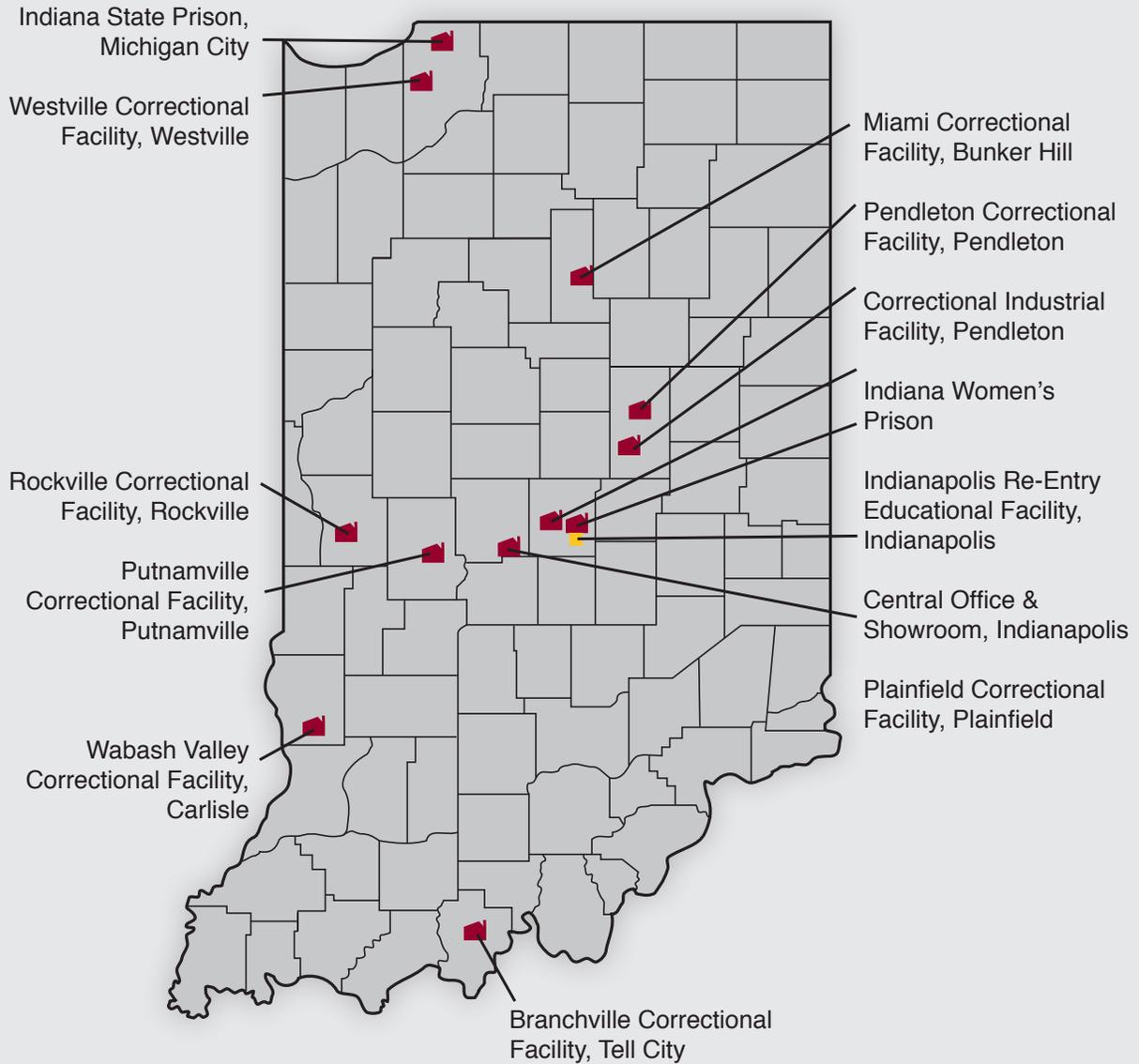
Mission

To employ offenders in meaningful jobs, to provide them with a work ethic, job skills and career development.

To operate in a self-sustaining manner.



