OFFICE OF THE INSPECTOR GENERAL

STEVE WHITE, INSPECTOR GENERAL

AUDIT OF THE SIERRA CONSERVATION CENTER INMATE DAY LABOR PROGRAM

MAY 2000

STATE OF CALIFORNIA

GRAY DAVIS, GOVERNOR

State of California

Office of the Inspector Genera
801 K Street, Suite 19
Sacramento, CA 958

Memorandum

Date: May 25, 2000

To: CAL TERHUNE, Director
California Department of Corrections

From: STEVE WHITE
Inspector General

Subject: AUDIT REPORT, SIERRA CONSERVATION CENTER

Enclosed for your review is the Office of the Inspector General's report on the audit of the Sierra Conservation Center Inmate Day Labor program. A draft version of the report was provided to the Sierra Conservation Center management for review and response. The institution's response to our draft report is included as Attachment A to this report. Attachment B provides the Office of the Inspector General's comments on some of the points raised in the response from the institution.

Please call me if you have questions.

SW:JC:dl

cc: Robert Presley, Secretary, Youth and Adult Correctional Agency
Matthew C. Kramer, Warden, Sierra Conservation Center

Enclosure

OFFICE OF THE INSPECTOR GENERAL

AUDIT OF THE SIERRA CONSERVATION CENTER

REPORT

MAY 23, 2000

This report presents the results of the Office of the Inspector General's audit of the Inmate Day Labor Program at the Sierra Conservation Center and the accountability and handling of potentially dangerous materials used on projects at the center. The audit was conducted during April 2000.

BACKGROUND

The Sierra Conservation Center is located in Jamestown, California. Opened in 1965 with a design capacity of 3,926, the prison is separated into two dormitory-type facilities for minimum custody (Level 1) and low-medium custody (Level 2) inmates and a separate high-medium custody (Level 3) facility. As of March 31, 2000, the center housed 6,383 inmates, or 163% of design capacity.

As part of its mission, the Sierra Conservation Center hosts an Inmate Day Labor program, in which employees from the California Department of Corrections Planning and Construction Division not only plan and construct various capital outlay projects at the institution, but also train and supervise inmates in related trade skills. The respective roles and responsibilities of the warden of the institution and the manager of the Inmate Day Labor project are supposed to be defined for each project in a document called the "scope, methods, approach, and delivery agreement."

The Inmate Day Labor construction project in progress at the Sierra Conservation Center during the time of this audit was the wastewater treatment plant upgrade project. The $8.5 million project began in March 1998 and is presently in its final stages. It will soon be turned over to the Sierra Conservation Center plant operations office. At the time of the audit, the Inmate Day Labor project employed four full time Inmate Day Labor staff members and five "casual laborers." The casual laborers were union trade workers, such as electricians, carpenters and plumbers, hired to supervise and provide training to inmates. Each casual laborer is expected to oversee six to seven inmates. At its peak, the Inmate Day Labor project at the Sierra Conservation Center employed about 90 inmate

workers. One correctional officer is assigned to the Inmate Day Labor project site to provide safety, security, and custody support.

On September 22,1999, the Sierra Conservation Center management formed a sensitive information task force to inspect all Sierra Conservation Center offices using inmate clerks and other inmate work assignments. This action was prompted by the discovery of confidential staff information during the final search of an inmate who was about to be released on parole. The task force found that sensitive personnel and institutional information was not properly safeguarded from inmate access. The primary focus of the search was inmate access to personnel forms, computers, and floppy diskettes.

Two days later, on September 24, 1999, the Sierra Conservation Center investigative services unit formed a search team to conduct a further investigation. In searching the Inmate Day Labor office, the search team found numerous violations that went beyond sensitive information. The search team found that:

- Inmates were allowed into the Inmate Day Labor office, which contained unlocked telephones, a fax machine, and openly accessible keys.

- Inmates were allowed to drive Inmate Day Labor vehicles containing facility maps.

- Un-inventoried tubes of Cadweld — a product that can be used to make a low-grade explosive — were found in a desk drawer.

- An expended blasting cap-type device was found outside the Inmate Day Labor office on the wastewater treatment plant upgrade project work site. The device was from blasting done on the site in September 1998 by a certified contractor.

On April 3, 2000, the Office of the Inspector General conducted its own review and follow-up over the allegations of security problems at the Inmate Day Labor project site, unsafe management of hazardous materials, and the discovery of explosive devices. This report presents the results of that review.

SCOPE AND OBJECTIVES

The Inspector General directed that the audit focus on the Sierra Conservation Center's processes and procedures relative to:

- Handling, controlling, and providing accountability for potentially dangerous explosives, Cadweld welding materials, and tools used in the Inmate Day Labor program.

- Providing security for the Inmate Day Labor project site and the tools and materials associated with the wastewater treatment plant upgrade project.

- Training Inmate Day Labor staff and inmates in the proper use of dangerous and hazardous materials and in tool control procedures.

- Training Inmate Day Labor staff and casual laborers in the oversight of inmates for security and protection of sensitive personnel and institutional information.

FINDINGS

The audit conducted by the Office of the Inspector General revealed the following findings:

1. **The Inmate Day Labor staff cannot account for a large quantity of Cadweld welding product, which can be used as an explosive.**

   Cadweld is the trade name for a product used in the joining of underground electrical cables to provide stability, strength, and durability in the electrical wiring grid for the project. The product is a thick powdery substance that, when heated at a high temperature, will melt and mold into a weld. This heavy powder-like substance is stored in plastic cylindrical tubes and comes in different tube sizes.

