



www.coloradoci.com

2862 S. Circle Drive • Colorado Springs, CO 80906 • 719.226.4200 • 303.370.2200



Message from the Director	3
Mission Statement	5
Division Overview	7
CCi Executive Staff	8
Correctional Industries Advisory Board	11
Organizational Chart	13
State Facilities	14
CCi Operations	17
<i>Administration</i>	
<i>Marketing and Business Development</i>	
<i>Support Services</i>	
<i>Manufacturing</i>	
<i>Services</i>	
<i>Agriculture</i>	
<i>PIECP</i>	
The Future	24

Message from the Director



Thank you for your interest in the work of Colorado Correctional Industries – we are pleased to share our success story with you.

Our professional staff provide a unique service to the State of Colorado. They use their private sector skills to train, encourage and demand the best efforts and productivity from the state's most unlikely employees: incarcerated men and women. While our challenges include an unskilled workforce, an economic downturn, a limited demand for our products and services, numerous constraints in the acquisition of raw materials and increased customer expectations, we are encouraged every day by the success of our employees.

The Department of Corrections has an abundant supply of inmate labor that reflects the changing political and social environment within Colorado. Committed to changing the cognitive processes and behaviors of this population to reduce recidivism, they provide treatment services for inmate addictions and antisocial behavior, and academic and vocational education in preparation for work assignments in the outside world. CCI works in close partnership with the Department in these efforts by putting inmates to work.

Inmates who become eligible for employment with CCI are interviewed and matched to a position within one of our manufacturing, agricultural or service-oriented industries. We provide intensive training, supervision and evaluations, reinforcing inmates' positive behavior with modest compensation and a great deal of pride. The time an inmate spends with CCI in training and work experience provides relief to the custody and control section of the Department. With an estimated annual savings of approximately \$5,000 per employed inmate in reduced custody costs, CCI reduces the burden placed on Colorado taxpayers by \$7,500,000 annually. The return on this investment of time and training in skills, expertise and pride is even more impressive.

CCI is committed to educating Colorado citizens about our benefits and to fulfilling our mission of providing meaningful skills and work ethics to all employed inmates. We look forward to the opportunities ahead – and the success stories yet to come.

Sincerely,

Steve Smith
Director



It is the mission of the Division of Correctional Industries to:

- Reduce inmate idleness and the demand for general-funded programs by working as many inmates as possible in self-supporting and productive industries.
- Train inmates in meaningful skills, work ethics and quality standards which better enable them to secure long-term employment after release from prison.
- Operate in a business-like manner so that enough revenues are realized each year by the Division to meet the ongoing capital equipment, working inventories and operating cash needs of the Division.



CCi programs save Colorado taxpayers \$7.5 million annually in supervision and programming costs.



In 1977, legislative bill CRS 17-24-101 created the Division of Colorado Correctional Industries within the Colorado Department of Corrections. This partnership works to effectively manage offenders in controlled environments which are efficient, safe, humane, and appropriately secure, and provide meaningful work and self-improvement opportunities to assist offenders with community reintegration.

Although we are a division within the DOC, we are a cash-funded entity with enterprise status that receives no tax monies for support. CCI programs result in a cost avoidance for the State of approximately \$5,000 per inmate when compared to general-funded alternatives for training and employing inmates. With the employment of approximately 1,500 inmates at 16 DOC facilities located throughout Colorado, this equates to nearly \$7,500,000 per year saved by our state taxpayers.

Our customers include State agencies; city, county and government entities; and non-profit organizations. Sales of products and services to these customers generate earnings that must cover 100% of our Division's operating, personal services and capital equipment costs.

Through the Division, inmates can take advantage of training and work ethic-related abilities. Many of our operations are coordinated with other educational programs to provide employment skills and necessary literacy prior to employment. Our programs are diverse to offer maximum opportunity and choice and include manufacturing, agricultural and service-oriented operations.

CCI programs provide benefits for taxpayers, inmates, victims and the DOC. These benefits include:

- \$7.5 million saved yearly by Colorado taxpayers. Every inmate employed by CCI saves approximately \$5,000 per year in supervision and programming costs.
- Inmates employed within the CCI Prison Industries Enhancement program have contributed more than \$.5 million in victims' restitution and assistance since 1995.
- CCI jobs reduce inmate idleness, teach marketable skills and improve prison safety.
- Studies show that recidivism rates are significantly lower for inmates who work and train in correctional industry programs.