Industry Locations



 Industry Operation

Products & Services

Branchville Correctional Facility

Pallet Repair (JV)
Toilet Tissue

Correctional Industrial Facility

Automotive Part
Refurbishing (JV)
Laundry

Indiana State Prison

Cell Doors
Digital License Plates
Metal Lockers and Shelving
Metal Storage Cabinets
Outdoor Grills
Security Beds

Indiana Women's Prison

Hand Sewing (JV)

Indianapolis Re-Entry Educational Facility

Administrative Support

Miami Correctional Facility

Offender Clothing
Janitorial Products
Laundry Products
Warewash Products
Packaging (JV)
Industrial Filters (PIECP)
Embroidered Products
Silk Screen Products
Braille Transcription
Material Management Group

Pendleton Correctional Facility

Chairs
Dormitory Furniture
Lounge Furniture

Plainfield Correctional Facility

Commercial Laundry
Commissary
Fulfillment
Distribution Center

Putnamville Correctional Facility

Pallet Repair (JV)
Park Furniture
Picnic Tables
Shelter Houses

Rockville Correctional Facility

Mattresses
Offender Clothing

Wabash Valley Correctional Facility

Printing Services including:
Full Color Process,
NCR Forms,
Envelopes,
Validation Stickers, and
Temporary License Plates
Sewing (PIECP)
Wire Harness (PIECP)

Westville Correctional Facility

Highway Signs
Pallet Repair (JV)
Plastic Recycling (JV)

Please note the following:

PIECP = Prison Industries
Enhancement
Certification Program
JV = Joint Venture



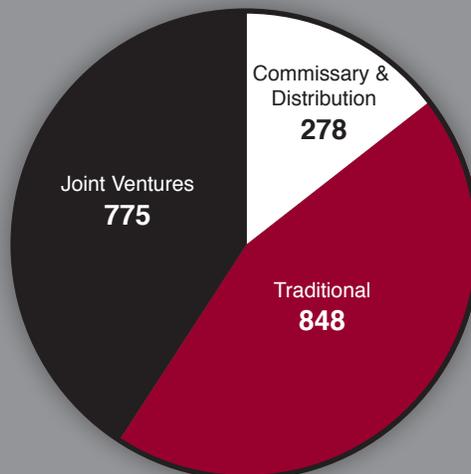
Offender Employment

By Location

<u>CORRECTIONAL FACILITY</u>	<u>NUMBER OF OFFENDER JOBS*</u>
Branchville	71
Correctional Industrial Facility	208
Indiana State Prison	94
Indiana Women's Prison	7
Miami	510
Pendleton	43
Plainfield	351
Indianapolis Reentry Educational Facility	23
Putnamville	121
Rockville	70
Wabash Valley	183
Westville	220
Grand Total	1,901

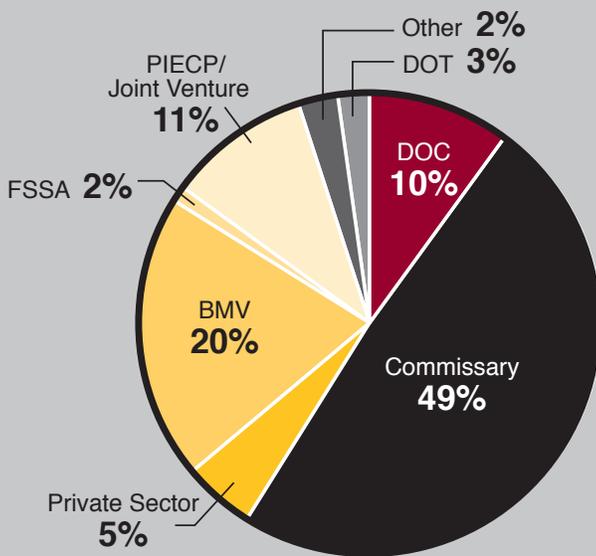
* Offender Information System (OIS)

