

AJC INVESTIGATION

Counties profit from inmate calls

Funds are said to keep taxes low, but phoning is costly for families.

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The telephones inside metro Atlanta's jails have become multimillion-dollar cash machines for county governments.

Cobb, DeKalb, Fulton and Gwinnett counties all have new contracts for inmate telephone service that deliver at least \$1 million a year from the calls made inside their respective jailhouse walls. Counties say the funds help keep taxes low and preserve services, but critics point out that inmates' families are paying for those calls at rates much higher than the average phone bill.

The money is collected by the private companies providing the service and sent to the governments in the form of commission payments. Those

payments have grown in recent years to the point that three of them now require 80 percent of all revenue collected from inmate phone calls, according to contracts reviewed by The Atlanta Journal-Constitution.

To protect their own profits, the vendors charge inmates' families the highest rates allowed by the state, often employing a number of surcharges and fees per minute of use. Seeking one county's business, one bidder pointed out that it believed in keeping rates low and stressed that a competitor's average monthly charge would be nearly three times higher. The competitor got the contract.

It's desirable work for vendors, who have upped the counties' shares in the latest round of contracts.

DeKalb County, for example, is guaranteed at least \$1.7 million this year in a contract signed in January with Securus Technologies. Commissions after the first year will be based on 80 percent of phone call revenue from the previous year.

DeKalb's prior contract provided for commissions of 58.5 percent, and brought in about \$1 million annually, according to documents reviewed by the newspaper.

Gwinnett County's new contract with Securus, set to take effect in July, promises a minimum of \$1 million during the first year, with future commissions calculated at 80 percent of revenue, according to a draft of the contract. The commission in Gwinnett's previous contract was 50.5



Inmate Jeremy Knittel uses his phone card to call a friend from the Gwinnett County Jail. Critics say commissions that jails get on calls have led to companies charging big fees in an attempt to profit more. JASON GETZ / JGETZ@AJC.COM

percent, resulting in a little more than \$800,000 annually, documents show.

In both cases, revenue from the commissions goes directly into each county's general fund, where it can be used to pay for any number of things, such as filling pot holes or making payroll.

Gwinnett Commission Chairwoman Charlotte Nash said it is the government's responsibility to "identify and utilize appropriate fees to help reduce the tax burden" on residents.

That's "even more critical during the tight economic situation we continue to maneuver through," Nash said. "Without these fees, the millage rate for property tax payers would have to rise or we would have to cut funding for some other service."

But critics say the system has led to companies charging exorbitant fees in an attempt to make up the profits they lose through the commissions.

The nonpartisan Prison Policy Institute released a study in May that found families of inmates in jails and penitentiaries often pay \$1 per minute "plus a long list of other fees that easily double the total

cost of the call." Drew Kukorowski, an attorney and one of the authors of the study, said the 80 percent commissions paid in metro Atlanta are among the highest in the country.

"When you start seeing commissions at 70 or 80 percent, that's ridiculous," Kukorowski said. "There's no way you can say that's anything but ... a hidden tax - and it's a regressive tax because it's mostly borne by poor people."

In December, the Federal Communication Commission said it was considering rules that could limit rates charged to inmates and their families, and it also asked how lowering or eliminating commissions would affect rates. It is unclear, however, if new FCC rules would apply to county governments or if they would only affect state prisons.

"The time is now for us to have an honest discussion about the use of site commissions and their impact on low-income families," acting Chairwoman Mignon Clyburn said in a statement announcing the FCC notice.

Maximum rates

Per-call rates are regulated in Georgia by the Pub-

lic Service Commission. Local calls are capped at a flat \$2.70; long-distance calls can't go above a \$2 surcharge and 19 cents per minute; interstate calls top out at a \$3.95 surcharge and 89 cents per minute.

All four county contracts examined by the newspaper for this story were at the maximum rates allowed by the state.

Cobb and Fulton counties also have new contracts that pay big dividends.

Fulton signed a contract with Securus in November for inmate telephones and video visitation that guarantees the county \$1.5 million in the first year and an 80 percent commission afterward.

Cobb's contract with Global Tech Link pays a 71 percent commission with no minimum guarantee. The county is on track to earn \$1 million from the contract this year - up from about \$600,000 in its previous contract - with that money going back to the jail to provide inmate services that include running the law library and chaplain services, and paying for board games and newspapers.

Col. Don Bartlett, the jail commander for the Cobb County Sheriff's Office,

said his office is concerned about the cost of inmate calls but thinks the system is fair.

"We attempt to keep the cost as low as possible but believe that this is a fair and effective way to generate revenue to provide ... services to the inmate population," Bartlett said.

Pay Tel Communications, which bid unsuccessfully on the Cobb contract, said it should get the job because its fees are lower. Pay Tel's proposal lists common fees charged by its competition and says those fees can add up to \$40 per month while its average is about \$14.

"Pay Tel's goal is to maximize billable revenue and commissions by not reducing the funds families have available for inmate calls through multiple billing fees," the company's proposal says.

The system doesn't seem fair to Sandy Smith. The Snellville woman said the cost of staying in touch with her husband, in the Gwinnett County jail on a burglary charge, is a drain on her pocketbook and her mental health. Smith pointed out that, like many jail inmates, her husband has not been convicted.

"Everybody makes money here, it seems to me," Smith said. "You got to figure if my husband is in jail, I'm already tapped out. And it's very important for us to stay in contact because we could lose everything right now."