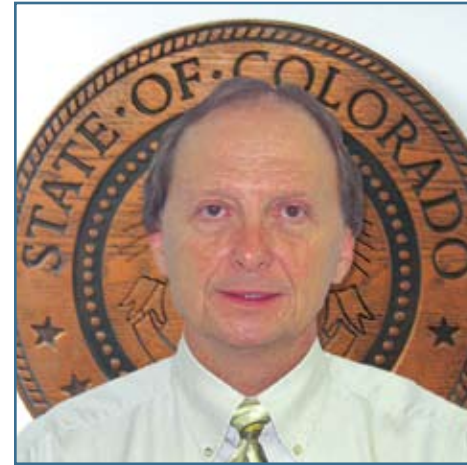
Steve Smith

is our Colorado Correctional Industries **Director** and was promoted to this position in 2008. Steve first joined CCI in 1985 as a construction supervisor, and soon promoted to supervisor in the furniture factory. While serving in this position he significantly increased yearly sales, enhanced the product lines and increased the number of inmate jobs. Subsequently, Steve again promoted within CCI to Manufacturing Division Manager supervising 12 separate programs. Steve was challenged to take over the agricultural division of CCI, and in 2001 he was appointed the Agricultural Division Manager gaining national recognition for implementing cutting-edge programs. With more than 22 years of hands-on experience, Steve's knowledge, leadership skills, energy and expertise will continue to move Colorado Correctional Industries forward. He is an enthusiastic person looking to open doors for inmates, staff and the organization. Steve believes the diversity of operations is one of the greatest advantages for CCI.



Richard Curry

joined CCI from the private sector in 2001 as our Sales Manager and was promoted to **Marketing Director/Sales Manager** in 2002. He enjoys working for CCI because of the dynamic business environment and progressive correctional operations in Colorado. Richard truly focuses on the gratification of working for an industry that receives no taxpayer assistance and provides a large array of skills and opportunities for inmates' success.



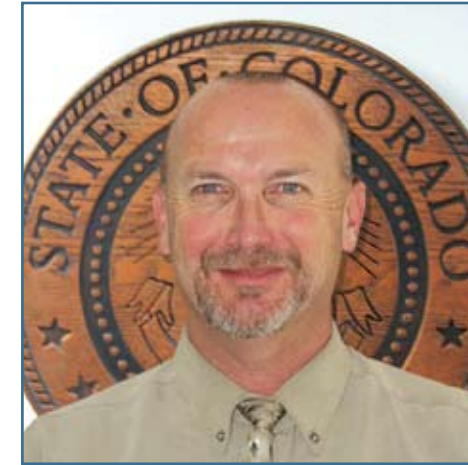
Mike Jordan

is our CCI **Fiscal Manager**. Mike began his career with the State in 1979 with the Colorado State Auditor's office, working closely with Colorado Department of Corrections. Mike joined CCI in 1990 as a cost accountant. Mike explains that his years within CCI have provided him the opportunity to work with highly motivated people who are constantly challenged with operating a profit-oriented division within a governmental, correctional setting.



Andy Klinkerman

serves as our **Manufacturing Division Manager**. Andy began his career with CCI in 1992 in our agriculture division. In 1997, Andy transferred to become a facility site supervisor at AVCF and five years later Andy was promoted to his current position. Andy believes the best part of working for CCI is the diversity of our products and services. This allows us to provide a meaningful experience for inmates while meeting the equally diverse needs of our customers.



Jack Laughlin

has performed as our **Service Division Manager** since 2001 and oversees canteen operations, transportation, fleet services and the statewide inmate firefighting programs. From 1996 to 2001 Jack was CCI's Administration Director, overseeing all financial operations of the organization. Jack explains the best part of working for CCI is the variety of business opportunities and the challenges encountered in a correctional industry environment.



Jim Heaston

is our **Agri-business Division Manager**, appointed in 2008 and overseeing more than a dozen ag-related programs. Jim first joined CCI in 1987 working in our Dairy. With more than 20 years work experience in this program, Jim has been a key player in the major expansions. Jim has seen the CCI milking herd grow from 250 head to 850 head and from a twice a day operation to three times a day, seven days a week. During 2007, Jim was extremely instrumental in assisting in the development and implementation of the largest goat herd and dairy within the state of Colorado. Jim believes in looking for opportunities that will continue to move the agricultural division forward in today's world.

