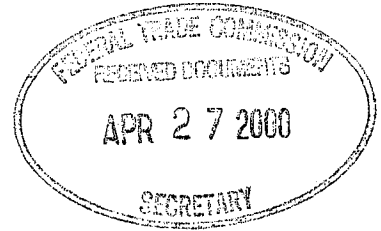


Before the
Federal Trade Commission
Washington, DC



File No. P994414

Telemarketing Review

Re: Telemarketing Review—Public Comment. FTC File No. P994414

TO THE COMMISSION;

My name is April Jordan. I urge the Commission to amend the Telemarketing Sales Rule, 16 CFR 310 ("Rule"), to address a serious problem my family has experienced.

Summary of Comment

My family is the victim of prisoners in the Utah state prison system, who have been hired by a private telemarketer to sell goods to people across the country. The nature of the telemarketing plan permits criminals to obtain and use personal data on individuals—including children—without any idea that they are giving private information to criminals.

It is my belief that anyone who is called by a prisoner should be told that fact very clearly at the beginning of the first call, and in every later contact. Similarly, the failure of the telemarketer to make this information clear is both deceptive and abusive.

The Commission should amend the Rule to expressly prohibit telemarketing that uses prisoners without full disclosure.

Facts

There was a letter addressed to my minor daughter in our mailbox on February 22, 2000. The return address was the Utah State Prison in Draper, Utah. I spoke to friends that had access to the internet and asked if my daughter had at anytime entered a chat room while visiting them. All of their responses were negative. I questioned my daughter concerning any phone calls during which information might have been requested from her. She said that there had been a call for me, but that he would call again later.

On February 25, 2000, I placed a call to the Utah State Prison. The Shift Commander on duty took my inquiry very seriously and stated he would call back after speaking to the inmate listed in the letter.

The evening of February 28, 2000, the Shift Commander called our home to inform us of the primary investigation. The inmate had received my daughter's personal information from another inmate who was employed by SandStar, a telemarketing company. (Attachment I. and III.) During the conversation, the Shift Commander stated that the employees of the prison system were very concerned about the use of inmates as telemarketers, to the point that prison rules require the telemarketing companies ban any and all prison employee's information from their database(s) for security purposes.

The inmate that spoke to my daughter was terminated from his job, had his cell searched, and was placed in lockdown. The mailroom was put on alert to intercept any

outgoing mail with my family's address. The Shift Commander stated that SandStar had wanted to contact us. I said that I never wanted SandStar to contact my home again, but that he was to call me at work to discuss the issue further. (see Attachment I)

When this phone call ended, I spoke with my daughter about the letter and the seriousness of the infraction committed by the inmate, along with the reasons to never give out personal information to anyone, either in person or by phone.

March 2, 2000, I sent an email requesting additional information from the Shift Commander. I wanted to know how this could happen if a monitoring system was currently in place for the purpose of preventing this type of abuse. I also wanted to find out the status of the investigation and if any charges had been filed. I received an update on the investigation via email on March 4, 2000. The Shift Commander sent me emails on March 8, 2000 and later on March 10, 2000 concerning the monitoring system. (see Attachment II.)

During the afternoon of March 2, 2000, I sent an email to the Attorney General's office of Texas concerning the aforementioned incident. On March 8, 2000, since I had received no response from the Attorney General's office, I sent a second email to them. This time there was a response from the Consumer Protection Division. They thanked me for informing them of the situation and told me that since no purchase was made, they could do nothing on my family's behalf.

During the afternoon of March 2, 2000, I also sent an email to the Attorney General's office of Utah. Utah responded on March 6 by phone and requested additional information for an investigation. When I inquired as to the status of this investigation on March 14 at 9:15 a.m., the 9:42 a.m. response was disheartening as another similar incident was being investigated while mine was stalled. (see Attachment IV.)

On March 14 at approximately 10:30 a.m., I received a phone call from Mr. Mike Beck, the CEO of SandStar. During the lengthy conversation, I asked if this had ever happened to another family. He said that approximately one year ago, a similar incident had occurred. He stated that SandStar has no control over the inmates as far as discipline, but recommendations are given such as immediate termination. I asked if the inability to hold an employee accountable by legal avenues concerned him. Mr. Beck stated that it did concern him and the company was bonded for such reasons.

