

Building Bridges To Success

Iowa Prison Industries
FY2011 Annual Report



Letter From The DOC Director



Iowa Prison Industries plays a key role in furthering the overall Department of Corrections mission to advance successful offender reentry to protect the public, staff and offenders from victimization.

Many of the inmates employed by IPI have not previously held any responsible job, and would otherwise lack the basic skills necessary to successfully reenter society – showing up for work, producing a quality product, working in a team environment. Iowa Prison Industries gives offenders an opportunity to develop these skills, as well as specific instruction with computers, machine tools, forklifts and the like.

When inmates reenter society – about 90% of Iowa’s prison inmates eventually do so – those that have worked with Iowa Prison Industries are less likely to commit new crimes and return to prison. As a result, the programs of IPI mean there are fewer crime victims, fewer costs to investigate and prosecute crimes, and fewer costs to house and feed repeat offenders.

On a daily basis, more than 700 inmates of our state prison system spend their time on positive and productive endeavors: turning out high quality furniture, clothing, signs and other valuable products for the customers of Iowa Prison Industries. These inmates thus require less supervision, lowering the cost of corrections, and have less opportunity to engage in counterproductive activities. And because a job with Iowa Prison Industries is highly valued among inmates (there are always waiting lists), IPI provides a system of rewards and penalties that correctional staff can use to manage inmate behavior.

And so, on behalf of the entire Department of Corrections, I commend the staff of Iowa Prison Industries for their commitment to the overall DOC mission, and their service to the people of Iowa.

John Baldwin
Director, Department of Corrections

Mission Statement

To employ staff and inmates who are dedicated to providing:

Exceptional Service

Reasonable Prices

Quality Products

It is this commitment to excellence that will allow our business to remain self-funding, achieve growth, provide more jobs for inmates and staff and assume a national leadership role in correctional industries.

Vision

By insuring our mission is achieved, we will have assisted the Department of Corrections in protecting the public, staff, and inmate safety through vital work programs that will insure the offender’s chances of a successful return to society as tax-paying citizens upon their release.

Letter From The IPI Director



To the Customers, Employees and Friends of Iowa Prison Industries,

Fiscal Year 2011 was a challenging, but ultimately successful year for Iowa Prison Industries. Offender training for all three segments of IPI (*Traditional Industries, Farms, and Private Sector*) exceeded One Million Hours, an increase of 16% versus prior year. All three IPI segments showed improved financial results from the prior year as well. And as always, Iowa Prison Industries carried out its mission without receiving any appropriations from state government. Indeed, IPI's Private Sector and Commissary operations returned more than \$1.3 million to DOC institutions and Iowa's General Fund during FY2011.

IPI customers such as government agencies, school districts and non-profit groups have been facing tough budget situations, and as a result, their purchases from IPI Traditional Industries have been under pressure. Yet this same difficult economic environment led to increased purchases from other customer segments, in particular the Regents Universities, and Iowa's private and community colleges. Enrollments at Iowa's colleges and universities surged due to the slow job market, and this in turn meant increased purchases of dormitory and instructional furniture.

Sales of institutional furniture were strong as well, as IPI began supplying the new state prison in Fort Madison. And a number of product lines turned in record breaking performances, such as Signs, HVAC Filters and Braille Services. IPI's Commissary celebrated its tenth anniversary with its highest sales ever.

Financially, Traditional Industries ended FY2011 with sales of \$20.8 million (an increase of \$0.5 million from prior year) and Net Sustainable Income of \$1.0 million, an increase of \$0.8 million from FY2010. Offender training hours were 719,040.

IPI Farms, which operate on a calendar year basis, reported sales of \$1.2 million for 2010, a decline of \$0.1 million primarily due to a reduction in acres, as parcels were transferred to other state agencies and utilized by prison construction projects in Fort Madison and Mitchellville. But Net Sustainable Income increased to \$34,000 in 2010 versus a loss of \$8,000 in Calendar 2009. And as with everything in agriculture, we expect even better results for 2011.

IPI's Private Sector activity dramatically increased, as the number of offenders placed with our partner companies increased in FY2011 by 53% to 170. Gross wages grew to \$2.3 million, an increase of 72%. By law offenders are able to keep 20% of their gross wages, with the balance going to taxes, child support, and programs for victim restitution and compensation. All of these accounts, as well as the Room and Board amounts retained by the state prisons and Iowa's General Fund, increased dramatically.

And so all three IPI divisions – Traditional Industries, Farms, and Private Sector – fulfilled their Mission by providing increased offender training opportunities and improved financial results versus prior years. This was due to the skill, dedication and hard work of the IPI team, and the support of our valued customers.

Every year IPI faces unique challenges, and for 2011 that challenge was the extreme heat wave that struck Iowa during the summer. June, July and August are normally IPI's peak months for production and distribution. The staff and inmates of Iowa Prison Industries will not soon forget the long days in our factories working to meet the needs of IPI customers when the heat index surpassed 100 degrees week after week.

As we look ahead to FY2012 and future years, we remain focused on delivering excellent value, quality and service to our customers, while providing offenders with an opportunity to develop personal responsibility and valuable work skills, and indeed, the chance to change their lives for the better. In so doing, IPI will continue to benefit all of Iowa's taxpayers and citizens.

On behalf of all of Iowa Prison Industries, I invite you to enjoy our FY2011 Annual Report, which provides an overview of our organization and Mission, and more details about our statewide operations.

Dan Clark
Director, Iowa Prison Industries

Advisory Board



Dr. A Douglas Hillman
Board Chair
Financial Representative



Dwanyne Anderson
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DOC Representative



Terry Goodman
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Thomas Phillips
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Representative



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The Iowa Prison Industries Advisory Board plays a key role in the success of IPI, one that has been recognized by the State Legislature by codifying its responsibilities and authority. The Board approves new business ventures and the overall operating plans of IPI for all three segments: Traditional Industries, IPI Farms, and Private Sector. In addition, the Board provides expert advice to the Director and staff of IPI.

Board meetings are held quarterly and rotate among the state institutions where IPI operations are located. The schedules, agendas and minutes for Board Meetings are available on the IPI website.

The makeup of the board is intended to provide a diverse collection of viewpoints and experience. Five board members are selected to represent distinct sectors: Agriculture, Finance, Labor, Manufacturing, and Vocational Education. Two others represent the DOC Director and the Parole Board.

Management Team



Dan Clark
Director

After 30 years in the Private Sector, Dan joined IPI in April 2011. Previously, he had served on IPI's Board of Advisors for seven years.



Cathy Benedict
Chief Financial Officer

Cathy holds an MBA degree from the University of Iowa and is a Certified Public Accountant. She began working for the State of Iowa in 1982 and has been in her current position since 1992. In addition to Cathy's financial responsibilities, she oversees policy and technology development.