Correctional Industries Advisory Board

Colorado Correctional Industries has an advisory board, defined through legislation, which is responsible for making recommendations to CCI before any industry is established to utilize the services of prisoners. The members of this board represent the State of Colorado, correctional entities, private industry and organized labor. These members serve for the duration of their term of office or a term of three years, as appointed by the Governor.

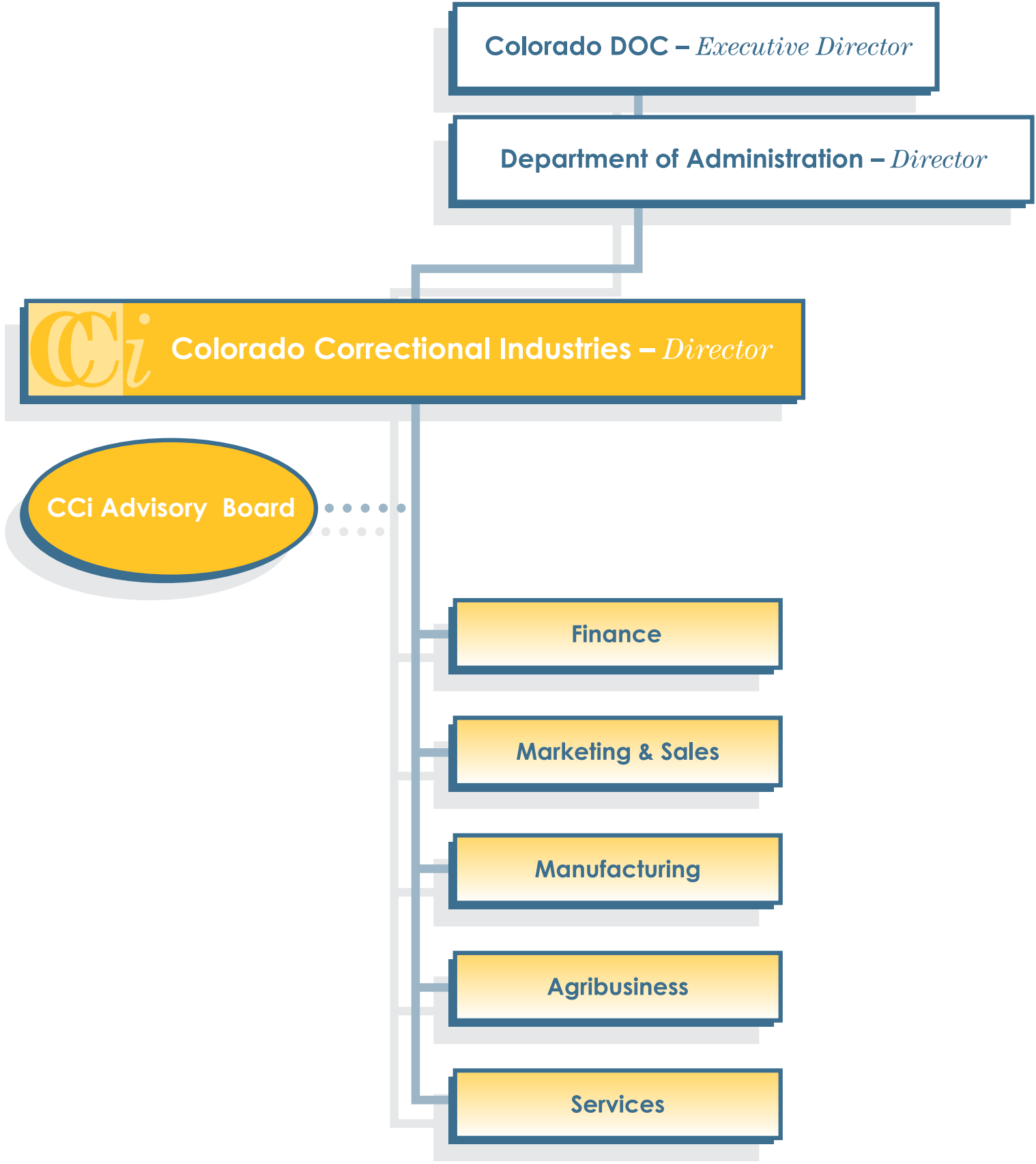
- State Treasurer
- Four members of the General Assembly/ 2 Senators, 2 House Representatives
- Director of the Office of State Planning and Budgeting
- Executive Director of the Department of Personnel
- Two members from the business community
- Two members from organized labor
- Executive Director of the Department of Corrections
- A County Sheriff