Mr. Beck continued to state that all reasonable precautions had been taken to prevent another incident, however, "I would be foolish to say it is completely stopped." He also informed me that the security officer who remains in the room with the inmates during business hours had his/her desk removed to ensure better monitoring as this would encourage movement around the room, that the inmates walk into the room without pen and paper, and that the monitoring staff has been doubled. (This coincides with the email from the Shift Commander stating initially there were 4 monitors, but in

the next email stating 8 monitors. see Attachment II.) Mr. Beck stated that they have a higher incidence of issues and violations with the public sector than the prison system.

At 11:40 on this same day, I emailed the Attorney General office in Utah to request a final case report of the incident described by Mr. Beck. The response stated that they did not have a record of this incident although Mr. Beck had been quite reassuring in stating that they had worked closely with the Attorney General's office to come to a resolution on this matter.

On April 10, I was informed by the Attorney General's office of Utah that they were coordinating their investigation with the officials at the Utah State Prison. I spoke to the Attorney General's office again on April 11 and was told that the investigation for my family had not begun. I was asked if I had been contacted by a prison official. The response was no.

I called the Bureau of Prisons in Washington, D.C. on April 10, hoping that there would be some assistance or avenue to pursue a resolution. There was not.

On April 17th at 12:11 p.m., more than 6 weeks after stating that I never wanted SandStar to call me at home again, I received a phone call in which caller ID listed as "UNAVAILABLE". When I answered, I heard, "This is David with SandStar." I paused, then asked why I was being called. The response was because of (name given that was listed on the computer). I demanded to speak to a supervisor immediately as I realized that my name and home number had not been removed from the database and I was speaking to an inmate at the Utah State Prison. Traveling up the chain of

command, I spoke to a gentleman that reports to Mr. Mike Beck, CEO of SandStar. His recommendation was for me to speak to Mr. Beck. I told him that I had spoke to him on March 14th at length. I then asked him what he would do if he were in my place. He could not respond, but understood my frustration. I left a message for Mr. Beck and have not received a response.

Later that same day, I called the Attorney General's office and relayed the latest information. I was given the name of the prison official that was heading up the investigation. I spoke to the prison official and relayed the issues. He had no knowledge of my case and requested that I send a copy of the Incident Report dated February 28, 2000.

On April 19, 2000, I emailed another request for status on the investigation to the prison official. He responded the same day and confirmed the calls made from the prison to my number. (see Attachment V.)

Attachments

- I. Report from the Utah State Prison detailing the initial investigation
- II. Explanation of the monitoring and security system
- III. Transcription of the 8 minute taped conversation between inmate and minor
- IV. Email from the Utah's Attorney General's office of a similar occurrence
- V. Confirmation of a second call after request was made to NOT call again
- VI. Similar incidents verified.

Attachment I.

**DIVISION OF INSTITUTIONAL OPERATIONS
UTAH STATE PRISON
Draper Site Complex
Shift Commanders Office**

Inter-Office Memorandum

To: David Worthington, Deputy Warden Security-Support
From: Glenn Perryman, Draper Site Shift Commander
Date: February 28, 2000
Subj: Sandstar Incident

INITIAL CONTACT:

On Friday 25 February 2000 I received a phone call from a Mrs. April Jordan of Mesquite Texas. Mrs. Jordan was very upset that her 15 year old daughter had received a letter from a Utah State Prison inmate she identified to me as Michael Hardy # 23095. Mrs Jordan was very concerned as to how the inmate had gotten her daughters name and address and wanted the correspondence from the inmate to stop. Mrs. Jordan also stated that she had asked her daughter about the letter and that her daughter said she didn't know the inmate either. I informed Mrs. Jordan that I would look into the matter and would also inform the inmate not to write to her daughter again.

INMATE INTERVIEW:

At approx. 1832 hrs on this same night I interviewed inmate Michael Hardy in the Wasatch Infirmary. Hardy told me that he asked his "friend" for names and addresses for pen pals he could write to. Hardy stated that his friend gave him Mrs. Jordan's daughter's name and address and told him she was 20 years old. I asked Hardy how his friend had gotten the information, Hardy stated his friend worked at Sandstar. When asked who his friend was, Hardy refused to give me a name because he didn't want to be labeled a snitch. The interview was terminated and Hardy was returned to his block.