Robert Fairfax
Sales & Marketing Manager

Bob came to IPI in 1998 with considerable experience in sales and marketing for several diverse markets. Bob manages the sales and marketing staff out of the Des Moines Showroom and works directly with a variety of customers such as the Regents Universities.



Mike Lynch
Farms Director

Mike was promoted to Farms Director in 2010 after working in IPI Farms since 1996. Mike is responsible for managing the entire IPI Farms operation which includes farms at nine locations throughout Iowa. Mike has been instrumental in building an outstanding cow/calf operation and increasing grain production.



Becky Munoz
Ft. Madison / Mt. Pleasant Plant Manager

Becky is a self-trained, disciplined leader that began her career with Iowa Prison Industries during 1987 in the administrative office. Currently, Becky manages both the Fort Madison and Mount Pleasant operations.



Shawn Preston
Mitchellville / Newton Plant Manager

After working as a Correctional Officer for several years, Shawn transferred to Iowa Prison Industries. During his tenure with IPI, Shawn has managed the State Surplus operation and opened the Central Canteen. Currently Shawn manages both the Newton and Mitchellville plants.



Al Reiter
Anamosa / Rockwell City Plant Manager

Al joined IPI as a technician and eventually was promoted to manager of the Anamosa plant in 2003. Al holds a degree in Electrical Engineering from Iowa State University. Al has extensively expanded the Anamosa operations and oversees the Rockwell City plant as well.



Clint Schmidt
Des Moines Operations Manager

Clint has held various positions since beginning his career with IPI as a sales representative in 1995, including managing the Mitchellville plant and the State Surplus program. Presently, Clint is focusing on growing the Federal Surplus and Move & Install programs.

Shop Highlights



Sign Staff (left to right): Jeff Otting, Mark Merfeld, Wayne Leytem & Greg Hart. Not shown: Pat Fowler

PLANT MANAGER: Al Reiter
SUPERVISOR: Greg Hart
PRODUCTION COORDINATOR: Jeff Otting
SENIOR TECHNICIAN: Pat Fowler, Mark Merfeld
TECHNICIAN: Wayne Leytem

OFFENDERS EMPLOYED: 40 to 46
OFFENDERS HOURS FY11: 88,379 hours

PRODUCTS & SERVICES: Traffic, street, wayfinding, conservation and specialty signs, vehicle decals and markings, banners, bumper stickers, sign kiosks and decals.

Sign Division, Anamosa

Sign Division finished another record year! Our growth continues to meet the new demands of our customers' varied sign needs. Whatever the need, the IPI sign division is committed to providing a high quality product. Future plans include increasing our offerings of signage, wayfinding systems, vehicle decals, banners and digital signs to organizations that are not aware of all the products we can provide. Great market potential exists in the college and university market; IPI can meet all their signage needs while providing savings and value. Sign also will be installing new sign refurbishing equipment in the Fall.

Customer Testimonials

Iowa Department of Transportation

"Please pass on our gratitude to all involved for getting these blanks to us so quickly! I do not know what I would do without your help and cooperation in this matter. Thanks so much!"

– Shawn (Doris) Pickell, Sign Shop, June 2011

Chickasaw County Conservation Board

"Very good value for the money and service is great."

– Brian Moore, Director, January 2011

Graphic Arts Division, Anamosa

Graphic Arts finished with a solid year. We completed several large decal orders throughout the year. Complementing the print operations, Graphic Arts has a complete forms distribution center and the capability to do mass mailings. Offenders learn many skills that will help them in the future, including operating and maintaining presses and collating equipment, graphic design and layout, inventory control, order processing and distribution.

PLANT MANAGER: Al Reiter
SUPERVISOR: Greg Hart
PRODUCTION COORDINATOR: Bill Janssen
SENIOR TECHNICIAN: Al Stecher

OFFENDERS EMPLOYED: 14 to 16
OFFENDERS HOURS FY11: 32,538 hours

PRODUCTS & SERVICES: Letterset and offset printing, digital printing, mouse pads, coasters, can cozies, calendars, notebooks, award certificates and greeting cards.



Graphic Arts Staff (left to right): Al Stecher & Bill Janssen

Braille Division, Anamosa

Braille Division continues to buck the trend. While some national programs are experiencing reduced Braille transcription work, the Anamosa



Braille Staff: Lennie Miller

Braille Center keeps on growing. Our expanded work area now utilizes 25-30 offenders producing literary, Nemeth and Music transcription services along with enhanced graphic capabilities. Braille typewriter repair service work has increased and offers an additional avenue of offender work.

PLANT MANAGER: Al Reiter
SUPERVISOR: Greg Hart
SENIOR TECHNICIAN: Lennie Miller

OFFENDERS EMPLOYED: 20 to 25
OFFENDERS HOURS FY11: 46,374 hours

PRODUCTS & SERVICES: Transcription of text and graphics to Braille, Kurzweil and Braille typewriter repair.

License Plate Division, Anamosa

License Plate Division produces approximately 1.2 million plates annually. IPI has worked closely with the Department of Transportation to prepare for the upcoming reissue of license plates and expects to begin production in the Spring of 2012. IPI's own plate ordering software will be enhanced to simplify and expand to the new plate requirements. The new software will continue to provide savings to the State of Iowa.



License Plate Staff (left to right): Bob McGrew & Rod Schlee

PLANT MANAGER: Al Reiter
SUPERVISOR: Tim Diesburg
PRODUCTION COORDINATOR: Bob McGrew
SENIOR TECHNICIAN: Rod Schlee

OFFENDERS EMPLOYED: 9 to 11
OFFENDER HOURS FY11: 20,732 hours

PRODUCTS & SERVICES: Produces and distributes all license plates for the State of Iowa. First in the Nation to digitally print all plates.

Housekeeping & Laundry Division, Anamosa

Housekeeping & Laundry finished the year with sales down slightly. This division provides chemical products for commercial dietary cleaning systems and laundry facilities. Housekeeping & Laundry has added a new detergent for high-efficiency washing machines that employees purchase for personal use. In addition to the cleaning products, dispensing equipment service and support are offered to our customers as part of a complete program.



Housekeeping/Laundry & Filters Staff (left to right): Tammy Luchtenburg & Darin Jarding

PLANT MANAGER: Al Reiter
SUPERVISOR: Tim Diesburg
SENIOR TECHNICIAN: Tammy Luchtenburg
TECHNICIAN: Darin Jarding

OFFENDERS EMPLOYED: 3 to 5
OFFENDER HOURS FY11: 8,124 hours

PRODUCTS & SERVICES: Chemical products for commercial dietary cleaning systems and laundry facilities.