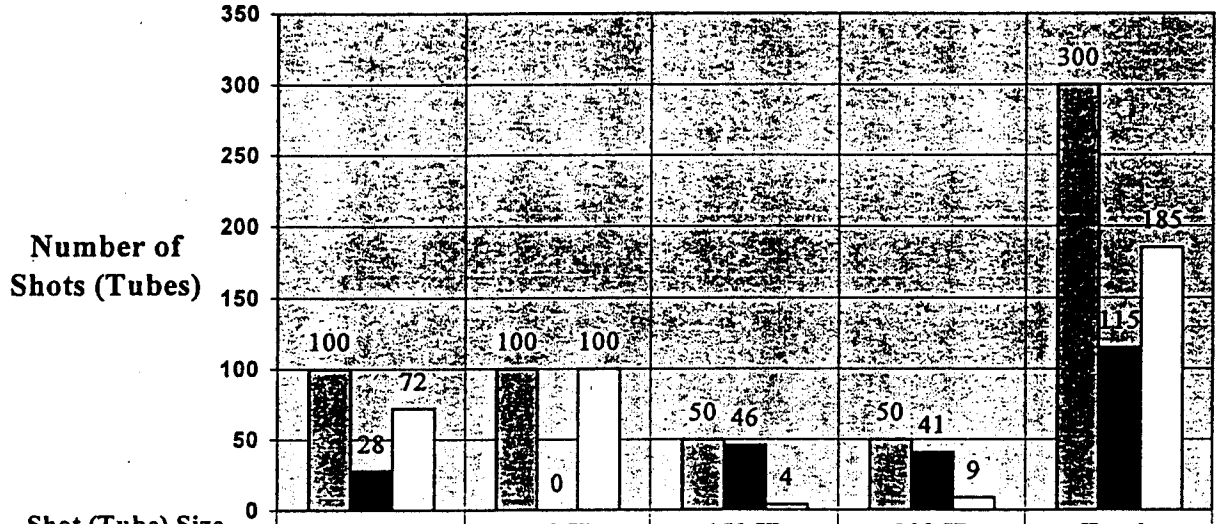
   According to the product engineer for ERICO, the manufacturer of Cadweld, the substance can be used to make a low-grade explosive under the right conditions. Because of its potential to be used as an explosive, Cadweld should be controlled and accounted for like any hazardous, toxic, or dangerous material. The fumes from combustion may also be dangerous if it is used in a poorly ventilated area. Given the explosive potential, combined with the easy availability of pipes, nails, and flint strikers for starting fires, lack of accountability for the product is serious.

   During the audit, the Office of the Inspector General found that the Inmate Day Labor staff could not completely and accurately account for a significant amount of Cadweld.

   - The Sierra Conservation Center's Inmate Day Labor program purchased and received 300 Cadweld shots (tubes) to use on the wastewater treatment plant upgrade project. Of the 300 tubes received, the Inmate Day Labor staff was able to account for only 115 (32 unused and 83 used) — or 38.33%. According to the Inmate Day Labor electrician working at the project site, 72 welds were used to fuse together electrical wires at 72 weld sites. However, the construction supervisor for the Inmate Day Labor program estimates that 124 welds were made on the project site. Assuming the greater number of 124 welds used, the Inmate Day Labor staff still can account for only 41.33% of the 300 Cadweld shots purchased, leaving 176 tubes unaccounted for.

- The Cadweld product was purchased in the following sizes: 90 IP, 120 IP, 150 IP and 200 IP. The records show that the program received 100 tubes of the 120 IP size. However, no one from the Sierra Conservation Center, the Inmate Day Labor program, or the Office of the Inspector General was able to locate documentary evidence (incident reports or inventory sheets) or physical evidence (remaining inventory or empty tubes) that any of the 120 IP size shots were used on the project site. The 100 tubes of 120 IP size Cadwell product therefore remain unaccounted for. The fact that the tubes apparently were not used also raises questions as to why they were purchased in the first place.

Cadweld Product at the Sierra Conservation Center



Shot (Tube) Size	90 IP	120 IP	150 IP	200 IP	Totals
Purchased	100	100	50	50	300
Accounted For	28	0	46	41	115
Missing	72	100	4	9	185

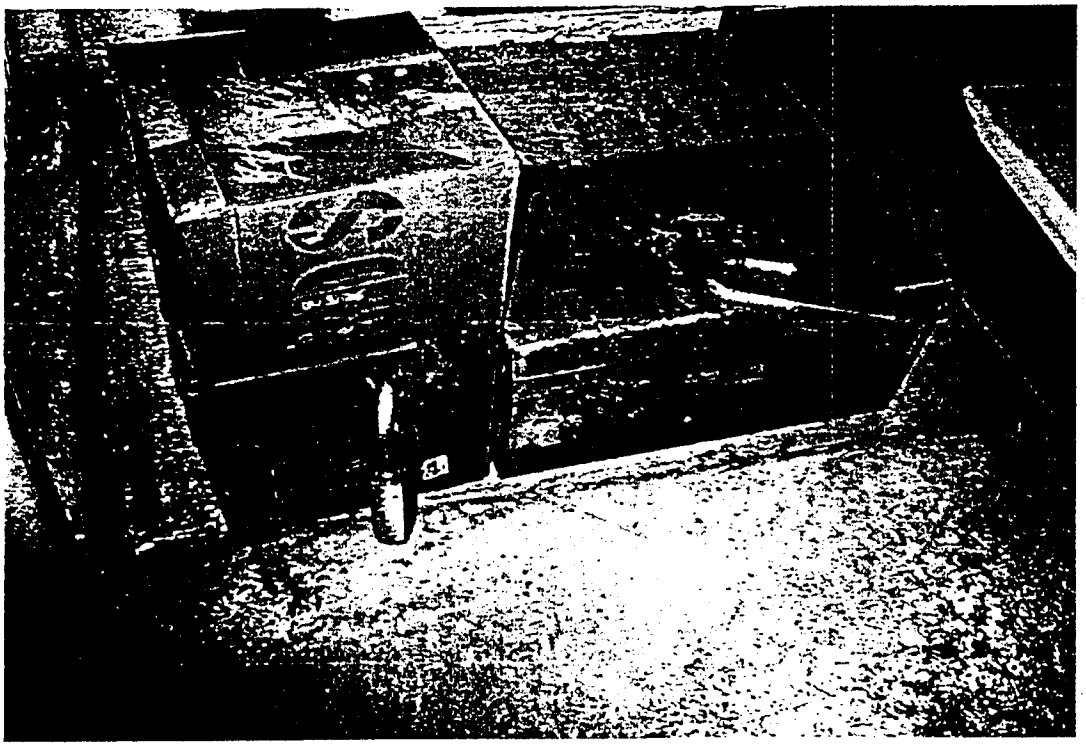
2. The Cadweld welding product is not stored according to requirements.