INVESTIGATION:

I contacted Bob at Sandstar and asked if he could assist me with resolving this matter. During our discussion I discovered that Sandstar records all their phone calls. I asked Bob if he could check his data base back from 2-17-00 to see if Mrs. Jordan's number had been called, which inmate agent spoke with her and listen to the recorded phone call.

Several hours later Bob contacted me with the information I requested. Bob stated contact with Mrs. Jordan occurred on 2-15-00 at 1857 hrs from extension 5066 and that the inmate agent assigned to this extension on this date and time was Benny Martinez # 18636 (Oq-2). Bob told me to contact Ross Conner regarding the audio tape. I contacted Conner by e-mail this evening.

INVESTIGATION (Cont.)

I met with Ross and several others and listened to the audio tape of the conversation. I was informed that the voice on the tape did not belong to inmate Benny Martinez, but was identified as inmate Derriek Cramer # 21548 (B-Block 232). In the conversation inmate Cramer identifies himself as "Mike" to the minor child and gives a physical description of inmate Hardy. The daughter tells inmate Cramer her age, and further manipulation by Cramer he is able to get the daughter to tell him her full name, address, city state etc. Cramer and the minor state that they'll write to each other and the call is terminated by Cramer. Cramer then is connected to another individual by the computer system and talks to another minor, but this time he identifies himself as "Derriek" and later gives out his birth date to the girl. The name Derriek and his birth date is cross indexed with inmate agents for Sandstar and they identify him as Derriek Cramer. Supervisors positively identify his voice on the tape.

CRAMER INTERVIEW:

I interviewed inmate Cramer on B-Block. Cramer was informed that his employment with Sandstar had been terminated due to a contract violation and that I had evidence he made contact with a person, through his job, who identified herself as a minor. I also informed Cramer that disciplinary action would be taken by me regarding his actions.

Cramer was asked if he'd like to make a statement at this time. Cramer stated that he didn't know what we were talking about and denied all knowledge of the phone conversation which took place between him and the minor on 2-15-00.

Inmate Cramer's cell was searched by B-Block custody staff while the interview was taking place. No out of state address were found. Cramer was returned to his cell.

SANDSTAR ACTION:

Inmate Cramer's employment has been terminated. Sandstar administration will be looking into filing possible criminal charges and their chain of command will be informed. Inmates currently working at Sandstar were notified by supervisors that further evidence of contract violations would be dealt with harshly. Sandstar is continuing to review audio recordings.

SHIFT COMMANDER ACTION:

Inmate Michael Hardy received a verbal warning and was ordered not to contact the child again. Inmate Cramer was terminated from his employment with Sandstar and a disciplinary will be forthcoming addressing charges of his contract violation. A written recommendation to Captain Herman and Lieutenant Vanleeuwen that his actions also be reviewed in OMR.

The incident was screened with investigator Rex Dana, at this time no action will be taken by CIB.

Sandstar administrators will look into any possible Federal FCC violations which the inmate may have committed and will pass on any pertinent information.

Phone contact was made by me with Mr. & Mrs. Jordan. I explained the outcome of my investigation. Sandstar administrators asked also that I inquire with the Jordan's to get their permission for Sandstar personnel to contact them regarding this incident. Both Mr. & Mrs. Jordan gave their approval for Sandstar to contact them at Mrs. Jordan's office number. The Jordan's also requested a copy of the audio tape of inmate Cramer's conversation with their daughter. Since the copy of the tape I have is not my property, but that of Sandstar's, I directed the Jordan's to make that request through Sandstar.

The Jordan's were also asked to contact me immediately should any other letters arrive at their residence written by Utah State Prison inmates. The Jordan's stated they would.

I will be in contact with Sandstar and UCI personnel regarding the progress of their investigations. Information relating to this or any other related incident will also be passed on to you. If you have any questions please contact me.

Glenn Perryman, Shift Commander / Date

cc: Bryant Herman, B-Block Captain
Darin Vanleeuwen, B-Block Lieutenant
Dick Clasby, UCI Administrator
Rodger @ Sandstar Administration

Attachment II.

The monitoring system, although comprehensive, still is not enough to safeguard our children.