Filter Division, Anamosa

Filter Division experienced continued growth of HVAC filters. The addition of a pleating station has improved our inventory control and allowed us to save space. During FY2012, the shop will expand its product line to include fiberglass filters.

PLANT MANAGER: Al Reiter
SUPERVISOR: Tim Diesburg
SENIOR TECHNICIAN: Tammy Luchtenburg
TECHNICIAN: Darin Jarding

OFFENDERS EMPLOYED: 4 to 5
OFFENDERS HOURS FY11: 8,312 hours

PRODUCTS & SERVICES: Standard and high-capacity pleated filters, fiberglass filters.

Custom Wood Division, Anamosa

Custom Wood is returning to its previous sales levels with a 74% growth compared to the previous year. Several custom wood projects and additional dorm furniture orders were taken on to help finish the year in the black. Additional equipment was added to improve efficiency and reduce lead times on orders. Custom Wood has incorporated our engraving services to provide a complete product from one shop.

PLANT MANAGER: Al Reiter
SUPERVISOR: Kim Zimmerman
PRODUCTION COORDINATOR: Kent Ashline

OFFENDERS EMPLOYED: 24 to 35
OFFENDERS HOURS FY11: 56,023 hours

PRODUCTS & SERVICES: Custom wood products, cabinetry, library furniture, installation services, novelty items, engravings, bookcases, millwork, refinishing and reupholstery.



Custom Wood Staff (left to right): Kim Zimmerman & Kent Ashline

Shop Highlights

Metal Furniture Division, Anamosa

Metal Furniture had a strong finish to the year, shipping some of the initial furniture for the new prison projects along with several K-12 school buildings. Staff and offenders worked to develop a new line of file cabinets in response to customers' needs. The addition of a plasma cutting system will expand the capabilities of the metal work. The shop worked closely with architects to provide customized product solutions for the new prison facilities.



Metal Furniture Staff (left to right): Tim Diesburg, Chris Gillmore, Dave Schmitt & Mark Hollenback

PLANT MANAGER: Al Reiter
SUPERVISOR: Tim Diesburg
PRODUCTION COORDINATOR: Chris Gillmore
SENIOR TECHNICIAN: Mark Hollenback
TECHNICIAN: Dave Schmitt

OFFENDERS EMPLOYED: 41 to 66
OFFENDERS HOURS FY11: 98,962 hours

PRODUCTS & SERVICES: School furnishings, library furnishings, boat docks and piers, parks and recreational equipment, office furniture and file cabinets.

Customer Testimonial

Youth Shelter Care of North Central Iowa, Inc.

"I just wanted you to know how much I appreciate the FAST delivery of the tables we ordered on Feb 26th. They arrived today. They are greatly appreciated by students and staff. Please extend a great thank you to the Anamosa IPI staff and workers for the excellent production and the expeditious delivery!!!! I will continue to look to IPI first when I have furniture needs and other needs as well."

- Dennis G Baugh, Executive Director, March 2010

Remembering Chris "Gilly" Gillmore



The IPI family lost a co-worker on October 4, 2011, with the sudden passing of Chris Gillmore at the age of 48.

Chris touched many lives in his short time with us. He was driven to excel and instilled that spirit in offenders and staff alike. Anyone that knew Chris had a deep respect for him.

He was willing to aid those in need and his down to earth personality helped many through difficult times. He enjoyed life to the fullest and was there every day ready to give his best.

Chris loved spending time with his family, racing stock cars, and fixing anything but

most loved working on cars, bowling with friends, telling old stories, working with his co-workers, and talking about it all when we would sit down for lunch each day.

Fall is upon us and the changing leaves remind us of life's cycles. While we are deeply saddened, we know Chris would want us to think of football and his beloved Packers.

Chris had most recently worked in the Metal Furniture shop as the Production Coordinator. Chris started his Corrections career at the Anamosa State Penitentiary in 1983 as an officer. Later he worked in maintenance and for the last thirteen years with Iowa Prison Industries.

Chris will be missed by co-workers, friends and family. He is survived by his wife Marcy, and children Nathaniel, Cassie and Caleb.

Customer Service / Sales Office, Anamosa

The Anamosa Divisions are supported by a fantastic Customer Service and Sales staff. The four staff members assist customers with product questions and order placement, enter orders into the Global ERP system and assist with the coordination of bids, project deliveries and installations. Each staff member concentrates on one or two product areas, although they are all also cross-trained. In FY2011, the Customer Service and Sales office processed over 10,000 orders.

PLANT MANAGER: Al Reiter
 Darcy Austin License Plates
 Teresa Engelbart Signs
 Chris Guy Custom Wood, Metal Furniture
 Diane Hughes Print, Engraving



Customer Service / Sales Staff (left to right): Al Reiter, Chris Guy, Darcy Austin, Teresa Engelbart & Diane Hughes

Business Office, Anamosa

The Business Office provides financial, accounting and IT services to all locations of IPI. This includes accounts receivable, accounts payable, financial statements, internal control and computer services.

MANAGER: Cathy Benedict
 Grace Kurt Internal Controls
 Ann Noska Financial Accountant
 Sandy Bunce Accounts Payable, Fixed Assets
 Jim Conmney Accounts Payable / Receivable
 Pete Quackenbush IT

Warehouse, Anamosa

Anamosa Warehouse and Distribution is responsible for shipping over 10,000 orders annually. The trucks and staff cover the state approximately every two weeks. In addition to routing the deliveries, they maintain three separate warehouse buildings. Raw materials are received at the warehouse and scheduled for transport in to the individual shops within the prison facility.



Warehouse Staff (left to right): Jamey Klostermann, Wayne Schilling & Mike Kuper. Not Shown: Don Chapman, Fred Schilling & Kim Zimmerman

PLANT MANAGER: Al Reiter
 SUPERVISOR: Kim Zimmerman
 SENIOR TECHNICIAN: Wayne Schilling
 TECHNICIAN: Jamey Klostermann
 TRANSPORT DRIVERS: Don Chapman, Mike Kuper, Fred Schilling

Purchasing Staff, Anamosa

Purchasing for the individual divisions of IPI is handled by a staff of three purchasing agents. Each purchasing agent has assigned locations they purchase for, and they work under the direction of the respective plant manager. Bid and quotes are posted to the website for vendors to view and respond to.



