

**REPORT OF THE
JOINT GOVERNMENTAL OPERATIONS SUBCOMMITTEE ON
JUSTICE AND PUBLIC SAFETY MEETING**

Tuesday January 20, 2004

The Justice & Public Safety Subcommittee accepted the following reports:

Department of Juvenile Justice and Delinquency Prevention

- **Report on Progress in Harvesting Timber at Samarkand Youth Development Center:** The Department reported on a project authorized by the legislature to sell timber at Samarkand and to use the proceeds for Samarkand repair and renovation needs. DJJDP will contract for a forester in February, issue an RFP in April to select a timber management firm to harvest the trees, and begin harvesting the trees by late spring or early summer. The forester will assess value and make recommendations on timber cutting techniques and reseedling methods.

Department of Justice

- **Report on Background Checks for Concealed Handgun Permits:** The Subcommittee received the annual report from the Department of Justice on the number and cost of background checks for concealed handgun permits. The Department performed 12,133 checks, collected \$568,827 in receipts, and received and approved 412 applications for firearm safety courses.
- **Summary of Settlements Disbursed:** The Chief of Staff reported on five settlement agreements in favor of the State due to activities of the Medicaid Fraud Unit. These cases were settled between September and December 2003; the North Carolina Medicaid Program received \$3.3 million in restitution and the Civil Penalty Forfeiture Fund will receive \$2.9 million. In federal fiscal year 2002-03, the Unit investigated 72 cases and recovered more than \$14 million. In response to a previous request from the Subcommittee, the Department provided a list of all cases in the Consumer Protection Division that were settled or judged in favor of the State since 1997. Settlement and award amounts totaled \$62 million, plus attorney fees and civil penalties of just less than a million dollars each.
- **Report of Settlement in N.C. Monroe Construction Co. v. State of North Carolina:** The Deputy Director for Legal Services reported on the settlement of a case against the State in the amount of \$3.7 million. Monroe Construction had filed suit against the State for breach of contract for work resulting from the 1990 Prison and Youth Facilities Bonds. Superior Court entered summary judgment in favor of the State, but was overturned on appeal. A *writ of certiorari* to the State Supreme Court was denied. The Subcommittee asked questions about the amount of funds paid and the source of funds. DOC lapsed salaries will be used to pay the \$3.7 million.
- **Report on Cost Increase in SBI Lab Renovation Project:** The Subcommittee received a letter report from the Office of State Budget and Management and additional information from the SBI Director and committee staff on an increase in the cost of

renovating the SBI Lab basement. The purpose of the project is to provide space for additional molecular geneticists appropriated in the 2003-05 Budget to implement HB 79 (expand DNA testing to all convicted felons). The Department initially estimated a cost of \$500,000. After receiving approval for a cost increase from the Office of State Budget and Management, the Department entered into a contract with a vendor for \$1.1 million. Total estimated cost with design fees and contingencies is \$1.3 million. Committee members expressed concern that the basement renovation had increased significantly in cost and would not fully accommodate the space needs of the SBI lab.

- **Request to Use Seized and Forfeited Assets:** The Subcommittee approved requests from the Director of the State Bureau of Investigation to use approximately \$340,000 in federal seized and forfeited assets in FY 2003-04 and \$190,000 in FY 2004-05. The Bureau will use these funds as the 25 percent state match for grants for clandestine lab response vehicles; equipment and supplies for clandestine labs, new DNA agent positions, and Crime Scene Search Specialists; and, training for polygraph operators.

Department of Crime Control and Public Safety

- **Request to Use Seized and Forfeited Assets:** The Subcommittee approved a request from the State Highway Patrol to use \$362,259 in federal seized and forfeited asset receipts to purchase 74 portable radios with vehicular chargers and batteries. The radios will be assigned to troopers throughout the state.

Department of Correction

- **Status of Closed Custody Beds and Jail Backlog:** The Subcommittee discussed reasons for delays in moving inmates into the three new 1,000 bed prisons. The primary delay has been at Lanesboro due to staff recruiting problems. Lanesboro is adjacent to Brown Creek Correctional Center therefore cutting into the available labor pool. DOC has stepped up recruiting in South Carolina and hired a contract recruiter to improve hiring. Scotland has had only minor delays but did experience temporary problems with the Electronic Intrusion System. The Subcommittee noted that contractors should pay for any delays that are the fault of contractors.

The Subcommittee also discussed whether the prison to be constructed in Columbus County should be exempted from certain provisions of the new N.C. building code. DOC is hopeful that some of the requirements, such as sprinklers in each cell and construction to withstand a higher level of seismic shock, can be negotiated with the Department of Insurance.

The jail backlog rate will continue to go down as more inmates are moved into new prisons but it is estimated that expenditures will total close to \$12 million in 2003-04. Jail backlog is \$40 a day and is paid out of lapsed salary.