From: [crusp.xxxx@state.ut.us]
Sent: Wednesday, March 08, 2000 12:59 PM

There are two separate phone call monitoring systems in place. The first one monitors & records phone calls inmates make from within their assigned unit inmate phone. The other system which is very similar but not quite as sophisticated is used by Sandstar (the contract company which called your residence).

As it was explained to me by Sandstar administrators, this is how it works:

Inmates go to a special location (room(s)) where computers are set up. Each inmate is assigned a work station for his shift. The inmate then sits at the station and waits for the mainframe computer to send a call to their assigned station.

Phone numbers for a specific area code are generated through referrals from previous contacts. The main computer system, which is outside the Prison, dials the phone call. If the phone is answered by a person, the call is immediately transferred by the computer to an inmate operator at the Prison. The only info on the screen given to the inmate is the name the phone number is listed under and the person who referred them. The inmate then explains the promotion and asks if the called party is interested in participating. If the party is interested, the inmate then presses a button and the computer forwards the phone call to a civilian representative who works outside the Prison. This person gathers the appropriate information.

Now, if you're still following me, while all this is taking place a Sandstar representative also randomly monitors the inmates during their phone calls. If the representative hears any inappropriate conversation or determines that there is a policy violation, the Rep. immediately cuts in and the inmate is cut off from the call. There are approx. 15-40 inmates working on the phones at any given time so the Rep. is unable to monitor them all. That's where their digital phone monitoring system comes in. Every call which is routed through to an inmate is digitally recorded. The call are digitally marked by workstation #, date, and original number called by the computer. These calls are stored on a mainframe hard drive, then downloaded to tape backups. These calls are also randomly reviewed by Sandstar security personnel.

The phone call monitoring system which Sandstar uses is monitored by their people, not by the Prison. I hope this answers your questions. If you have any others let me know.

From: [crusp.xxxx@state.ut.us]
Sent: Friday, March 10, 2000 3:12 PM

I did learn something new yesterday though. It was my impression and understanding that it was Sandstar's monitoring equipment. I have been corrected. The equipment belongs to UCI (Utah Correctional Industries). Also, they have eight people monitoring the system, not four like I told you. They also have "Alerts" built into the system so if a phone call goes over 15 minutes a flag comes up and the security people are immediately notified. The phone conversation with your daughter was only 7 ½ minutes long, so a flag didn't come up.

If I can answer any further questions please let me know.

Attachment III.

Picture if you will, the young PollyAnna from an earlier era strolling unguarded through the modern day state prison as guards turn their back to her presence while the government condones the actions by their indolence and funding. Unfathomable and absurd would have been my response only two months ago, but not now. I now know that this happens as it was my daughter left unguarded, unprotected and without recourse within the walls of the Utah State Prison.

The following is a conversation between an inmate at the state prison of Utah and my minor daughter. The responses that provide personal information have been modified to reflect those of the character PollyAnna.

Bold type = inmate

Italics = minor

Hello.

Hi, is April there?

Uh, may I ask whose calling?

Ummm, is this her daughter?

Yes.

How you doin'?

Pretty good.

Are you doing pretty good? Uh, is she there? She doesn't want to talk to anybody does she?

I don't know, she is out in the other room and it's pretty loud.

Oh really, what are you doing?

Talking on the other line.

Oh really! Want to talk to me for a minute? I'm a real cool guy. I'm cute, too.

Really? (attitude reflecting disbelief)

Um hum

Really? I do not even know who you are!!

How old are you?

14

How old?

14

Yeah, I can talk to you. I'm 21 though, is that okay? Will you talk to me for a minute?

Let me tell you who I am. My name is Mike, I'm at work and, uh, what I do is work for a movie production company and we do telephone sales. Sometimes I get real bored and you just sound like you have a real beautiful voice. And I'd like to talk to you. Is that cool?

Okay.

Alright. So, what's up?

Nothing much.

What's your name?

Why?

I... I... I can't know your name sweetie, c'mom (begging voice)

PollyAnna.

Your name's PollyAnna.

Yeah

That's a pretty name too.

Thank you.

Your welcome. Hey, remember my name? (pause) Do you remember my name?

Are you Mark?

Am I what? I'm Mike.