In the September 1999 search of the Inmate Day Labor office, the investigative services unit search team discovered Cadweld tubes in a desk drawer. The team confiscated the material and transferred custody to the fire chief with orders to safeguard the material and not return it until the Inmate Day Labor staff could

comply with manufacturer-recommended storage requirements and proper inventory procedures. The fire chief secured the material in a concrete building until March 27, 2000 when the materials were returned to the Inmate Day Labor program. Since the materials were returned, the Inmate Day Labor program correctional officer has been responsible for inventorying and securing the Cadweld tubes.

The Office of the Inspector General found, however, that the Cadweld product remaining at the Sierra Conservation Center Inmate Day Labor project site is not stored according to requirements specified in the Material Safety Data Sheet. (The Material Safety Data Sheet is a document required by law under the California Department of Industrial Relations, Division of Occupational Safety and Health Administration, which describes in detail what a product is, how it is to be used, how it is to be stored and disposed of, its safety requirements, and its health risks if exposed to humans or the environment.)

The Material Safety Data Sheet specifies that Cadweld is to be stored in an upright position, in a container marked "THIS SIDE UP," and raised off the ground. Presently, the containers are marked "ID Cards," are resting on a concrete floor, and one container is lying on its side. The following picture, taken on April 7, 2000, illustrates how the Cadweld product is stored in the tool storage facility at the Inmate Day Labor project site.



3. **The Sierra Conservation Center fire chief, who is the hazardous materials specialist for the institution, was not notified that potentially hazardous materials were being used and stored on the center grounds.**

The Department of Corrections Operations Manual, Section 52030.6 requires the fire chief at each institution to conduct monthly and quarterly fire and safety inspections, with the findings documented and reports sent to the warden. In addition, Section 52030.4.7 of the manual requires fire chiefs to monitor the supervision and control of dangerous and toxic substances.

The Sierra Conservation Center fire chief is designated as the hazardous materials specialist for the institution; however, he was not notified that potentially hazardous materials were being used and stored on the center grounds. The fire chief said that his responsibility and jurisdiction for hazardous materials does not apply to Inmate Day Labor projects and work sites, even though his office is situated only about 100 feet from the Inmate Day Labor office.

The warden is ultimately responsible for all activities at the institution, but the fire chief, as hazardous materials specialist, cannot deny responsibility for hazardous materials anywhere on Sierra Conservation Center grounds. The fire chief should have assumed that flammable and potentially hazardous materials might be present and taken the initiative to exercise his responsibility by regularly inspecting the Inmate Day Labor project site. Similarly, the Inmate Day Labor project supervisors should have notified the fire chief, who should have performed and recorded the required inspections and notified the warden to allow him to assess any safety and security concerns affecting staff and inmates.

4. **There is no formal agreement between the Sierra Conservation Center management and the Inmate Day Labor staff defining project security and tool control.**

Although management of the wastewater treatment plant upgrade project is the responsibility of the Department of Corrections Planning and Construction Division, the Inmate Day Labor project site is on institution property and therefore, is the ultimate responsibility of the institution management. The critical issues of staff and inmate safety and security are the responsibility of the warden. Defining rules and responsibilities for adequate safety and security for an Inmate Day Labor project is accomplished through a scope, methods, approach, and delivery agreement. However, the institution management and the Inmate Day Labor Program was able to provide the Office of the Inspector General with only an *unsigned* copy of the scope, methods, approach, and delivery agreement.

The unsigned scope, methods, approach, and delivery agreement for the wastewater treatment plant upgrade project called for only one correctional officer to be located at the project site. The Office of the Inspector General was informed that because of disagreements between institution management and the Inmate Day Labor staff over certain provisions, no signed copy of the scope, methods, approach, and delivery agreement exists. The primary disagreement concerned the duties of the correctional officer. The Inmate Day Labor management proposed that the correctional officer be positioned in the tool storage facility to manage the tool inventory. However, the warden preferred that the correctional officer maintain safety and security over the entire project site while also overseeing the tool storage facility. As a result neither function was performed adequately. Because there was no signed scope, methods, approach, and delivery agreement, the respective responsibilities and accountability of the two parties were not defined. That deficiency presents serious risks for dangerous incidents occurring at the project site.

5. The institution has failed to resolve problems previously identified.

The September 24, 1999 investigative services unit search of the Inmate Day Labor office discovered serious deficiencies in security and key control at the Inmate Day Labor project site office. The most serious deficiency was the discovery of a Folger-Adams-type key sitting in plain view on the windowsill in the Inmate Day Labor office. This type of key is used to open the large barred doors within the facility. The team also discovered un-inventoried screwdrivers, 18 padlocks with keys, 100 brass chits resembling the chits used by staff to check out tools, a pair of scissors, and other items. A search of one of the inmate workers' desks uncovered several piercing rings made from construction materials and a plastic pen fashioned into a "safe," which was designed to be hidden inside a body cavity for the purpose of smuggling small items into the prison.

These discoveries were considered serious breaches of security. As a result, the investigative services unit officers recommended to the warden that three Inmate Day Labor staff members be placed under investigation. The warden said he thought he recalled, but could not confirm, that he requested Category II investigations into the matter. The Office of the Inspector General verified that no Category I or II investigations were conducted, and that, in fact, two of the Inmate Day Labor staff members involved were subsequently promoted.