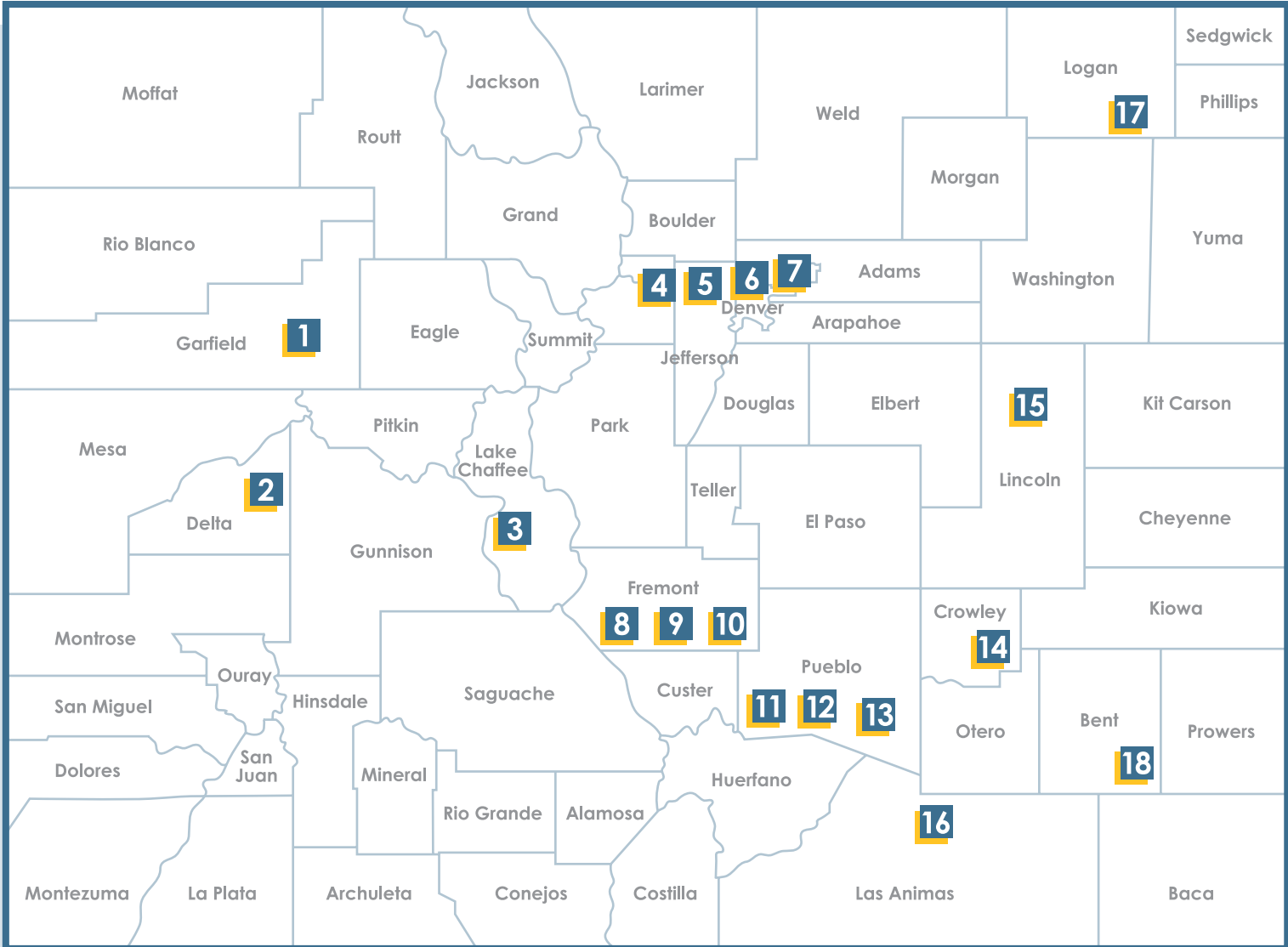


CCI is consistently ranked among the top 10 innovative correctional industries in the U.S.