Okay.

PollyyyyAnnna... Okay. So uh what town are you in, PollyAnna?

Mesquite..

Huh? In where? What town are you in?

Mesquite.

Where at... oh, Nevada?

No.

Oh, where?

Texas.

Oh, okay. I'm up above you. I'm in Utah. I'm in Salt Lake City. That's where I work at. That's where I go to school up there. So, uhhh, tell me a little about yourself, so what do you look like? (brief pause) So I can picture who I'm talking to. So, what color is your hair?

Kind of blond.

Is it? What color are your eyes?

Blue.

Blue. Oooohhh. Are you pretty? When you look at yourself in the mirror do you say, "I'm beautiful."?

Sure

Ahhh, you sound beautiful. Mmmmmmmm Okay. Do you want to know what I look like?

Sure.

Okay. I'm about 6foot 2. I got uh long red hair and I guess I'm pretty cute. I weigh about 215 pounds. And you know, uhhh, I like sports and I'm a pretty cool guy, I think. So, when's your birthday? Huh? When?

December.

Is it? Mine too. Mine's on Christmas Eve.

Mine's the 88th.

Is it? So you're a Sagittarius, huh?

I guess.

Yeah. You don't know your sign?

I don't care.

(His laughter) You're funny. I like you. (His laughter) Uhhh, so, who were you talking to on the other line? Your boyfriend?

Yeah.

Oh, so you have a boyfriend?

Yeah.

Oh... you're a sweetheart. And you talk to me?? (pause) So, what if I want to be your boyfriend? (pause) (his laughter)

Your kinda old.

I know, I was just joking with you anyway. Well, what about being a penpal? Will you write to me?

Sure. (bored tone)

Can I write to you?

Sure (bored tone)

Cool. Will you write back if I write to you?

Yes.

Do you promise?

Yes.

Cool. You're cool. Hold on a second. Okay. Let's see here. Let me see if I can get your stuff on the computer here. Yeah, do you know who an Aunt Polly is?

Yeah.

Aunt Pooly?? How do you say that Pool...

Aunt Polly.

Aunt Polly. Okay, a relative of yours, huh?

Yeah.

Yeah, okay. She's, she's where we got your number at. So, you don't have to tell your mom I called. I'll uhhh call back tomorrow or something. And uhhh, just for tonight I'll talk to you. Alright?

Okay.

Alright. Hey, you know you're a cool girl. You got a boyfriend and uhhh, and you still talk to me. You're a sweetheart. Do a lot of guys tell you that?

I guess.

Okay ummm. I am trying to find a piece of paper here. Paper... Dang it. (laughter) Oh, my friend is looking at me going what the heck are you doing? Well, we just sit here all day and call people. I probably talk to maybe 2000 people a day. That's all I do. Sounds like a fun job, huh?

Not really.

I know, it's not, ya know what I mean. Okay, so you gotta give me your name and last name. Okay, so what is it?

PollyAnna with a P...

(The personal address has been left out of the text for security reasons.)

Yeah, okay, I didn't know if you had to put a south or what, cause here we got like a south, east, west... all that stuff. But uhhh, cool. I'm gonna write you tonight. Ummmm. And I appreciate it if you'll write me back. I'll send you a picture, too.

Okay?

Okay.

Ummmm. You don't have to tell your boyfriend so he won't get mad.

I won't.

'Cause then he'll be hatin' you know what I mean? or maybe he won't. Are you gonna tell him?

I doubt it.

How long you been goin' with him?

Uhhh, a couple of months.

Wow! Are you guys gonna get married?

I don't know.

Uh huh. (small laugh) You're too young to get married right now.

Yes.

You just better keep writin' me and uh, uh, I got a lot of good advice. I'm a good man and, uh, well I'm sure we'll get along, okay?

Okay.

You gonna write me back?

Yes.

Alright, sweetie. Okay, I'll tell you what, I'm gonna give your mom a call tomorrow. And uh, thanks for the address. I'm gonna write you tonight, okay, so you should get it here in a couple of days. Okay?

Okay.

Alright, PollyAnna, you have a good night, okay?

You too.

Alright, bye sweetie.

Bye.