The investigative services unit search confirmed the generally casual atmosphere with regard to inmate security at the Inmate Day Labor project site. A memorandum dated September 22, 1999 from the Inmate Day Labor project construction supervisor to the warden specifying corrective action that would be taken in response to several security problems identified by the investigative services unit illustrates this laxity. The Office of the Inspector General auditors found, that many of the corrective actions proposed in the memorandum were not

performed. As an example, instead of locking the telephones and fax machine, as specified in the memorandum, the Inmate Day Labor staff simply restricted the inmates from the Inmate Day Labor office. In an even more serious omission, the training proposed in the memorandum for Inmate Day Labor staff, which was to have been aimed at "preventing security violations," was never held.

6. Control over the tools, flammable substances, and expendable building supplies is inadequate.

The review by the Office of the Inspector General disclosed numerous deficiencies relative to control over tools, flammable substances, and expendable building supplies. The deficiencies are noted below.

- **The institution and the Inmate Day Labor staff do not provide sufficient control over tool inventory.**

  Neither the Sierra Conservation Center management nor the Inmate Day Labor staff provide adequate control over the tool inventory. Two designated Inmate Day Labor inmates are in charge of controlling and issuing tools to fellow Inmate Day Labor inmates at the tool storage facility during the Inmate Day Labor work hours. The Inmate Day Labor correctional officer performs a physical inventory of tools on a bi-weekly basis instead of on a daily basis, as prescribed in the Department of Corrections Operations Manual, Section 52040.8.

  Also, neither area inventory supervisors nor the investigative services unit have performed quarterly inventories as prescribed in the Department of Corrections Operations Manual, Section 52040.8. The quarterly inventories are to be completed and forwarded to the warden's office by 10th of January, April, July, and October of each year. No other staff members performed physical inventories of tools.

  The Office of the Inspector General auditors observed during a tour of the project site that the Inmate Day Labor correctional officer monitored the entire project site from an adjacent hillside. That location prevented the correctional officer from issuing and controlling tools and expendable supplies on a continual basis in the several tool storage facility areas. While the correctional officer was on the hillside, the Office of the Inspector General auditors saw inmates in close proximity to the tool storage facility. The inmates easily could have obtained tools or other building materials and supplies without being detected. The auditors noted that the security officer drove from the tool storage facility to the hillside and back in an attempt to cover part of each responsibility.

- **Flammable substances and expendable building supplies were not adequately controlled and inventoried.**

  Flammable substances, such as paint thinner, primer, solvent, PVC glue, silicone, bonding agent, motor oil, caulking material, and industrial coatings were readily available to Inmate Day Labor inmates and were not locked up during working hours. The Department of Corrections Operations Manual, Section 52030.4.7 requires the fire chief to monitor the supervision and control of flammable substances.

  In addition, bolts, washers, nuts, screws, and nails were easily accessible to Inmate Day Labor inmates. The expendable supplies were stored in large open metal storage bins in several tool storage boxes that are unlocked and accessible to Inmate Day Labor inmates. The supplies were not inventoried or listed on inventory sheets. Although it may be impractical to inventory the supplies on an individual item basis, they could be inventoried and monitored on a bulk basis by weight or by visual observation. Inmate Day Labor inmates must go through metal scanning devices and physical searches before re-entering the secured housing areas of the institution, but such procedures are not infallible and inmates are industrious in smuggling weapon stock. In addition, the Inmate Day Labor program uses washers as chits for tool control, making it possible for an inmate to easily falsify a tool chit and invalidate the inventory.

- **Some escape priority tools and dangerous tools lack proper markings.**

  The Department of Corrections Operations Manual, Sections 52040.4.1 and 52040.5 require institutions to ensure that all "escape priority" and dangerous tools are properly marked. The supervisor of the Inmate Day Labor wastewater treatment plant upgrade project specified that escape priority tools and dangerous tools were to be identified with a hot pink spray paint. The Office of the Inspector General auditors noted, however, that some of these tools were not marked with the spray paint and did not show signs of even worn paint markings that might have been caused by normal use. Some tools that appeared to be relatively new had not been identified with the paint.

- **Inventory documentation prior to October 1999 is missing.**

  Tool inventory sheets documenting physical inventories taken and inventories on hand at month-end were not kept prior to October 1999. Therefore, the Office of the Inspector General could not verify the receipt of new tools and the disposal of broken or worn tools through the "hot

trash" procedures used for the disposal of hazardous materials and equipment, and could not document lost tools prior to October 1999. The Inmate Day Labor correctional officer informed the Office of the Inspector General that when he was assigned to the Inmate Day Labor project site in January 2000, tool inventory sheets prior to October 1999 did not exist. Also, Inmate Day Labor staff did not maintain perpetual monthly inventory records as required by the Department of Corrections Operations Manual, Section 52040.8. Inventory procedures require that records be updated on a monthly basis using the Inmate Day Labor correctional officer's latest physical inventory. The prior month's inventory sheets should be printed and stored for archiving.

7. **Blasting was safely conducted and adequate safeguards were in place to ensure that no unexploded material remained.**

The terrain at the Sierra Conservation Center contains rock close to the surface, which required blasting to prepare the site for the wastewater treatment plant upgrade project. A certified blasting contractor, California Drilling and Blasting Co., performed the rock blasting. The blasting process is heavily regulated and operators are certified. Significant safeguards are in place to ensure that no unexploded materials remain that may pose a safety risk. The blasting contractor said that some of the spent caps may appear to have not exploded when in fact they had discharged. After reviewing the contract in detail and meeting with the blasting contractor, the Office of the Inspector General concluded that the process was safe and that the likelihood of any dangerous materials remaining at the project site is, at best, remote.

- **No records were maintained for one of the four blasts.**

  The Inmate Day Labor staff and the blasting contractor documented only three blasts for the wastewater treatment plant upgrade project. The Office of the Inspector General's review of meeting minutes and daily diary reports, for the project, however, verified that a fourth blast was conducted on September 8, 1998. Neither the Inmate Day Labor staff nor the blasting contractor had records of the fourth blast at the wastewater treatment plant upgrade site. A review of the contract file at the Sierra Conservation Center Inmate Day Labor office disclosed only three days of blasting. Also in the file was a written memorandum from the blasting contractor certifying that each shot on the three days of blasting and all explosives were inventoried and a shot plan was filed with the Inmate Day Labor office.