Purchasing Staff (left to right): Cindy Reck, Pam Kray & Ruthie Weideman

PURCHASING AGENTS
 Pam Kray Fort Madison, Mount Pleasant
 Cindy Reck Mitchellville, Newton, Corporate
 Ruthie Weideman Anamosa, Rockwell City



Business Office Staff (top to bottom): Sandy Bunce, Grace Kurt, Pete Quackenbush, Jim Conmney, Ann Noska & Cathy Benedict

Shop Highlights



Rockwell City Staff (left to right): Dave London, Doyle Austin, Rita Light & Craig Hilpipe

Rockwell City Operations, Rockwell City

Rockwell City Operations completed one cell project this year and finished out the year adding a production area at the Fort Dodge Correctional Facility to meet the summer's dormitory furniture needs. Additionally, our snow plow and equipment refurbishing program continues to provide value to the state.

PLANT MANAGER: Al Reiter
SUPERVISOR: Dave London
PRODUCTION COORDINATOR: Craig Hilpipe
SENIOR TECHNICIAN: Doyle Austin
TECHNICIAN: Rita Light

OFFENDERS EMPLOYED: 16 to 36
OFFENDERS HOURS FY11: 49,639 hours

PRODUCTS & SERVICES: Metal fabrication and repair, powder coat paint system, sandblasting, detention cell fabrication, equipment repair and refurbishing.

Central Canteen, Newton

The Central Canteen celebrated its tenth anniversary this year. Since inception, the Canteen has grown to process over 1,400 orders daily with an average of 40 offender employees, up from initially processing about 500 orders daily with only 25 offender employees. The Canteen catalog has nearly 1,500 products for offenders to purchase plus offers special holiday promotions such as flowers and gift bags. Currently, the Canteen is working on a new food safety program and adding MP-3 players to its offering.

PLANT MANAGER: Shawn Preston
SUPERVISOR: Chad Squires
TECHNICIANS: Deanna Cross, Dale Schwickerath
TRANSPORT DRIVER: Jim Pinegar

OFFENDERS EMPLOYED: 35 to 43
OFFENDERS HOURS FY11: 74,433 hours

PRODUCTS & SERVICES: Canteen items for offenders, holiday gift bags, flowers.



Newton Canteen Staff (left to right): Deanna Cross, Chad Squires & Dale Schwickerath. Not shown: Jim Pinegar



Mount Pleasant Staff (left to right): Randy Bryant & Laurie Cochran

Furniture Division, Mount Pleasant

The Furniture Division at Mount Pleasant primarily supplements Fort Madison Furniture's dormitory furniture production on an as needed basis. The Division re-opened in February 2011 to assist in manufacturing dormitory furniture for this summer's orders.

PLANT MANAGER: Becky Munoz
SUPERVISOR: Jeff Bailey
SENIOR TECHNICIAN: Randy Bryant
TECHNICIAN: Laurie Cochran

OFFENDERS EMPLOYED: 11 to 44
OFFENDERS HOURS FY11: 18,014 hours

PRODUCTS & SERVICES: Dormitory furniture.

Furniture Division, Fort Madison

Fort Madison primarily manufactures dorm furniture for the Regents Universities, private colleges and community colleges of Iowa. During the summer of 2011, more than 8,000 units were shipped to Iowa State University, the University of Iowa, Iowa Western Community College and several other schools. In addition to dorm furniture, Fort Madison manufactures beautiful office furniture, custom wood furniture, library furniture, and frames for IPI's wood seating lines, as well as refinishes furniture. Included in this operation are two outside warehouses and an office area totalling approximately 67,000 square feet.



Fort Madison Plant Staff (left to right): Craig Ahlen, Aaron Lofthus, Jeff Bailey, Dave Reidner, Seth Essing, Steve Anderson & Becky Munoz. Not shown: Dale Koopman



Fort Madison Office Staff (left to right): Laura Mendez & Shari Long

Textiles Division, Fort Madison

The Textile Division at Fort Madison manufactures sheets, pillowcases, pillows, towels, blankets and mattresses. One of our newer mattresses is produced with a clear vinyl cover that makes it difficult for offenders to hide contraband and allows for easier searches by correctional officers. It has proven to be very popular with correctional institutions.

Another section of Textiles is embroidery and garment printing of apparel. A few of the larger embroidery orders completed this year were uniform shirts for DOC correctional officers, IPI staff and DAS maintenance staff. While garment printing is a fairly new process, it has picked up a lot of interest from agencies and organizations. Unlike traditional screen printing, the ink is embedded directly into the garment, resulting in longer wear with no peeling or flaking.

PLANT MANAGER: Becky Munoz
SUPERVISOR: Jeff Bailey
TECHNICIAN: Steve Anderson

OFFENDERS EMPLOYED: 12 to 19
OFFENDERS HOURS FY11: 25,758 hours

PRODUCTS & SERVICES: Bed and bath linens, mattresses, pillows and embroidered or garment printed office and school apparel.

PLANT MANAGER: Becky Munoz
SUPERVISOR: Jeff Bailey
SENIOR TECHNICIANS: Craig Ahlen, Aaron Lofthus, Dave Reidner
TECHNICIANS: Seth Essing, Dale Koopman

OFFENDERS EMPLOYED: 45 to 69
OFFENDERS HOURS FY11: 101,333 hours

PRODUCTS & SERVICES: Dormitory furniture, office furniture, library furniture, cabinetry, chair frames, custom wood items and refinishing.

Customer Testimonials

Community Action of Siouxland

"We love our mission-style furniture and all the other pieces too! Excellent craftsmanship!"

- Jean Logan, Executive Director, September 2010

Children & Families of Iowa

"Our waiting room bench arrived today. It is beautiful and will work great!"

- Gloria Gray, Executive Director, Children & Families of Iowa, August 2010

Department of Corrections

"Whoever restored our dresser & mirror did so with lots of love & attention to detail. It is now restored to its original beauty. Thank You!"

- Dr. Dan Venker, November 2010

Tourism Division, Fort Madison

While the Tourism Division was once a two-shift operation averaging 1,000 phone calls daily in 1999, it is now only a one-shift operation as phone calls have diminished largely due to the Internet. Responsibilities of this division include answering call center phones as well as processing phone and internet orders from the tourism office for materials and sending those materials out to customers. The Tourism Division also sends out numerous brochures and maps on a monthly basis to Iowa's Welcome Centers.

PLANT MANAGER: Becky Munoz
SUPERVISOR: Jeff Bailey
TECHNICIAN: Steve Anderson

OFFENDERS EMPLOYED: 2 to 5
OFFENDERS HOURS FY11: 5,671 hours

PRODUCTS & SERVICES: Answer incoming phone calls and mailing tourism materials.

Shop Highlights



Sales & Marketing Staff (left to right): Michael O'Brien, Scott Klinefelter, Bob Fairfax, Ann Baughman, Dennis Barry & Kevin Peterson.