That was the conversation, excluding the actual address exchange, that occurred on February 15, 2000 between inmate Derrick Cramer #21548 and my minor daughter. By the end of this 8 minute conversation, the inmate had a complete name, date of birth, physical description and a home address, along with information concerning her personal life. This information was passed to other inmates at the prison stating that my daughter was 20 years old.

The Incident Report from the Utah State Prison verifies that the telemarketer was acting on a request from another inmate to obtain female information by phone for personal use.

Attachment IV.

The following is a response from the Utah's Attorney General's office after inquiring as to the current status of the investigation.

From: [atcap01.xxxx@state.ut.us]
Sent: Tuesday, March 14, 2000 9:42 AM
Subject: Re: Follow-up to 3/6/2000 conversation

I have still not heard back from the Prison and I am presently reviewing another complaint on this matter.

Attachment V.

Sent: Wednesday, April 19, 2000 4:36 PM
To: 'crusp.xxxxx@state.ut.us'
Subject: Incident at State Prison

Sgt. K. Pepper,

I am inquiring as to the status of the investigation and what further steps would be required by your department for any additional action(s).

May I please have a copy of the monitoring system in place. I have a general concept, but would greatly appreciate a complete analysis. I cannot tell my daughter that this will not happen again to our family as a prison inmate placed another call to our home on Monday, April 17th, at 12:11 p.m. central time. I also need confirmation in writing that my name has been removed from the computer's database. This was requested 6 weeks ago and I will not be dismissed as an oversight.

A letter was sent certified on March 17th to the CEO of SandStar, Mike Beck. He has not responded. The letter requested, among other items, reassurance that all the reasonable precautions have been taken. He failed, therefore, the prison failed.

If you are willing to work towards a resolution, I request confirmation in writing of the steps being taken to secure my daughter's privacy, again.

Thank you for your time.

From: [crusp.xxxxx@state.ut.us]
Sent: Wednesday, April 19, 2000 5:14 PM
Subject: Re: Incident at State Prison

I talked with Mike Beck of Sand Star and requested information about the phone calls. I did confirm you received the calls, to your number, on the dates you indicated. I was informed by Mr. Beck that they will be sending you a letter with the information you asked for shortly.

I also asked that your number be removed/banned from the phone system. I do believe Mr. Beck will address this issue in his letter to you.

K.M. Pepper, Investigator
Department of Corrections, LEB

Attachment VI.

Chicago Sun-Times - November 25th, 1999 - "Prisoners Cited in Credit Fraud; Report Points to Government Contracts" (By Richard Powelson)

State prison inmates working on government contracts involving telephone contact with the public have used credit card numbers and other personal information to commit fraud or harass customers, a congressional report has found.

Prisons in at least 20 states, including Illinois, have contracted with local, state or federal governments to handle records that in some cases reveal people's names, addresses, telephone numbers, birth dates, Social Security numbers or even credit card numbers.

The U.S. General Accounting Office said that 1,400 inmates work on contracts that give them access to some personal information. About 61,500 of 1.2 million federal and state inmates work in all prison industries, the study said.

The GAO cited just nine instances of fraud or abuse and did not determine whether the problem is widespread, spokesman Richard Stana said.

Among the findings by the GAO, a congressional agency that audits federal programs:

A South Dakota inmate, involved in a contract that handled motel reservations by telephone, used a credit card number provided by a caller for fraudulent purchases. The reservations contract was ended.

A California inmate who had worked on a telemarketing contract was paroled and used credit card numbers he obtained from his prison job. The telemarketing contract was ended.

In South Carolina, an inmate on a telemarketing contract selling local newspaper subscriptions made repeated calls to one person, prompting a complaint and an end to that program.

In Oklahoma, two inmates removed copies of two birth certificates from a controlled room despite a pat-down search procedure. The Postal Service for an unspecified reason returned the mail to the prison, where the documents were intercepted. The inmates were removed from the work program.

The GAO said the "breaches of security and misuses of personal information are a cause for concern."

Federal prison officials had only 25 inmates in work programs with access to Social Security numbers but ended the program anyhow, the Justice Department said.

Milwaukee Journal Sentinel - February 10, 1999 - "Personal Data Shield from Inmates Sought; Thompson Wants to Keep Credit Card, Social Security Numbers from Prisoners" (By Amy Rinard)

New restrictions on access by prison inmates to personal information such as credit card and Social Security numbers will be proposed by Gov. Tommy G. Thompson next week in his budget bill, administration officials said Tuesday.

