

# Legislative Audit Commission

RESOLUTION NO. 99  
Presented by Senator Topinka

WHEREAS, the Department of Corrections operates manufacturing, service, and agricultural industries within adult correctional centers; and

WHEREAS, the Correctional Industries program was established to provide committed persons with marketable skills and promote habits of work and responsibility; and

WHEREAS, in Fiscal Year 1993, Correctional Industries had net sales totaling \$38.1 million; and

WHEREAS, State statutes require that prices set for Correctional Industries goods shall be as near to the usual market price for such items as possible; and

WHEREAS, Correctional Industries has recently purchased finished goods, repackaged them, and then sold them at a marked-up price to correctional facilities; now

THEREFORE BE IT RESOLVED by the Legislative Audit Commission of the State of Illinois that the Auditor General is directed to conduct a management audit of the Department of Corrections' Correctional Industries.

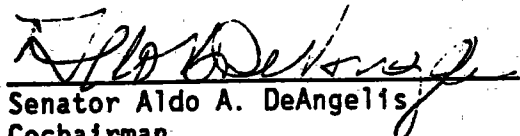
BE IT FURTHER RESOLVED that this audit shall include but need not be limited to the following determinations:

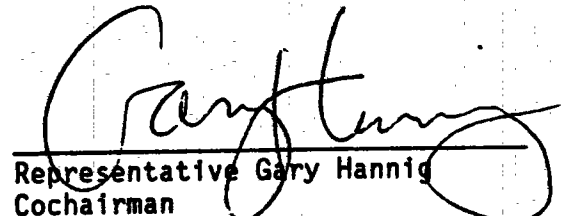
- 1) Whether the practice of buying finished goods and reselling them is consistent with Correctional Industries' statutory mandate;
- 2) Whether the amount of mark-up Correctional Industries places on finished goods it purchases and resells is based on the costs incurred to repackage and distribute the finished goods;
- 3) Whether finished goods purchased and resold by Correctional Industries to the Department of Corrections could be purchased off the open market at a cheaper price; and
- 4) Whether Correctional Industries identifies the percentage of profits generated from the resale of finished goods.

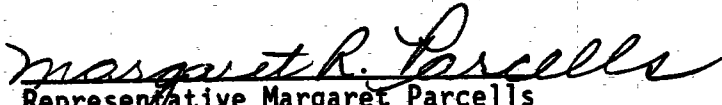
BE IT FURTHER RESOLVED that the Illinois Department of Corrections, the Department of Central Management Services, and all other State agencies which may have information relevant to this audit shall cooperate fully and promptly with the Office of the Auditor General in the conduct of this audit; and

BE IT FURTHER RESOLVED that the Auditor General shall commence this audit immediately and report his findings and recommendations as promptly as possible in accordance with the provisions of the Illinois State Auditing Act.

Adopted this 6th day of December, 1993.

  
Senator Aldo A. DeAngelis  
Cochairman

  
Representative Gary Hannig  
Cochairman

  
Representative Margaret Parcells  
Secretary