Organizational Chart





- | | |
|--|---|
| <ul style="list-style-type: none"> 1 Rifle Correctional Center 2 Delta Correctional Center 3 Buena Vista Correctional Complex <ul style="list-style-type: none"> a Buena Vista Correctional Facility b Buena Vista Minimum Center c Colorado Correctional Alternative Program 4 CCI Oakland Facility 5 Colorado Correctional Center 6 Denver Reception & Diagnostic Center 7 Denver Women's Correctional Facility 8 Colorado Territorial Correctional Facility 9 Colorado Women's Correctional Facility | <ul style="list-style-type: none"> 10 East Cañon Complex <ul style="list-style-type: none"> a Arrowhead Correctional Center b Centennial Correctional Facility c Colorado State Penitentiary d Four Mile Correctional Center e Fremont Correctional Facility f Skyline Correctional Center 11 La Vista Correctional Facility 12 San Carlos Correctional Facility 13 Youthful Offender System 14 Arkansas Valley Correctional Facility 15 Limon Correctional Facility 16 Trinidad Correctional Facility 17 Sterling Correctional Facility 18 Fort Lyon Correctional Facility |
|--|---|



Manufacturing

- Air Filters 16
- Dormitory Furniture 10e
- Embroidery 15
- Fiberglass Tanks 10e
- Flags 15
- Garments 7 14
- License Plates & Tabs 8
- Leather Products 3a
- Mattresses 17
- Metal Fabrication 10e
- Modular Office Systems 14
- Office Furniture 10e
- Plastic Bags 14
- Seating 17
- Security Cells & Furnishings 10e
- Signs 8

Agriculture

- Composting 10d
- Dairy 10d
- Farming 10f 14 18
- Fish Farming 3b 10a
- Fish Processing 10a
- Goat Dairy 10f
- Greenhouse Products 10a
- Honey Production 10a
- Orchard 10f
- Ranching 3b
- Vineyard 10f
- Wild Horse Inmate Program (WHIP) 10a

Services

- CAD/GIS 14
- Canteen 6 10a
- Construction & Maintenance Services 5 11
- Culinary Arts 1
- Customer Service 4 5
- Delivery & Installation 4 5 10a
- EBay Sales 5
- Facility Maintenance 18
- Fingerprinting Services 4 5
- Fire Fighting & Reclamation 1 3b 10d
- Fleet Services 10a
- Forms Distribution 4 5
- Heavy Equipment 10f
- Highway Cleanup 5
- K-9 Adoption & Training 3a 7 8 9 10a 16 17
- Office Assistance 4 5 9
- Printing Services 7
- Public Information Services 14
- Recycling 10f
- Reupholstery 17
- Sales and Showroom 4 5
- State & Federal Surplus 4 5
- Trails Program 3b
- Transportation & Tech Training 10a
- Web Design 14



Administration The Division Director's office is located in the Department of Corrections headquarters building in Colorado Springs. This provides accessibility for DOC executive staff to discuss, plan and execute business decisions that involve both divisions.

All matters related to planning, personnel, legal affairs, departmental affairs, public information and strategic goals are administered from this office for the organization. Department staff provide strategic direction focusing on our customers, both internal and external, to allow CCI's continued growth and diversification.