Thompson also will propose the creation of a blue ribbon commission on privacy composed of business and privacy advocates that will research privacy issues and recommend any needed legislation.

Wisconsin prison inmates have in recent years taken pledges for the Leukemia Society, answered state lottery calls and taken Christmas orders for the Monroe-based food and gift retailer Swiss Colony.

Last year, inmates were put to work answering telephone queries about the temporary Amtrak commuter rail service between Milwaukee and Watertown.

Under Thompson's proposal, prison inmates would be prohibited from having access to credit card, checking account and Social Security numbers.

Prison officials have said that having prisoners do telemarketing and data entry has caused no problems and that security precautions are in place to protect the public.

Despite those assurances, the practice has been criticized by privacy advocates, including Rep. Marlin Schneider (D-Wisconsin Rapids), who has become the Legislature's most outspoken advocate of privacy rights.

Schneider said Tuesday he was "overjoyed and thrilled" that Thompson had decided to address the important issue of privacy rights in his budget bill.

"This issue is so overwhelming to our liberty and our freedom," he said. "I wish the governor had taken a few more of my ideas."

He was especially pleased by Thompson's plan to create a blue ribbon commission to recommend further privacy-related legislation.

"It's major progress. It gives legitimacy to this issue," he said.

He welcomed the plan to limit access by prison inmates to certain personal information, but Schneider said inmates should not be allowed to do any work involving computer data entry.

SHOW: ABC PRIMETIME LIVE (10:00 pm ET)

FEBRUARY 18, 1998

Transcript # 98021803-j08

TYPE: PACKAGE

SECTION: NEWS

LENGTH: 2265 words

HEADLINE: INMATES INC.

BYLINE: CHRIS WALLACE, SAM DONALDSON

HIGHLIGHT:

HOW YOUR PERSONAL INFO ENDS UP IN CONVICTS' HANDS

BODY:

SAM DONALDSON: We all have a sense that our privacy is eroding, but wait until you hear this. It turns out that some of your most personal information can routinely end up in the hands of criminals behind bars. How? Chief correspondent Chris Wallace tells us. Chris?

CHRIS WALLACE, ABC News: Sam, the big surprise about how inmates get access to private information is that it's part of their job. In prisons across the country, inmates go to work every day processing personal records for government and private companies. It's enough to make you think twice the next time you fill out a form or get a call from a salesman.

PATRICK CARVER, Employed Inmate: It's just that by purchasing these films what you are doing is you're keeping alive a company that's committed to providing more of the kind of entertainment that you want to see.

CHRIS WALLACE: (voice-over) Patrick Carver is a telemarketer, and he's good at it. Within seconds, he can get your name, phone number, even ask for referrals.

PATRICK CARVER: Who can you think of first? Anybody in your family maybe?

CHRIS WALLACE: (voice-over) But what people at the other end of the line don't know is Patrick Carver is a convicted felon, doing time for burglary, forgery and theft. One of dozens of inmates making sales calls from inside a Utah state prison.

PATRICK CARVER: Thanks again for your support, and you have a wonderful day.

PRISON GUARD: Step on in over there. I want that good and straight.

CHRIS WALLACE: (voice-over) Chances are, you think prison work programs look like this—convicts laboring in the fields or in factories. But in 33 states, prisoners do different work that lets them get their hands on some of your most private information.

(Telephone rings)

Planning a trip to Iowa?

CHUCK, Employed Inmate: Iowa Tourism. This is Chuck. What can I do for you?

CHRIS WALLACE: (voice-over) Call the state's 800 number, and you may wind up telling an inmate in maximum security where you live and when you'll be away.

(on camera) Hello, TWA? Yeah. I'd like to make a reservation.

(voice-over) And the next time you call TWA, that ticket agent may be a convict at the youth detention center in Ventura, California. That never occurred to Augie Pisano when he booked a ticket on TWA a few years ago.

(on camera) Did you have any idea you were talking to an inmate in a prison?

AUGIE PISANO: No. I had no idea at all.