Sales & Marketing Office, Des Moines

The Sales & Marketing Team is based out of the Des Moines Sales Office and Showroom, which opened in November of 2009. The Showroom, named the Baysden Building after prior IPI Director Roger Baysden, provides nearly 8,000 square feet of display area to showcase IPI products. IPI Sales Representatives travel the State to meet the needs of our customers for Iowa Prison Industries products and services.

MANAGER: Bob Fairfax
MARKETING: Ann Baughman
SALES REPRESENTATIVES: Dennis Barry, Scott Klinefelter, Michael O'Brien, Kevin Peterson

Moving & Installation, Des Moines

The Moving and Installation Program started in 1997 to install modular office systems on the State Capitol Complex. Over the years, it has grown from "3 men and a truck" into a full-fledged service program that at any given time employs up to 100 offenders. This program handles office moves and reconfigurations, moves entire schools, installs thousands of dorm room furniture pieces, performs lawn care and landscaping, building demolitions and basic warehouse projects. Projects are completed utilizing offender workers supervised by IPI staff.

MANAGER: Clint Schmidt
PRODUCTION COORDINATOR: Bob Mesecher
TECHNICIAN: Dan Crook

OFFENDERS EMPLOYED: Up to 100
OFFENDERS HOURS FY11: Over 19,000 hours

PRODUCTS & SERVICES: Modular office system installation, furniture installation, office and school relocations, lawn care and landscaping and building demolition.



Des Moines Staff (left to right): Bob Mesecher, Clint Schmidt & Dan Crook

Federal Surplus, Des Moines

Iowa Prison Industries began operating the Iowa Federal Surplus Program in 2007. Federal Surplus searches, requests, and distributes federal property to qualified governmental agencies and a select group of not-for-profits. Offender labor, supervised by IPI staff, is utilized to receive, repair, and inventory federal property, making it available for qualified customers at an affordable cost.

Customer Testimonials

Fontanelle Public Library

"Dan's team was very quick and hardworking. We had a few unexpected issues come up during installation that were resolved quickly. I was impressed with how hard the team went up and beyond their jobs to secure our cabinets to insure safety. We all appreciate the fun and hardworking attitude Dan's team had. Thank you for a great job done! They even vacuumed afterwards and took out the trash! GREAT!"

– Kristen Jensen, Board Member, June 2011

Office of Consumer Advocate

"The team of men worked outstanding together. They were conscientious, hardworking individuals. I could not have been more impressed with each of their work ethics! Great bunch to be around, and I appreciated their efforts and kindness."

– Karen Finnegan, Secretary, November 2010

Panels & Seating Division, Mitchellville

Panels & Seating finished a very busy year in seating production, manufacturing more than 6,000 pieces of furniture (about 2,000 more than the previous year). Notable orders included over 200 seating items for Grand View University and almost 1,000 pieces for Iowa State University. Orders for modular furniture have continued to decrease due to limited budgets. The Panels & Seating Division continues to search for new seating lines to keep our offering in-line with current industry trends.



Mitchellville Staff (left to right): Dennis Piotraschke, Mike Spooner, Karyn Hartwig-Evans, Shawn Preston & Brian Sickels

PLANT MANAGER: Shawn Preston
SUPERVISOR: Mike Spooner
TECHNICIAN: Dennis Piotraschke
ADMINISTRATIVE: Karyn Hartwig-Evans
TRANSPORT DRIVER: Brian Sickels

OFFENDERS EMPLOYED: 15 to 19
OFFENDERS HOURS FY11: 33,017 hours

PRODUCTS & SERVICES: Office and lounge seating, modular office systems and reupholstery.

Customer Testimonial

Scattergood Friends School

"We just got the couch delivered yesterday - what a great thing! It's beautiful and such professional work done on the frame and upholstery. Staff and students love it. I even hear the students who, at one time, plopped on our old "surplus" couch say to others - be sure to sit down nice and don't put your feet on it. I do appreciate all your help with this and will contact you in the future when we're ready to replace other items.

- Beth Goodwin, Office Manager, August 2010

Housekeeping & Chemicals Division, Mitchellville

During this year, the Housekeeping and Chemicals Division added two new lines of floor care; one is a green-certified line and the other consists of conventional floor care products. The Division continues to expand its customer base for environmentally friendly cleaning chemicals as well as EPA regulated items such as disinfectants. Used drums are being recycled into rain barrels for purchase by organizations and

individuals. Currently the shop is working with our vendor partners on our own house brand of Green Seal Certified chemicals.

PLANT MANAGER: Shawn Preston
SUPERVISOR: Mike Spooner
TECHNICIAN: Dennis Piotraschke
ADMINISTRATIVE: Karyn Hartwig-Evans
TRANSPORT DRIVER: Brian Sickels

OFFENDERS EMPLOYED: 3 to 5
OFFENDERS HOURS FY11: 6,923 hours

PRODUCTS & SERVICES: Green certified cleaning chemicals, chemicals for general cleaning, floor care and personal care, paper products and supplies.

Textiles Division, Mitchellville

The Textiles Division originally only manufactured denim jeans for Iowa's offender population, but this year added offender denim jackets to its line. Iowa State University also ordered over 1,500 custom designed curtains for their wardrobes from Textiles. The division is currently working on expanding into scrubs and jumpsuits for Iowa's institutions.

PLANT MANAGER: Shawn Preston
SUPERVISOR: Mike Spooner
TECHNICIAN: Dennis Piotraschke
ADMINISTRATIVE: Karyn Hartwig-Evans
TRANSPORT DRIVER: Brian Sickels

OFFENDERS EMPLOYED: 21 to 28
OFFENDERS HOURS FY11: 48,942 hours

PRODUCTS & SERVICES: Jeans, denim jackets and curtains, framing and quick copy services.

Picture framing and quick copy services also fall into the Textiles Division; this year several large frame projects were completed for the Governor's Office, the Iowa Lottery and the Golden Dome Awards.

Plastics Division, Mitchellville

The Plastics Division produces a wide variety of plastic bags: biodegradable bags, bags with recycled content, biohazard bags and food storage bags. Sales continue to increase for biodegradable bags as customers look for more environmentally friendly options. Customer imprinted bags can also be provided by this division and have been ordered by numerous Iowa cities.

PLANT MANAGER: Shawn Preston
SUPERVISOR: Mike Spooner
TECHNICIAN: Dennis Piotraschke
ADMINISTRATIVE: Karyn Hartwig-Evans
TRANSPORT DRIVER: Brian Sickels

OFFENDERS EMPLOYED: 2 to 5
OFFENDERS HOURS FY11: 6,919 hours

PRODUCTS & SERVICES: Plastic bags.