  Although the Inmate Day Labor staff is responsible for managing the services provided in the blasting contract, they did not maintain proper documentation of all blasts or require the blasting contractor to submit all

blasting records to the Inmate Day Labor office. On April 13, 2000, subsequent to the Office of the Inspector General's discovery of the fourth blast, California Drilling and Blasting Company provided the Office of the Inspector General with the daily blasting record and delivery tags for the fourth blast. The Inmate Day Labor staff and the blasting contractor should have better accountability and records for all blasts performed.

PROBABLE CAUSES

The Office of the Inspector General's review disclosed a number of factors contributing to the observations and conditions described in this report. The primary factors include:

1. **Absence of a signed scope, methods, approach and delivery agreement between the Inmate Day Labor Program and the Sierra Conservation Center.**

The scope, methods, approach, and delivery agreement between an institution and the Inmate Day Labor Program is intended to define the agreed-upon authority, roles, and responsibilities of each party relative to project scope, staffing, supervision, monitoring, safety, security, and communication during the construction project. Without a formal signed agreement, neither the Sierra Conservation Center management nor the Inmate Day Labor Program management were fully informed about their respective authority, roles and responsibilities for supervision and monitoring of the wastewater treatment plant project. The lack of a signed contractual agreement, however, did not relieve the warden, the fire chief, and other managers of their responsibilities as set forth in the Department of Corrections Operations Manual over the security and safety of the institution, staff, inmates and property, or over the use and storage of tools and dangerous materials.

The unsigned contractual agreement for the wastewater treatment plant upgrade project required the following of the institution, custody, and Inmate Day Labor Program staff:

- To provide security over the project site and personnel, including inmates;
- To enforce the policies and procedures of the Inmate Day Labor program and the Department of Corrections covering tool and key control.
- To maintain daily inspection logs and Material Safety Data Sheets for all hazardous materials on the job site.

The absence of a signed scope, methods, approach, and delivery contractual agreement contributed significantly to the findings of the Office of the Inspector General, as described in this report.

2. **Lack of proper monitoring and supervision of the use and storage of dangerous and toxic substances and tools.**

The Sierra Conservation Center's warden, fire chief, department heads, and supervisors did not exercise their authority over the use and storage of dangerous materials and tools. For example, the warden, fire chief, department heads, and supervisors did not perform periodic inspections and inventories of tools and dangerous and flammable substances used at the institution.

The Department of Corrections Operations Manual requires the fire chief, department heads, and supervisors, under the supervision of the warden, to monitor the supervision and control of dangerous and toxic substances and tools. Department heads and supervisors have daily supervision and monitoring responsibilities and the fire chief has weekly and quarterly supervision and monitoring responsibilities. The Department of Corrections Operations Manual requires periodic inspections, with reports documenting any deficiencies or findings submitted to the warden and the applicable area supervisor.

Since the search of the Inmate Day Labor Program by the Sierra Conservation Center investigative services unit on September 24, 1999, the fire chief, department heads, and area supervisors have not conducted periodic inspections and inventories to ensure the safe use, storage, and accountability of dangerous tools and materials.

RECOMMENDATIONS

The wastewater treatment plant upgrade project is nearing completion and staffing is relatively low. Recommending a change in procedures for the project would do little to increase staff and inmate safety and security. However, the Inmate Day Labor program at the Sierra Conservation Center has constructed projects before the wastewater treatment plant upgrade project and is about to begin another. The following recommendations will apply to future Inmate Day Labor projects at the Sierra Conservation Center and at other Department of Corrections institutions.

1. The Department of Corrections management should investigate the Cadweld product that remains unaccounted for. The investigation also should be directed toward determining the location of the 100 tubes of 120 IP size Cadweld product that were not documented as used on the project site and were not found in the remaining inventory.

2. The Cadweld product storage should be immediately corrected to comply with material safety data sheet requirements.

3. A scope, methods, approach, and delivery agreement signed by both the warden and the Inmate Day Labor program site manager should be in place prior to the initiation of any Inmate Day Labor construction project. If agreement cannot be reached at the local level, the project should be postponed and any issues elevated through the Department of Corrections management until the agreement is finalized. The signed scope, methods, approach, and delivery agreement becomes

the contract defining the roles and responsibilities of the institution and the Inmate Day Labor program management and staff during the construction project.

4. The executed scope, methods, approach, and delivery agreement should be distributed to the custody captain, fire chief, investigative services lead officer, associate warden for business services, and other interested institution management. These parties should be required to exercise their respective responsibilities to provide safety and security for the inmates and staff. If a conflict arises between institution managers and Inmate Day Labor staff over responsibilities, the warden and the Inmate Day Labor project supervisor should bring any dispute to resolution swiftly.

5. The Inmate Day Labor program should immediately correct tool control deficiencies, including those involving inventory and record keeping. The inventory should reconcile with the "hot trash" records kept for disposal of hazardous materials and equipment, including any broken or expended tools, such as saw blades.

6. The Sierra Conservation Center fire chief should immediately take responsibility for all flammable and hazardous materials at the Inmate Day Labor project site. He should document the proper handling and storage of these materials and provide inspections as required under the Department of Corrections Operations Manual. Results of these inspections should be reported to the warden and to the Inmate Day Labor project supervisor.

7. The Sierra Conservation Center investigative services unit security team should be given responsibility for reviewing all tool control and site security issues. These responsibilities should be defined in the scope, methods, approach and delivery agreement.

8. The Sierra Conservation Center should include in its own operations manual specifications for color-coding of Inmate Day Labor tools.