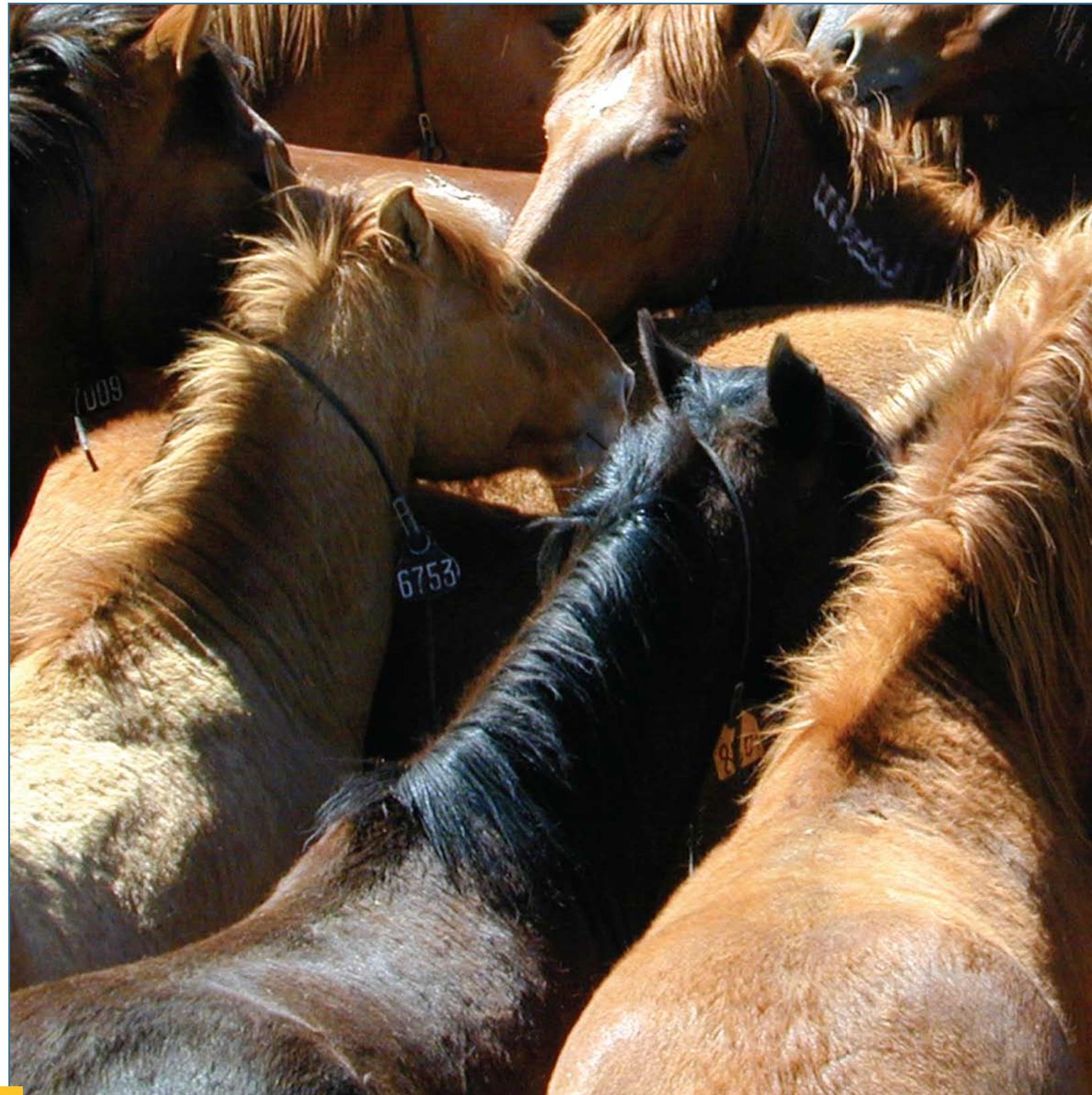
Marketing and Business Development CCI understands that we must provide price, quality, and service comparable to our competitors to deserve our business. Through marketing efforts and the development of new programs and businesses, CCI strives to become the vendor of choice for our customers. Educating current and potential customers about the benefits of doing business with CCI is a primary task for our marketers.

CCI uses a variety of avenues to market our products, services and story. Over the years we have evolved from word-of-mouth advertising to printed brochures and catalogs, mass emailings, a professionally designed sales & showroom, a website for information and purchasing, and the ability to purchase electronically with credit cards.

To continue to meet the needs of our customers, CCI has established partnerships with several private companies. These partnerships include the supply of product components and materials used in the manufacture of CCI products. Developing partnerships with well-known established companies allows us to increase our level of service and provide a dependable, reputable product.

Sales Located in Denver, the CCI sales office is staffed with four account representatives. They are responsible for serving existing customers and increasing our customer base in Colorado. Each of our customers is assigned an account representative based on their geographical location or purchasing agency relationship. With extensive backgrounds in sales and customer service, our account representatives continually enhance their product knowledge and participate in training featuring the diverse products and services available through CCI.

The sales area also provides opportunity for our customers to visit our showroom where they can view and purchase products on-site. Increasing the availability of our best-selling furniture products within the showroom has increased sales and customer satisfaction.



Support Services CCI keeps operating costs down by maintaining self-sufficient staff rather than contracting for support services from the private sector. This also allows CCI to maintain a close-knit organization and experienced, dedicated employees.

Our support service staff provide a wide variety of functions that assist in the multiple operations of our organization. Customer Service, Warehouse, Transportation, Financial, Facility Safety & Maintenance, Information Technology and Web Design all play an important role in making CCI a successful organization.

Customer Service

This group has Northern and Southern divisions that are responsible for the delivery, installation, service and repairs of CCI products throughout the state. CCI service staff receive training from our manufacturing operations to enhance their knowledge in products and service, allowing them to better serve our customers.

Warehouse

Our main furniture warehouse is located in Denver and serves the majority of our customers as the distribution center. A smaller warehouse, located in Cañon City, serves our customers in southern Colorado.

Transportation

CCI transportation is located in Cañon City and coordinates product pick-up and warehouse deliveries throughout the entire state. Trailers are staged at various manufacturing facilities to be loaded for transport to our warehouses or customer sites. Each of our drivers maintain current and thorough product knowledge, should they encounter a service request during delivery.