Marketing Communications



Sales Office / Showroom

The Sales Office & Showroom moved to its new home in November 2009, and in early 2011, was named the Baysden Building after prior IPI Director Roger Baysden. Providing nearly 8,000 square feet of product display area, the majority of the products IPI produces are on display at the showroom. This has made it an ideal place for customer groups, along with architects and designers, to meet and review product selections for building projects. IPI also hosts a number of events and meetings at the Showroom throughout the year to keep our customers up-to-date on new product offerings.



Web Site Development

Since its inception in 2001, the IPI website (www.iaprisonind.com) has undergone a number of updates to take advantage of current technology and to accommodate our customers' changing needs. Over the years, the focus of the website has evolved from primarily providing product information to the preferred method for customers to place orders with IPI. As more of our customers turn to the website to place orders, it was recognized that a more powerful order processing system is necessary. During FY2012, a new e-commerce based website will be developed and open for business. The advanced shopping cart system will increase customer order placement efficiency and accuracy. Long-term goals for the new website include expanding the product offering from furniture and consumables to other product lines such as signs and printing.



Direct Mail & Email Marketing

Iowa Prison Industries utilizes a combination of direct mail efforts and email communications to keep our customers informed of specials, new products and other announcements. The type of effort depends on the customer group and products being promoted. Efforts are often coordinated with trade shows to draw more customers to our booths or are timed to increase orders during slower production times. On average, two to three efforts are prepared monthly. IPI also utilizes our vendor partners for assistance with marketing efforts.

Trade Shows

Iowa Prison Industries hosts exhibit booths at 10 to 15 trade shows each year. Trade shows are invaluable in reaching a wide audience in a short amount of time. Trade show displays and materials are customized to each attendee group to promote relevant products and services.

About Farms

Iowa's Prison Farms hearken back more than 100 years in Anamosa and Fort Madison. Today, farms are maintained at six correctional institutions and three DHS facilities, and total nearly 5,000 acres. Of this, about 2,000 acres are pasture and timber.

Like the other Iowa Prison Industries divisions, IPI Farms receive no government appropriation and are 100% self funding. IPI Farms operate using a dedicated revolving fund, and must manage their payroll and cashflow much like any main-street business.

Although IPI Farms pay local property taxes (more than \$181,000 over the past four years!), they are not eligible for farm subsidies, loan deficiency payments or other government programs.

IPI Farms share the Mission to employ inmates and teach them valuable skills, in order to facilitate their return to society. Virtually all inmates working for IPI Farms do indeed return to society, since these offenders work "outside the walls" and are typically in the final stages of supervision prior to their release.

While working for IPI Farms, inmates are taught a variety of skills, and gain knowledge of agriculture that can be used upon re-entry into the workforce. Offenders learn about livestock and crop management, as well as a variety of carpentry skills.

Like any other farmer, an inmate's typical day at IPI Farms might consist of repairing fencing, working cattle, baling hay, cutting brush, or operating equipment such as tractors and skid loaders.

Some special projects that were completed this past year include:

- Replacement of concrete bunks in Anamosa;
- Construction of a new building in Newton for hay and equipment storage;
- New drainage tile in Eldora and Independence, and repairs to tiling in Anamosa and Eldora;
- Tree removal and cleanup at Independence;
- Repairs to stock ponds at Newton;
- New fencing and fencing repairs in Anamosa, Fort Madison and Newton;
- Repairs to the pond at the Anamosa Dairy Barn;
- Repairs to the dikes at Newton, following damage from the 2010 floods;



Pond repaired near the Dairy Barn farm location in Anamosa.



Inmates constructed this new building at Newton for equipment and hay storage.

Since 2006 IPI Farms have provided 71,855 inmate training hours!



Farms Staff (left to right): Bob Carlson, Darrel Arrowood, Jeff Buford, Jed Kinion, Mike Lynch, Julie Schaefer, Julie Nassif & John Lynch. Not shown: Jerry Burdette

Financial Statements: Traditional Industries

Traditional Industries FY 2011 vs FY 2010

Income Statement

Income Statement	FY 2011	FY 2010	Increase / (Decrease)
Sales	20,792,652	20,283,528	509,124
Cost of Goods Sold	<u>15,269,681</u>	<u>15,720,266</u>	<u>(450,585)</u>
Gross Profit	5,522,971	4,563,262	(959,709)
Operating Expenses	3,990,584	3,843,230	147,354
Canteen Redistribution	483,617	427,423	56,194
Net Sustainable Income / (Loss)	1,048,770	292,609	756,161

Balance Sheet

	FY 2011	FY 2010	Increase / (Decrease)
ASSETS			
Current Assets			
Cash	2,989,645	2,901,560	88,085
Accounts Receivable	2,547,006	2,292,961	254,044
Inventory	7,955,416	7,093,605	861,811
Prepaid Expense	<u>16,179</u>	<u>16,115</u>	<u>64</u>
Total Current Assets	13,508,246	12,304,242	1,204,005
Property, Plant & Equipment			
Land	222,666	222,666	0
Machinery & Equipment	1,300,814	1,392,743	(91,929)
Buildings	3,213,789	3,241,298	(27,508)
Vehicles	<u>244,646</u>	<u>313,888</u>	<u>(69,243)</u>
Total Property, Plant & Equipment	4,981,915	5,170,595	(188,680)
TOTAL ASSETS	18,490,161	17,474,837	1,015,324
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable	973,244	920,840	52,404
Deferred Revenue	<u>2,409</u>	<u>24,669</u>	<u>(22,260)</u>
Total Current Liabilities	975,653	945,509	30,144
Long Term Liabilities			
Accrued Vacations Payable	539,272	534,528	4,744
Accrued Sick Leave Term/Ret Pay	121,154	55,076	66,078
SERIP/SLIP Cash Payment	224,259	0	224,259
SERIP/SLIP Insurance Payment	<u>336,656</u>	<u>0</u>	<u>336,656</u>
Total Long Term Liabilities	1,221,342	589,605	631,738
Total Equity	16,293,166	15,939,724	353,442
TOTAL LIABILITIES & EQUITY	18,490,161	17,474,837	1,015,324

Financial Statements: Private Sector

Private Sector Program FY 2011 vs FY 2010

	FY 2011	FY 2010	Increase / (Decrease)
Offenders Employed	170	111	59
Total Hours Worked	258,833	158,168	100,665
Gross Wages	2,317,264	1,348,774	968,490
Taxes, FICA, Medicare	408,418	235,101	173,317
Child & Family Support	153,487	77,364	76,123
Victim Compensation & Restitution	352,059	216,213	135,846
Other Miscellaneous	82,350	42,562	39,788
Inmate Account (20%)	457,365	266,584	190,781
General Fund Offset, Institutions	863,585	510,950	352,635

Since inception, Private Sector programs have returned \$10.9 million to the State of Iowa.

Iowa Private Sector Employment Works!