STATE OF CALIFORNIA-YOUTH AND ADULT CORRECTIONAL AGENCY GRAY DAVIS, GOVERNOR

DEPARTMENT OF CORRECTIONS
SIERRA CONSERVATION CENTER
P O BOX 497
JAMESTOWN, CA 95327-0497
(209) 984-5291

May 15, 2000

John Chen
Chief Deputy Director
Office of the Inspector General

Subject: SIERRA CONSERVATION CENTER INMATE DAY LABOR PROJECT

Dear Mr. Chen:

Thank you for the opportunity to comment on the April 21, 2000 draft report of the audit of Sierra Conservation Center (SCC). Your staff was courteous and professional during their audit of the Inmate Day Labor (IDL) Wastewater Treatment Plant Project. I appreciate the recommendations made and several have already been incorporated by SCC.

I have reviewed the report and the recommendations and would like to put forth some observations and comments.

First, I would like to clarify a comment in the Background portion of the report. The comment states "as part of its mission, the Sierra Conservation Center hosts an Inmate Day Labor program in which employees from the California Department of Corrections Planning and Construction Division not only plan and construct various capital outlay projects at the institution but also train and supervise inmates in related trade skills". This comment proposes that the IDL project at SCC is a program that would be recognized by the Legislature as operating under the direct supervision of SCC.

The IDL program is not recognized as a part of SCC's mission. Starting in 1983, with Legislation that amended law to allow the Director of the Department of Corrections (CDC) to authorize public works projects utilizing an inmate workforce, CDC established the IDL program. IDL created an additional program to expand the employment of inmates and provide an economical construction workforce to relieve the overburdened institution plant operations and maintenance staff of construction tasks and allow them to focus on the plant maintenance and facility management aspect of the institution. This program is centrally based and directly supervised by the Planning and Construction Division. They have the construction and engineering expertise required for these IDL projects.

The following statement was included in the background portion of the report and needs to be addressed:

- **Uninventoried tubes of Cadweld – a product that can be used to make a low-grade explosive were found in a desk drawer.**

① The Cadweld's were not found in a desk drawer. The Cadweld's were located in an office under the control of IDL staff in a separate building where inmates were not assigned. This building was locked when staff was not present.

② The comment that the product can be used to make a low-grade explosive, is not supported anywhere in the report and needs to be clarified. In the findings portion of the report, it states that according to the product engineer for the manufacturer, the substance can be used to make a low-grade explosive under the right conditions. This comment contradicts the Material Safety Data Sheet (MSDS) prepared by the manufacturer. The MSDS only makes reference to the product burning at high temperatures. It does not indicate the product is explosive in nature. Also, of interest, the MSDS from another manufacturer for a like product of the same components specifically states that the materials are not explosive. Further clarification on the nature of the product is warranted prior to announcing their volatility as explosive. Copies of the MSDS's are attached for your review.

There are findings and recommendations made in the report and I do have comments/observations regarding each one:

1. **Findings and Recommendations: The Inmate Day Labor staff cannot account for a large quantity of Cadweld welding product, which can be used as an explosive.** The report refers to a statement from the engineer for the manufacturer of the Cadweld stating that the substance can be used to make a low-grade explosive under the right conditions.

   The team also stated that the IDL project purchased and received 300 Cadweld tubes and 176 were unaccounted for.

③ **SCC Response: SCC can account for the Cadweld material used. The quantity of Cadweld purchased shown in the OIG report is incorrect.** A review of the purchase documents by SCC staff revealed that the numbers of Cadweld products purchased referenced in the OIG report are inaccurate.

   Attached for your review are copies of the purchase documents, packing slips, and stock received reports. Note that the "100 tubes of 120IP" stated in the report remain unaccounted for, were not used raised the question as to why they were purchased in the first place, were in fact never purchased or received. Purchase Order Number IC91645, indicates a purchase of 10 each Cadweld Shot 90 and 10 each Cadweld Shot 120. The packing slip indicates a shipment and receipts of 10 each Cadweld Shot 150 in lieu of the Cadweld Shot 90 and 10 each Cadweld Shot 200 in lieu of the 120 Cadwelds.

   The following information reflects the purchase order document numbers, the product, unit number ordered and what was actually received as compared to the quantities used by the OIG.

SCC REVIEW

Document Number	Product Size Ordered	Unit Ordered	Product Size Received	Unit Received
IC94148	90	20 each	90	20 each
IC92564	90	50 each	90	50 each
IC91540	150	50 each	150	50 each
IC91540	200	50 each	200	50 each
IC91645	90	10 each	150	10 each
IC91645	120	10 each	200	10 each
	Total	190	Total	190

Summary	Current Inventory		32
	Engineering Consultant Estimate of Cadweld used		160
		Total	**192**

OIG REPORT

Product Size Ordered	Number Purchased	Accounted For	Missing
90	100	28	72
120	100	-0-	100
150	50	46	4
200	50	41	9
Totals	**300**	**115**	**185**

The documents support the purchase and receipt of a total of 190 Cadweld Shot from a period of August 1998 through August 1999. The IDL staff, prior to placing additional control on the product, discarded the empty tubes as trash. In all likelihood this is what occurred due to the fact that none of the product or empty tubes have been found in possession of any inmates or in any of the housing units. The inmates are searched daily as they are returning from the work site and the housing units are searched continually on a routine basis.

In an effort to address the suspicion that the product was not used or not accounted for, SCC requested a site survey from an independent contractor. On May 8, 2000, David J. Archangelo, Senior Industrial Systems Designer, from Interface Engineering, Inc., reviewed the contract specifications, drawings, and surveyed the site. Mr. Archangelo estimated that 160 Cadwelds would have been used for the project. (attached for your review is a copy of the report). Since 32 Cadwelds are currently in the inventory and 190 were purchased and received, the discrepancy of two tubes is considered acceptable.

2. **Findings and Recommendations: Cadweld Material Not Stored Properly.** The audit team found that the Cadweld material at the IDL site was not stored according to the requirements specified in the MSDS and recommended compliance.

   SCC Response: The Cadweld material is now stored in compliance the MSDS. The Material Safety Data Sheet (MSDS) for the Cadweld material states that it should be stored upright in containers that are marked "this side up". SCC agrees with the recommendation and the material is now stored properly. It should be noted that the storage requirements are for the viability of the product and do not relate to any safety hazard if stored improperly.