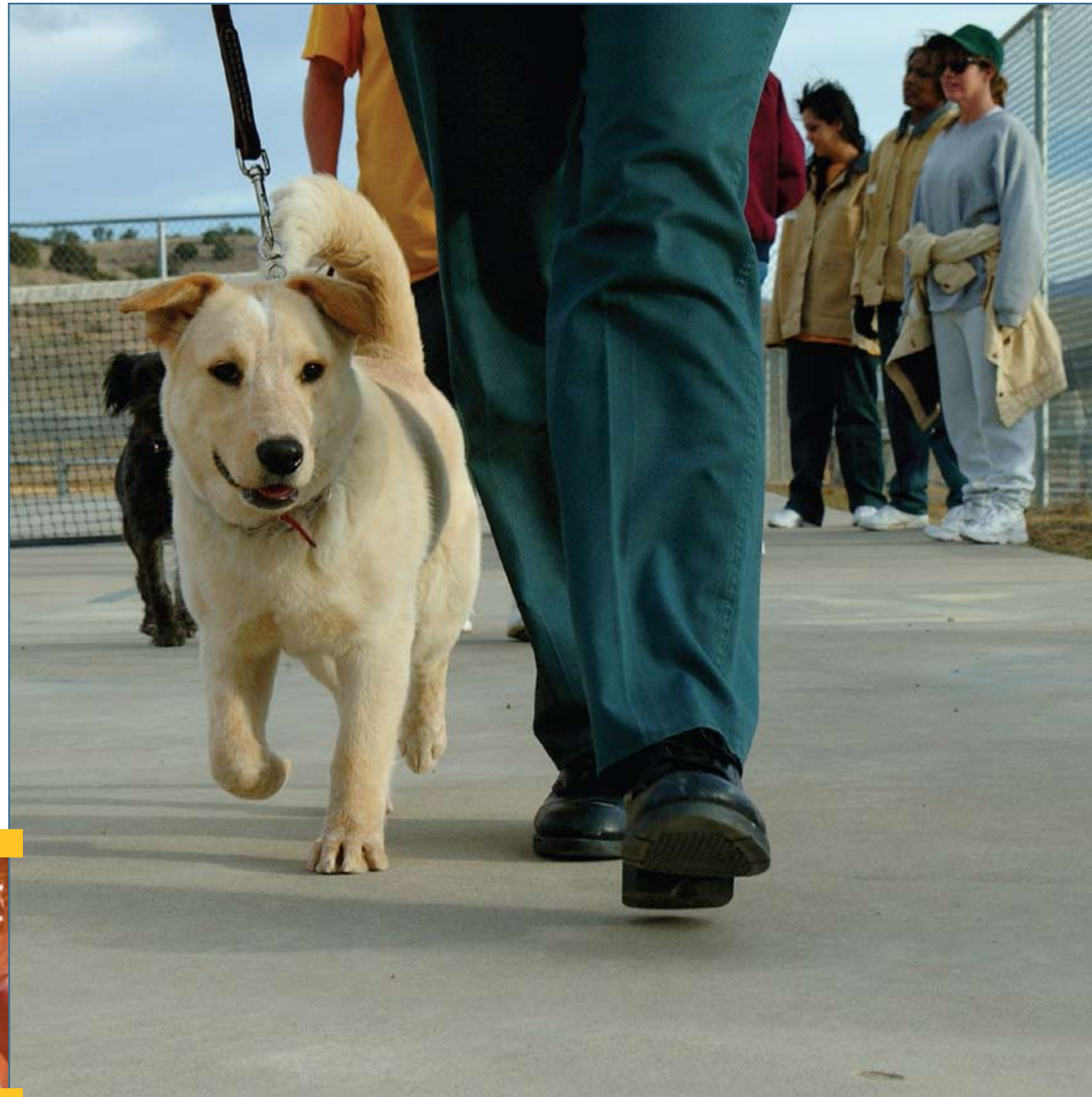
Fiscal Office

While the piles of paper have lessened with the advancement of the electronic world, this office never sits still. Functions include recording and tracking of all sales orders, purchase requisitions and invoices; accounts receivable and accounts payable; general accounting responsibilities, cash-flow forecasts, budget reviews and inventory adjustments; and end-of-year reconciliation of CCI's financial report with the State of Colorado Financial Reporting System (COFRS).