In a recent study conducted by Cindy J. Smith, Ph.D., of the University Baltimore, her final report submitted to NIJ described findings from a multi-state study, including Iowa. The following highlights the findings from the Iowa sample, which tracked 1,091 inmates who worked in private sector prison industries jobs and were released from prison between 1999 and 2001, and compared their results with similar offenders who had worked in either traditional prison industries or other institutional jobs. All offenders were tracked through mid-2003. This results in a follow-up period of slightly less than two years up to four and one-half years.

Fact #1: Private sector prison workers are **significantly more likely to get jobs following release**. 80% of private sector prison workers obtained employment within the first quarter upon release, compared to 60% of the other groups. Just 11% of private sector prison workers did not have reported earnings on follow-up, compared with 21% and 27% of the other groups.

Fact #2: Private sector prison workers are **significantly more likely to be continuously employed following release**. 49.2% of private sector prison workers were employed for one year or more continuously, compared to 43.9% and 45.6% of the other groups.

Fact #3: Private sector prison workers **retained employment significantly longer** than the comparison groups, based on survival analysis of the employment data described above.

Fact #4: Private sector prison workers **earn higher wages**. Mean wages for private sector prison workers over 6.6 quarters were \$4,381 to \$5,620 higher than the comparison groups.

Fact #5: Private sector prison workers are **significantly more likely to stay out of prison**, compared to offenders who were not involved in prison industries while incarcerated. 95.5% of private sector prison workers, and 95.6% of the traditional prison industries comparison group remained out of prison during the follow-up period, compared to 91.2% of the comparison group who had other institutional job assignments.

What this means: IPI's private sector prison employment program **helps released offenders become taxpaying citizens faster and remain employed longer** than similar offenders who did not work in private sector prison jobs, and **reduces their likelihood of returning to prison. These findings demonstrate private sector prison employment is an effective means to successful offender reentry into the community.**

Iowa Leads The Nation In Rehabilitation!



Private Sector Staff: Maria Contreras

Financial Statements: IPI Farms

Farms CY 2010 vs CY 2009

Income Statement

	CY 2010	CY2009	Increase / (Decrease)
Sales	1,194,714	1,327,607	(132,893)
Cost of Goods Sold	<u>597,025</u>	<u>714,107</u>	<u>(117,082)</u>
Gross Profit	597,689	613,501	(15,811)
Operating Expenses	563,795	621,805	(58,010)
Net Sustainable Income / (Loss)	33,894	(8,304)	42,198

Balance Sheet

	CY 2010	CY 2009	Increase / (Decrease)
ASSETS			
Current Assets			
Cash	383,629	419,144	(35,515)
Accounts Receivable	0	23,013	(23,013)
Total Other Current Assets	<u>1,020,768</u>	<u>878,338</u>	<u>142,430</u>
Total Current Assets	1,404,397	1,320,496	83,902
Fixed Assets			
Total Automobiles & Trucks	47,496	59,514	(12,018)
Total Farm Buildings	395,511	417,278	(21,767)
Total Mach/Equip/Purch Breeding Stock	<u>631,430</u>	<u>635,462</u>	<u>(4,033)</u>
Total Fixed Assets	1,074,437	1,112,255	(37,817)
Other Assets			
Land	430,203	430,203	0
Prepaid Expenses	139,212	92,233	46,978
Other Misc	<u>(10,487)</u>	<u>(220)</u>	<u>(10,267)</u>
Total Other Assets	558,928	522,217	36,711
TOTAL ASSETS	<u>3,037,763</u>	<u>2,954,967</u>	<u>82,796</u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable	17,724	14,892	2,833
Other Current Liabilities			
Current SERIP Insurance Payment	4,285	0	4,285
Deferred Revenue	<u>48,748</u>	<u>62,627</u>	<u>(13,879)</u>
Total Other Current Liabilities	53,032	62,627	(9,594)
Total Current Liabilities	70,757	77,518	(6,762)
Long Term Liabilities			
Accrued Sick Leave Term/Ret Pay	0	2,153	(2,153)
Accrued Vacations Payable	45,743	51,918	(6,175)
Non-Current SERIP Cash Payment	28,992	0	28,992
Non-Current SERIP Insurance Pmt	<u>35,000</u>	<u>0</u>	<u>35,000</u>
Total Long Term Liabilities	109,735	54,071	55,663
Total Liabilities	180,491	131,590	48,901
Total Equity	<u>2,857,271</u>	<u>2,823,377</u>	<u>33,894</u>
TOTAL LIABILITIES & EQUITY	<u>3,037,763</u>	<u>2,954,967</u>	<u>82,796</u>

Products & Services



Seating

Executive, Conference, Office & Task, Guest, Stackable, Stool, Education, Lounge, Restoration



Filing & Storage

File Cabinets, Bookcases, Literature Display, Storage Cabinets, Specialty Storage, Custom Cabinets & Countertops



Library Furnishings

Circulation Desks, Bookcases & Shelving, Display & Storage, Tables, Seating



Church Furnishings

Pews & Seating, Pulpits & Lecterns, Tables, General Furnishings, Furniture Restoration



Parks & Recreation

Wood, Metal & Aluminum Seating & Tables, Trash Receptacles, Smokers' Receptacles, Bike Racks, Parking Lot Products, Grills, Docks & Piers



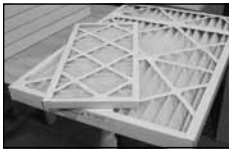
Office & School Apparel

Embroidery & Garment Printing, Knits, Wovens, T-Shirts, Activewear, Outerwear, Headwear, Briefcases & Bags, School Uniforms



Plastic Bags

Biodegradable, Recycled Content, Printed, Biohazard, Food Storage



Air Filters

Standard & High Capacity Pleated, Polyester Pad, Synthetic Pocket



Printing / Graphic Arts

Newsletters, Calendars, Annual Reports, Brochures, Business Cards, Letterhead, Envelopes, Forms, Specialty Items, Mail Services, Rubber Stamps



Braille Transcription

Book & Music Transcription, Duplication



Federal Surplus

Acquires & Makes Available to Iowa Organizations Excess Federal Vehicles & Equipment



Desks & Tables

Wood & Metal Office Systems, Modular Office Systems, Desks, Conference, Computer, General Use, Folding



School Furnishings

Classroom, Computer Lab, Science Lab, Music Room, Library, Multi-Purpose, Audio/Visual, Office & Administration, Buildings & Grounds, Outdoor Equipment



Residence Furnishings

Residential & Dormitory Beds & Accessories, Clothes Storage, Student Desks & Accessories, Lounge Furnishings