By Business Group

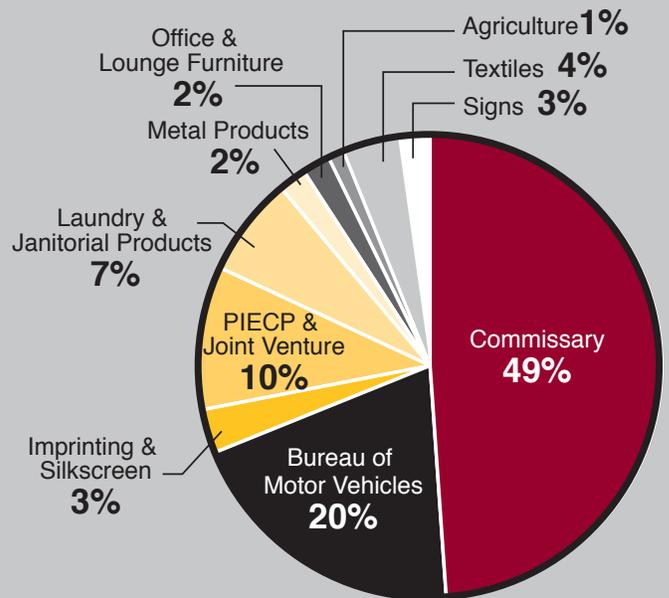


Fiscal Year 2012 Sales

By Customer



By Product Line



(For the 12 months ending June 30th)

* General issue license plate renewal year.

Accomplishments



- **USDOL Apprentice Program**

The PEN Products/IDOC Apprenticeship program received national recognition in 2012 when selected by the Department of Labor as a National Trail Blazer and Innovator in the 21st Century Apprenticeship. Director of Apprenticeship Doug Evans and State Apprenticeship Coordinator Kirsten Tisdale attended a ceremony in Washington DC hosted by Secretary of Labor Hilda L. Solis.

- **Offender Workforce Development Specialist (OWDS) Training**

OWDS training is viewed as the premier job readiness training program in the nation. PEN Products hosted the second annual OWDS training in February, April and June of 2012. Twenty-eight (28) participants completed the 180-hour training requirements and became certified through the National Institute of Corrections/PEN Products state partnership. Ten participants were from the Indiana Department of Workforce Development. Collaboration between these two agencies is important in reducing recidivism in Indiana.



- **License Plate Manufacturing**

The popular "In God We Trust" plate underwent a design change for the 2012 re-issue. The new design resulted in a significant savings to Indiana as it made the manufacturing process more efficient and less costly to produce.

- **Metal Shop at Indiana State Prison**

The recreational yard units were designed by the PEN Research and Design section and manufactured by the Indiana State Prison metal fabricating shop. These recreational units were manufactured for both the Pendleton Correctional Facility and the New Castle Correctional Facility. PEN Products was able to save the Indiana Department of Correction over \$128,000 per facility and over \$640,000 savings from the next lowest bidder.



Accomplishments

- **Sales**

PEN Products secured the State of Michigan contract for manufacturing metal property boxes for the Michigan Department of Correction, an order totaling over \$500,000 that will be shipped in 2013.

- **Security Systems**

As part of an on-going effort to increase security in facilities housing PEN Products manufacturing operations, four Avian heart beat detection units were purchased by PEN and installed at gates where truck traffic enters and leaves the facilities.

- **Lease Elimination**

Utilizing monies from the PEN Products Revolving Fund, PEN paid off the \$5.6 million lease of the 83,000 sq. ft. Commissary building at the Plainfield Correctional Facility. In the past few years, PEN has eliminated ALL leases: Commissary building, PEN central office, Noblesville freezer, and the 6-color printing press at the Wabash Valley Correctional Facility.

- **Governor's Public Service Award**

Mike Herron and the Braille Team from Miami Accessible Media Project (MAMP) were presented the 2012 Governor's Public Service Award. MAMP, located at the Miami Correctional Facility, has 50 offender workers transcribing Braille and producing large print and accessible media. The program, a collaboration between the Indiana School for the Blind, the Indiana Department of Education, and the Indiana Department of Correction, saves the state over \$953,000 in purchasing costs for Indiana schools while providing jobs for offenders both in and out of the correctional facility.



Commissary & Distribution



The PEN Products Commissary provides products available for sale to IDOC offenders statewide including snacks, hygiene product items, stationary and approved IDOC clothing. Commissary also provides service to county jails within Indiana. The PEN Products Distribution operation warehouses and distributes products manufactured in PEN Products operations in IDOC facilities across the state.

The PEN Products Distribution Center assembles and packs iCare packages, for ARAMARK, that the offenders' families order and purchase.

Since August, 2009, PEN Products has been labeling AA and AAA batteries with a UPC code label for a distributor. Our offender labor averages 1,000 packages per month.

The PEN Products INTouch program allows for offenders to send items to family and friends. The INTouch program provides a catalog to the offender population of items ranging from: teddy bears, flower gifts, candies, cookies, photo frames, mug sets, blankets, throws, bath and body sets, candles, jewelry, and children toys.