3. **Findings and Recommendations: SCC Fire Chief not notified of hazardous materials at IDL worksite.** The audit team referred to DOM requirement that the Fire Chief at each institution conduct monthly and quarterly fire and safety inspections. The team recommended that the SCC Fire Chief immediately take responsibility for all flammable and hazardous materials at the IDL project site.

   SCC Response: The Fire Chief will perform inspections of the IDL site. The Department Operations manual (DOM) was written with the intent of providing guidelines for the day to day operations within an institution. The interpretation of these sections of DOM is correct. The Fire Chief does prepare the hazardous Materials Operational Plan and conduct fire and safety inspections at the institution. The Fire Chief is also notified of potentially hazardous materials at the time they are received at the institution's warehouses. However, our procedures did not include an exception to the day to day operations such as an IDL program operated construction project.

   It is the responsibility of the Fire Chief to monitor hazardous materials on institution grounds and make the monthly and quarterly inspections as required by DOM, including the IDL site, and that procedure is now in place.

4. **Findings and Recommendations: Scope, Methods, Approach and Delivery (SMAD) Lack of Agreement.** The audit team found that although the Wastewater Treatment project is the responsibility of the Department of Corrections, Planning and Construction Division, the IDL project site is on institution property and the ultimate responsibility of the institution management. The lack of a signed SMAD between the institution and IDL could have led to the potential for security breaches and lack of accountability for hazardous materials.

   SCC Response: Lack of a signed SMAD did not preclude on site security by SCC correctional staff. The statement, "Although management of the wastewater treatment plan upgrade project is the responsibility of the Department of Corrections (CDC), Planning and Construction Division, the IDL project site is on institution property and therefore, is the ultimate responsibility of the institution management" is inaccurate and needs to be corrected. The CDC through the legislative process placed the ultimate responsibility for all IDL projects located throughout CDC with the Planning and Construction Division. The project being located at SCC does not relinquish Planning and Construction's responsibility to SCC.

The report accurately states there is only an unsigned scope, methods, approach and delivery (SMAD) agreement on site. However, there were no breaches that compromised institutional security.

The assessment on the discrepancy over the appropriate utilization of the correctional officer is also correct. The purpose and intention of the SMAD is a positive approach to reconciling differences prior to the start of any projects. Future projects at SCC will not begin without a signed agreement.

5. **Findings and Recommendations: The institution has failed to resolve problems previously identified.** The audit team noted that in the September 24, 1999 ISU search of the IDL site office, numerous breaches of security were found. These items included a Folger Adams type key, uninventoried screwdrivers, pad locks with keys, tool checkout chits, scissors, and other items. ISU recommended that three IDL staff members be placed under investigation. The audit team also noted that a September 22, 1999 memorandum from the IDL construction supervisor to the Warden specifying corrective action in the issues noted above had not been completed.

   SCC Response: SCC and IDL did resolve the security issues. The items discovered in the initial search were confiscated and a report generated by the IDL Construction Supervisor to the Chief of IDL informing him of the items found and actions taken. IDL decided to take all inmate clerical workers out of the IDL office and so it was no longer necessary to place critical equipment such as phones and the fax machine in locked boxes. Since the office was no longer accessed or utilized by inmates, the equipment did not pose a security risk. This resolved the security concern for the IDL office. The audit team felt that the Folger Adams key was the most serious breach of security in the IDL office, however, it should be noted that the item was a key blank. This is still of concern but it was not a key that could be taken and used to open cell doors without access to a real key for duplication. Planning and Construction Division was notified of the security breach and concurred with the action taken. It was determined that once the issues had been identified and action taken no further personnel action in the form of a formal investigation was necessary.

6. **Findings and Recommendations: Control over the tools, flammable substances, and expendable building supplies is inadequate.** The review disclosed that the institution and the IDL staff do not provide sufficient control over tool inventory. The team also felt that the institution was not in compliance with DOM sections requiring quarterly inventories. It was also noted that inmates had access to bolts, washers, nuts, screws, and nails that were not inventoried or listed on inventory sheets and some tools were not marked in accordance with DOM procedures. The team recommended that tool deficiencies be corrected and that the inventory should reconcile with the "hot trash" records for disposal of hazardous materials and equipment.

   SCC Response: Current control of tools, substances and expendable supplies is fully adequate. Tool control at the IDL construction site is at industry standard and in compliance with departmental policy. All the tools utilized on the project are

④

stored and issued from one central location. Tools are accounted for at the end of each workday and the inmates are not released until that is verified by both custody and IDL staff. Broken tools and replacements do not go through the "hot trash" at the institution; they are inventoried into "hot trash" records at IDL and returned to IDL headquarters at Folsom.

IDL does have its own color-code assigned for tools. All tools not marked appropriately have been properly coded since the inspection by ISU and OIG staff.

Inmate access to common expendable building materials such as nails, nuts and bolts does not compromise institutional security. These are minimum-security inmates assigned to a major capital outlay construction project outside the security perimeter of the institution performing the functions of tradespeople. They require access to these materials to perform their jobs.

These are acceptable risks given the custody level of the inmates and the search procedures followed to limit the ability for the inmates to possess contraband. In addition, it should be understood that CDC is expected to utilize inmate labor to function as tradespeople in every institution throughout the state. Inmates are used in lieu of staff to perform a multitude of maintenance and repair work at the institution.

7. **Findings and Recommendations: Blasting was safely conducted and safeguards were in place to ensure that no unexploded material remained.** The team determined that the blasting process was safe and that the likelihood of any dangerous materials remaining at the project site is remote. It was noted that IDL did not have records on file for the fourth and final blast at the construction site. It was recommended that IDL obtain and maintain blasting records for the project.

SCC Response: The blasting operations were conducted appropriately. SCC staff had also obtained the records from the blasting contractor and noted that everything was procedurally correct. IDL staff has since obtained records of the fourth blast and they are now on file.