Information Technology

CCI provides our customers organizational information and product purchasing opportunities through our website. Our site is designed, implemented and maintained by knowledgeable staff who provide daily, on-the-job training to inmates in web design, computer programming and other electronic informational programs including GIS and CAD.





Manufacturing The diverse operations of CCI manufacturing programs provide products that serve the citizens of Colorado, governmental entities and CCI. Most Colorado citizens know us as the manufacturer of their license plates, yet our organization produces a variety of products that meet the everyday needs of our customers. We pride ourselves on our production of high quality office furnishings, ergonomic seating products, metal products and institutional items from inmate garments to steel security cells and their interior furnishings. CCI also manufactures many of the components used in the production of our products, helping to reduce our cost of operations and allowing CCI to pass these savings on to our customers. With more than 15 manufacturing operations in place, CCI can easily address the diverse needs of our customers. Excellence is our standard and perfection is our goal.

Services Our most diverse operations exist within our Services division. Each of our four Division managers shares in the responsibilities of administering the numerous programs. More than 20 programs provide services that address the needs of Colorado inmates, the Colorado DOC, CCI staff and customers, and the citizens of Colorado. These programs operate from 15 DOC facilities located throughout the state and include providing inmates with canteen services; DOC with facility and vehicle maintenance; Colorado citizens with highway cleanup, public information, dog adoption and training; governmental entities with forms printing and distribution, wild land firefighting and reclamation, and trail construction.

Agriculture Start with the first 8 letters of the alphabet and you can identify an agricultural product provided by CCI: azaleas, beehives, chickens/cows, dairy milk, eggs, farming/fish, grapes/greenhouse, hay/honey. Continue through the alphabet and near the end you will discover our vineyard and wild horse programs. Although the majority of correctional industries throughout the country are downsizing their agriculture programs, CCI has introduced and/or expanded operations. These programs operate to address the needs of DOC, CCI, or the private partners we have established through the years.



PIECP PIECP (Prison Industries Enhancement Certification Program) was created by Congress in 1979 to establish employment opportunities for inmates that would mirror private sector opportunities. This important program benefits inmates, CCI, participating private sector partners and society. Inmates acquire marketable skills that will assist in their success when they are released from prison. Correctional industries have the opportunity to sell manufactured goods in interstate commerce. Participating partners benefit with a steady workforce focused on quality. Finally, our taxpayers share less of the burden for incarceration costs.

Wages earned by inmates participating in a Colorado PIECP operation are subject to federal and state taxes, deduction for costs of incarceration, victim compensation deduction, family support and a mandatory savings program. Since 1995, more than one-half million dollars has been paid in victims' restitution and assistance by participating PIECP inmates.

CCI became certified in 1990 under the Prison Industries Enhancement Certification Program beginning with our saddle making and leather goods operation. CCI has five additional programs designated and products vary from furniture, garments, security cells and furnishings to 10,000 gallon fiberglass fish tanks.

With nearly 50 programs, CCI provides a strong foundation for growth and adaptability.

The Future

Nearly every state correctional industry program faces the same difficulties. How can we create a profit, sustain inmate jobs, attract customers and expand programs? Change is inevitable. CCI challenges its organization, employees, inmate workers, customers and major stockholders to address those needed changes that will help make the future successful. Every participant must be encouraged to contribute individually in a manner that will support the organization and its employees, our valued customers, Colorado DOC and the taxpayers. The steps we take today toward our future must always address the needs of our society. Inmates benefit from increased knowledge and skills, thus reducing their risk of recidivism. DOC benefits from a more efficient, safer environment. CCI benefits by addressing our mission objectives. Colorado citizens benefit through reduced costs of incarceration.

With an increasing inmate population, CCI continues to work closely with the Colorado DOC to address the challenges of more inmate workers while providing security, safety, education, work ethics and marketable skills. Increasing the number of productive inmate workers also allows for growth with more advanced products and services as our customer requirements change.

Stated more than ten years ago, our number one strategic goal was to emphasize quality and dedication to:

- The organization
- Our employees
- Inmate workers
- Our products
- Our customers
- Our stockholders (executive and legislative branches of government)

This strategic goal has become a way of life for CCI. The general expectation within a successful correctional industry is to build customer satisfaction for all products and services offered. When achieved, that satisfaction is also experienced by organizational employees, inmate workers, valued customers and major stockholders. We have dedicated ourselves to achieving that satisfaction and establishing quality, service, cooperation, trust and loyalty from all involved.



We build opportunity.