Detention Furnishings

Beds & Accessories, Mattresses, Seating, Tables, Dining Clusters, Storage



Furniture Restoration

Wood Refinishing, Metal Refurbishing, Reupholstery



Inmate Clothing & Textiles

Jeans, Scrubs, Jackets, Shirts, Undergarments, Mattresses, Bedding, Bath, Dietary Apparel, Laundry Bags



Chemicals & Cleaning Supplies

Green Seal Certified, General, Floor Care, Warewash, Laundry, Health Care, Germicidal



Signs & Decals

No Smoking, MUTCD, Street Markers, Destination, Recreation, School Spirit, Custom, ADA Pictograms, Decals, Vehicle Markings



Retirement Gifts / Engraving Services

Nameplates, Plaques, Recognition Boards, Acrylic Awards, Clocks, Drinkware, Pen & Pencil Sets, Custom Engraving



Moving & Install

Moving & Installation of Offices, Furniture, Miscellaneous Items

Total Satisfaction Guarantee

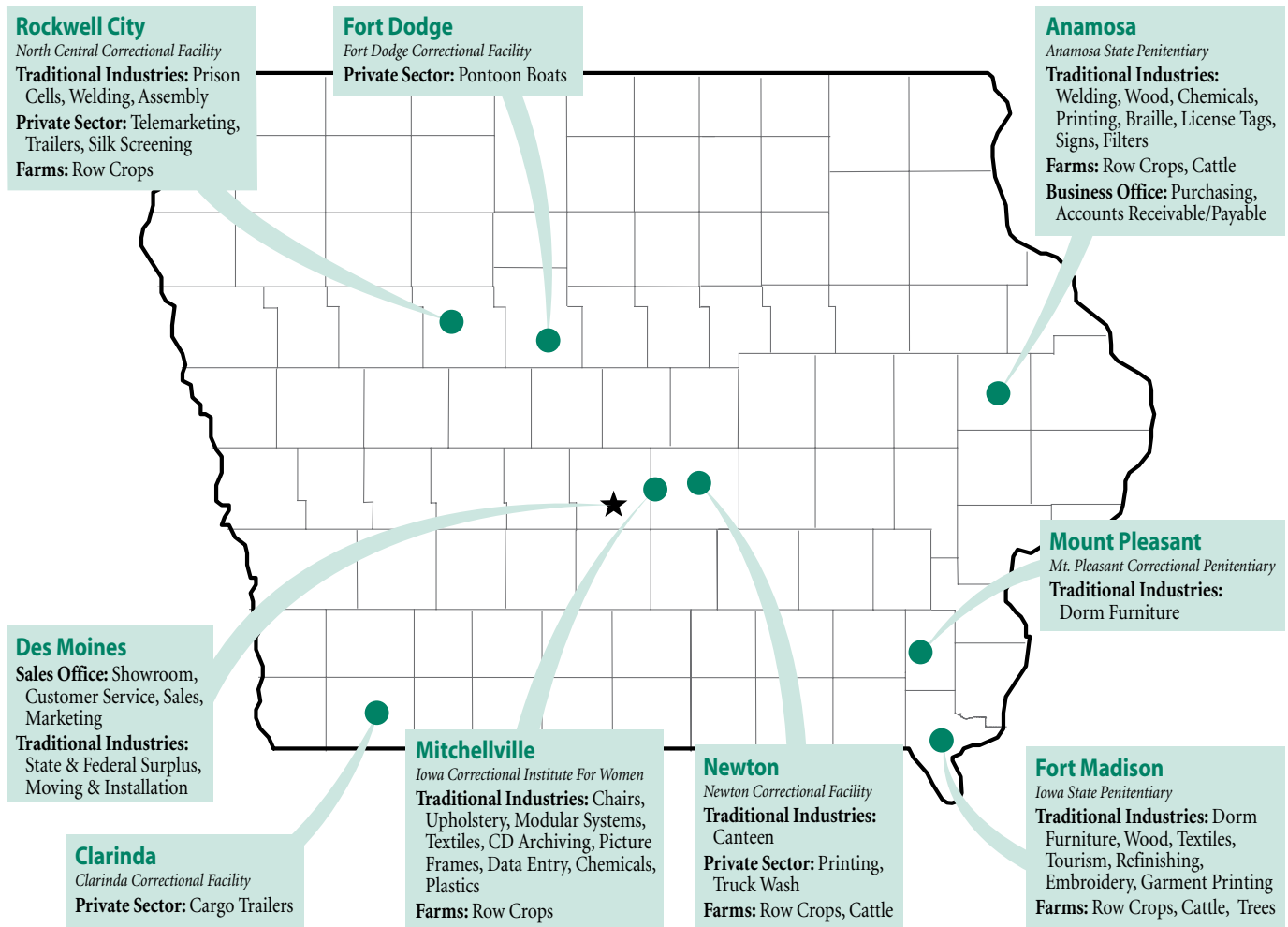
"We guarantee your Total Satisfaction on all purchases from Iowa Prison Industries! If you are unsatisfied with the quality of the materials or workmanship, we will adjust, repair or replace to YOUR satisfaction."

--Dan Clark, Director IPI



Iowa Prison Industries

Locations & Contact Information



Sales Office / Showroom

1445 E Grand Avenue
Des Moines, IA 50316
In Iowa: 800-670-4537
Fax: 515-242-5779

Robert (Bob) Fairfax, 515-242-5778
Director of Sales & Marketing

Dennis Barry, 515-242-5773
Furniture, Central Iowa & Capitol Complex

Scott Klinefelter, 515-242-5776
Furniture & Consumables, Western Iowa

Michael O'Brien, 319-350-5445
Furniture, Eastern Iowa

Kevin Peterson, 319-350-8536
Consumables, Eastern Iowa

Anamosa Sales Office

Signs: 800-336-5863
License Plates: 800-336-5863
DHS Forms: 800-432-1963
Print/Graphic Services: 800-432-1963
Braille Transcription: 800-332-7922

IPI Plants

Anamosa: 800-332-7922
Fort Madison: 800-382-0019
Mitchellville: 515-967-8884
Mount Pleasant: 319-385-1730
Newton: 641-791-9242
Rockwell City: 712-297-7717

Business Office

406 North High Street
Anamosa, IA 52205
Phone: 319-462-3504
Fax: 319-462-2158

Purchasing Office

406 North High Street
Anamosa, IA 52205
Phone: 319-462-3706
Fax: 319-462-2158

Federal Surplus Property

600 SE 18th Street
Des Moines, IA 50317
Phone: 515-266-6913

Move & Installation Services

600 SE 18th Street
Des Moines, IA 50317
Phone: 515-266-6913

IPI Farms

406 North High Street
Anamosa, IA 52205
Phone: 319-462-3504 x7708