

	State of Alaska	Index #: 815.05	Page 1 of 1
	Department of Corrections Policies and Procedures	Effective:	Reviewed:
		Distribution: Public	Due for Rev:
	Chapter: Recreation and Prisoner Activities		
Subject: Prisoner Businesses			

Policy

- A. The Department will, upon request, permit a prisoner to conduct or operate a business or business service if the prisoner operated that same business before he or she was incarcerated, the business does not present a foreseeable risk of harm to the public, and it is unlikely that the prisoner or the business will interfere with the security and orderly administration of the institution. A prisoner who has not operated a business or business service prior to incarceration, may, in the deputy commissioner's discretion, be permitted to operate a business or business service.
- B. The Department will evaluate a prisoner's application to operate a business on the following factors:
 1. the prisoner's criminal history;
 2. type of business (whether it presents a risk of harm to the public);
 3. volume of phone calls, mail, or visits which may be required to operate the business;
 4. time remaining on the prisoner's sentence;
 5. prisoner's custody and security level; and
 6. prisoner's behavior while incarcerated.

Procedures

- A. General
 1. A prisoner business may be a profit or non-profit commercial, industrial, or professional enterprise. A prisoner "operates" a business if the prisoner directs, manages, or participates in running the business, including but not limited to: contacting customers by telephone, mail, or in person; providing goods or services; maintaining financial records; and complying with federal, state, and local government regulations.
 2. Prisoners who operate businesses may not receive any additional rights or privileges. The Department will not excuse prisoners from any required work, assignment, or schedule, or from complying with any departmental policies or institutional standard operation procedures (SOPs).
 - B. Applying to Operate a Business. A prisoner who wants to operate a business must submit a completed application form (815.05A) to his or her probation officer (P.O.). The application must include a signed contract or letter of agreement addressing business finances under section E. below.
 1. P.O. Packet. The probation officer shall prepare and submit an application packet to the superintendent within 30 days of receiving the prisoner's application. The packet must include the prisoner's application, presentence report, and most recent classification matrix. The probation officer must also include a summary of the prisoner's behavior that is not reflected on the matrix. The probation officer may request staff input concerning the prisoner's application.
 2. Approval or Denial of Application
 - a. The superintendent shall recommend the approval or denial of the application in writing within 10 *working days* after its receipt and forward the packet to the Director of Institutions.
-

- b. The Director of Institutions shall either approve or deny the application within 10 *working days* of its receipt. The director's decision is final, except when a prisoner submits an application under section C below. In that case, the director must forward a recommendation to the deputy commissioner within 10 working days of its receipt.
 3. Filing. Staff must file the applications packet and final decision in the prisoner's case record.
 - C. Exceptions. The deputy commissioner will make the final decision on a prisoner's application if the prisoner applies to operate a business that he or she did not operate before incarceration.
 - D. After Application Approval. Before transacting any business, a prisoner must give the superintendent or designee a list of all prospective customers (form 815.05B) and a copy of letters (form 815.05C) and envelopes addressed to each of them. The superintendent or designee shall initial the names of these customers and file the list in the prisoner's case record. The prisoner must send prospective customers a copy of the letter (form 815.05C) before the prisoner may conduct business with the customer.
 1. A prisoner is subject to disciplinary action or revocation of permission to operate the business for conducting any business with a person that the superintendent has not pre-approved.
 - E. Business Finances
 1. Prisoners must have an agent outside the Department to handle all business financial transactions, e.g., payment for goods or services. Prisoners must submit a copy of a signed contract or letter of agreement that provides for this service along with their application in section B above.
 2. A prisoner may not accept any payment for goods or services until after the business has delivered or the customer or client has received the goods or services in full.
 - F. Business Operation
 1. Business Losses. The Department is not liable for a prisoner's loss of business or business income if the prisoner loses phone, mail, or visiting privileges, or the Department transfers the prisoner to another facility or revokes/suspends the prisoner's business operation.
 2. Licenses and Taxes. The prisoner is responsible for renewing business licenses, filing federal, state, or local tax forms, and complying with government regulations to operate a business. The prisoner must give the P.O. a copy of the business' federal tax form and State of Alaska business license renewal each year. The P.O. shall review and file these documents in the prisoner's case record.
 3. Mail. A prisoner must clearly mark all outgoing business correspondence as "business mail" and include the name of the prisoner, institutions, and business. Prisoners, including indigents, are responsible for all postage costs of business correspondence.
 - G. Suspension or Revocation. The superintendent may suspend or cancel a prisoner's business operation if the superintendent reasonably believes that the business presents a foreseeable harm to the public or interferes with the security and orderly administration of the institution.
 1. The superintendent may request that a certified public accountant audit the business at the prisoner's expense if the audit might alleviate the Department's concern in section G above. If the prisoner refuses such a request, the superintendent may consider this fact in deciding whether to suspend or cancel the business operation.
-

2. The superintendent shall notify the prisoner in writing of the reasons for the suspension or revocation and file a copy of the notice in the prisoner's case record.
3. The prisoner may appeal the superintendent's decision to the Director of Institutions. See policy #808.03, Prisoner Grievances.
4. The superintendent or designee shall provide any information to the Better Business Bureau that might affect the prisoner's standing.

July 7, 1995
Date

Margaret M. Pugh
Margaret M. Pugh, Commissioner
Department of Corrections

Authority

Cleary Final Order, 3AN-81-5274 CIV, September 1990

Applicable Forms:

815.05A

815.05B

815.04C

815.05D

Authorization/Release for Better Business Bureau

Authorization/Release for Internal Revenue Service

Authorization/Release for Department of Commerce and Economic Development