There were also two recommendations made in addition to the findings noted above.

Recommendations: SMAD Distribution and Responsibilities. It was recommended that a completed copy of the SMAD be provided to the Custody Captain, Fire Chief, ISU, and the Associate Warden for Business Services.

SCC Response: Copies of the SMAD will be shared with Executive and Administrative staff at the time the SMAD executed.

It is expected that all affected staff will be a participant in the preparation of future SMAD agreements with input from their respective areas.

Recommendations: Investigative Services Unit (ISU). The audit team recommended that ISU be given the responsibility for reviewing all tool control and site security issues.

SCC Response: ISU will continue to make periodic unannounced tool audits for security purposes as it has always done, not only for IDL but all other areas of the institution. IDL will continue to conduct their monthly tool audits and submit a copy to the Correctional Captain and the Investigative Services Unit.

Again, thank you for the opportunity to comment on the draft report, and be assured of continued cooperation. If you have questions, please contact my office directly.

Sincerely,

MATTHEW C. KRAMER
Warden

Attachments

cc: Scott Limpach
Judy McGillivray
David Tristan

REPLY TO THE RESPONSE OF THE DEPARTMENT OF CORRECTIONS TO THE INSPECTOR GENERAL'S REPORT ON THE SIERRA CONSERVATION CENTER INMATE DAY LABOR PROGRAM

COMMENTS

The Office of the Inspector General provides the following comments in reply to the response of the Department of Corrections to the Inspector General's report dated April 21, 2000 on the Inmate Day Labor program at the Sierra Conservation Center.

The numbered paragraphs below correspond to the numbers inserted by the Office of the Inspector General into the Department of Corrections response, which is included here as Attachment A.

1. Before the Sierra Conservation Center investigative services unit search on September 24, 1999, inmates had access to the Inmate Day Labor office. According to a Department of Corrections incident report (CDC Form 837), the Cadweld product was discovered in common unsecured areas of the Inmate Day Labor office and not in a desk drawer.

2. The manufacturer of Cadweld produced a videotape demonstrating the volatility and explosive potential of Cadweld. In addition, an incident report (CDC Form 837) dated September 24, 1999 prepared by the Sierra Conservation Center fire chief documented that he confirmed with the product engineer of the Cadweld manufacturer that the "product could become explosive under the right conditions."

3. Based on additional documents submitted by the Sierra Conservation Center after the exit conference on May 1, 2000, the Office of the Inspector General concurs that the center received 190 tubes of Cadweld. However, the disparity in the estimated number of tubes of Cadweld the center received further illustrates that the Sierra Conservation Center and Inmate Day Labor lacked adequate control and accountability over the Cadweld product.

   The Sierra Conservation Center had no records to account for the number of Cadweld tubes purchased and used. From a review of all purchase documents available, the Office of the Inspector General calculated that 300 tubes were purchased. The number was confirmed with the Inmate Day Labor construction supervisor. Moreover, when this matter was discussed during the May 1, 2000 exit conference with Sierra Conservation Center representatives and at a second exit conference on May 5, 2000 with the Department of Corrections Inmate Day Labor headquarters management staff, none of the representatives disputed the 300 number.

   It is apparent that the Sierra Conservation Center management did not know the exact number of Cadweld tubes purchased until after May 8, 2000. Yet, on October 29,

1999, the warden issued a memorandum to the institution staff stating that a review had been conducted and that all Cadweld tubes had been accounted for. It is unclear how he could have made this statement without knowing the exact number of tubes purchased. According to an incident report (CDC Form 837) dated October 1, 1999, the Sierra Conservation Center was under the belief that only 130 Cadweld tubes had been purchased.

The Sierra Conservation Center also repeatedly changed its estimate of the number of welds made on the wastewater plant to account for the number of Cadweld tubes purchased:

- In October 1999, the project electrician reviewed the construction drawing and determined that 72 welds had been made.

- In April 2000, the Inmate Day Labor construction supervisor estimated that 124 welds were made. This estimate included additional welds in electrical duct banks not shown on the plans and additional welds that the contractor had noted as installed beyond what was shown on the plans.

- In May 2000, the Inmate Day Labor Program contracted with Interface Engineering, Inc., which estimated that 160 welds were made. The estimate includes a 10% addition for weld failure, a 10% addition for welds in electrical duct banks not shown on the plans, and a 10% addition for welds that the contractor noted as installed beyond what was shown on the plans. Without the 30% addition, the contractor's estimate accounts for only 120 welds.

Given the significant variation in the estimates, it is not possible for the Office of the Inspector General to assess the reasonableness of the estimated number of welds presented by the Sierra Conservation Center. The variation in the numbers, however, does demonstrate a lack of accountability that should be rectified.

4. Daily tool control on the Inmate Day Labor site is performed by the correctional officer assigned to the Inmate Day Labor project through visual inspection of tool chits or key tags hung on a hook in the tool storage facility. In violation of Department of Corrections Operations Manual, Section 52040.8, daily physical inventories of tools are not checked against an inventory list. Physical inventories are performed only on a biweekly basis.

   The facility used for storing nails, nuts, bolts, and flammable and caustic substances, such as paint, paint thinner, primer, enamel, silicone, bonding agent, motor oil, caulking material, and acrylics could be better controlled from unlimited Inmate Day Labor inmate access if it were locked during working hours. Inmates needing access can ask the Inmate Day Labor correctional officer to unlock the storage facility in his presence.

The Department of Corrections Operations Manual Section 52030.4.1 requires department heads and supervisors to monitor and control the daily use of dangerous, volatile, flammable, and caustic substances.

Also, the Office of the Inspector General has received no evidence from the Sierra Conservation Center that quarterly physical inventories are conducted by area inventory supervisors or the investigative services unit, as prescribed in Department of Corrections Operations Manual, Section 52040.8. These quarterly inventories should be completed and forwarded to the warden's office by the 10th of January, April, July, and October of each year.