Since fiscal year 2008, the Commissary and Distribution recycling program remanufactures approximately 32 tons of card board a month.

PEN Products Commissary warehouse picks, packs, and distributes all state forms for the Indiana state agencies.



Offender Workers

180

Orders Processed Daily

5,000

Orders Processed Annually

1,300,000

Joint Ventures

PIECP Programs

Administered by the Bureau of Justice Assistance within the U.S. Department of Justice, PIECP enables correctional facility administrators to establish joint ventures with private sector companies for the production of offender-made goods involved in interstate commerce. PEN Products has three active PIECP operations employing over 150 offender workers.

PIECP participation is an effective way to curb idleness among an ever-increasing prison population and a cost-effective means of providing offenders with marketable job skills. Additionally, taxpayers and the general public benefit from PIECP through reductions in incarceration costs, contributions to the Victims of Violent Crime Compensation Fund and deductions for federal, state, and local taxes.

The PIECP program was assessed by the Bureau of Justice Assistance and was found to be in full compliance with the PIECP guidelines.

Services

Work performed by offender workers on products for private sector companies that remain within the state are considered services.

Work performed as remanufacturing or repair work is also considered services. Offender employment in service industries reached over 500 offender workers.

Operations

PEN Joint Ventures include the following operations;

- (2) Pallet Repair
- (3) Plastic Recycling
- Contract Sewing (PIECP)
- Wire Harness (PIECP)
- Digitized Mapping
- Air Filters (PIECP)
- Packaging
- Automotive Parts Refurbishing



PEN Products continues its emphasis to increase offender employment through joint ventures with private sector industry and under the Prison Industry Enhancement Certification Program (PIECP).

Joint Ventures include partnerships with private sector businesses to manufacture or assemble their product within the walls and fences of the Indiana Department of Correction and to perform services.

Reentry Initiatives



PEN Products: Provides Real Work Experience.

- Offenders learn marketable skills through on-the-job training.
- Offenders learn work ethic, responsibility and teamwork as they manufacture products and provide services.
- Offenders are held accountable for attendance, safety, quality and production standards.
- Offenders prepare for their release through U.S. Department of Labor Apprenticeships, Career Resource Centers, and Job Clubs.



PEN Products Career Focused Reentry includes:

- USDOL Apprenticeship program participation is mandatory for most PEN Products offender workers. As PEN workers prepare for their return to the community, USDOL Apprenticeship Certification provides valuable documentation for their post release employment search.
- Career Development Training centers provide a career focused approach to reentry. Offenders go through a structured computer program utilizing assessment tools to assist in identifying types of occupations that best fit their skills and interests. Career Development assists offenders in moving beyond the “get a job” approach to developing a long term career focused mindset.
- Job Clubs are a series of modules that deal with specific areas of reentry. Offenders hear directly from business owners, human resource personnel, and post-release service providers.





PEN Products has a state partnership with the National Institute of Corrections to deliver the Offender Workforce Development Specialists (OWDS) curriculum.

The Offender Workforce Development Specialists (OWDS) training is a 180-hour comprehensive reentry curriculum which...

- Promotes collaboration between criminal justice agencies, governmental agencies and community organizations;
- Provides multidisciplinary teams of trainees with skills to become facilitators;
- Requires trainees to build a team plan to implement in their communities or jurisdictions.
- Has trained more than thirty OWDS Reentry specialists annually and will train an additional sixty specialists in 2013.

Building a Bridge

A growing network of service providers is being developed so that offenders releasing in any of our 92 counties might find a bridge to the resources needed for long term success. Corrections professionals and community service providers are making connections so that releasing offenders will know where resources are for clothing, transportation, mentoring, housing and employment.

PEN's Job Placement division makes referrals weekly in assisting both the ex-offender and the potential employer. Some of the agencies who are now working together include: The Indiana Department of Correction, Work One, Pace OAR, Federal Bureau of Prisons, Community Corrections, Department of Workforce Development, IUPUI School of Criminal Justice, The Changed Life, Churches Embracing Offenders, Planted Seed Ministries, Marion County Probation, as well as a number of small business owners.



PEN

PRODUCTS

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PEN Products

2010 E. New York Street
Indianapolis, Indiana 46201
Toll Free: 800.736.2550
Direct: 317.955.6800
Fax: 317.234.7634
www.penproducts.com



A division of the Indiana Department of Correction

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