CHRIS WALLACE: (voice-over) Police say he was talking to Carl Simmons, a convicted thief selected by TWA to be one of its inmate agents. As soon as Simmons was released, he went on a spending spree. Pisano realized something was wrong when he started getting bills—more than \$9,000 for computers and then...

(on camera) ...\$4,400 for women's lingerie?

AUGIE PISANO: That's correct.

CHRIS WALLACE: What did you think was going on?

AUGIE PISANO: I couldn't believe it. I was just astonished about it.

CHRIS WALLACE: (voice-over) When police caught Simmons, they found the credit card numbers of more than 60 TWA customers.

(on camera) TWA says they're giving criminals a skill. They're helping rehabilitate them.

AUGIE PISANO: It's nice that they want to help people. But dealing with people over the phone and credit cards and I didn't think that was very smart.

CHRIS WALLACE: (voice-over) Why would a company risk letting felons see your private information? Like almost all the others, TWA won't discuss its program. But Michael Clapier, who up until recently worked for Sandstar Family Entertainment, did agree to explain his company's decision to open a sales office inside a Utah prison.

MICHAEL CLAPIER, Sandstar Family Entertainment: We're finding that they're very courteous, that they're very hard-working. They're trying to do a good job.

CHRIS WALLACE: (voice-over) Clapier says his company hires inmates because they're a stable and cheap workforce and because it wants to teach them a skill. They sell wholesome family movies.

INMATE EMPLOYED BY SANDSTAR: Free of any profanity, and there's no graphic violence and there is no sexual content.

CHRIS WALLACE: (voice-over) But some of the sales force isn't so wholesome.

(on camera) Are there murderers?

MICHAEL CLAPIER: I don't know.

CHRIS WALLACE: But there could be?

MICHAEL CLAPIER: Sure.

CHRIS WALLACE: Rapists?

MICHAEL CLAPIER: Could be.

CHRIS WALLACE: Isn't it asking for trouble to have them in contact with people on the outside taking phone numbers, addresses, information about friends? Isn't it asking for trouble to have them do that?

MICHAEL CLAPIER: If you take the—if you take the most negative turn of life, yeah. You could be asking for trouble.

BEVERLY DENNIS: I will never feel safe and secure again as I did before this happened.

CHRIS WALLACE: (voice-over) Trouble is exactly what Beverly Dennis got. And what happened to this hard-working grandmother from Ohio shows the risks of using prison labor.

BEVERLY DENNIS: There you go. See you tomorrow.

CHRIS WALLACE: (voice-over) Beverly has two jobs but still struggles to make ends meet. So when another company, Metromail, sent a consumer survey like this to her home, she didn't mind filling it out. Beverly got more than she bargained for.

BEVERLY DENNIS: I wanted just what it said on the front. You will receive free coupons and samples. Instead, I got a handwritten 12-page sexually explicit letter that is so frightening.

CHRIS WALLACE: (voice-over) Frightening because the writer knew so much about her—her favorite soap, the magazines she read, that she's divorced. He described his sexual fantasies about her and signed the letter, "With all my love, Hal."

BEVERLY DENNIS: I just felt like I was raped by mail. I have no idea who this person is. Why would they say these things to me?

HAL PARFAIT, Inmate: I wrote it.

CHRIS WALLACE: (on camera) Your handwriting?

HAL PARFAIT: Yeah, sure is. Looks like it.

CHRIS WALLACE: (voice-over) Meet Hal Parfait, an inmate serving a seven and a half year sentence for breaking into a neighbor's house and raping her. Why did he get in touch with Beverly Dennis? He says just to write a letter.

(on camera) You wrote some pretty personal things to this woman.

HAL PARFAIT: Yes, I sure did.

CHRIS WALLACE: "Making love, intimate."

HAL PARFAIT: Exactly, exactly.

CHRIS WALLACE: You used all kinds of personal information...

HAL PARFAIT: Right.

CHRIS WALLACE:...to make it sound like you knew everything about this woman.

HAL PARFAIT: Right.

CHRIS WALLACE: Beverly Dennis says your letter terrified her.

HAL PARFAIT: Probably did. I'm sure it did. Really. I'm sure it did.

CHRIS WALLACE: How did Hal Parfait ever get his hands on such personal information about Beverly Dennis? Well, believe it or not, it was part of his job here at the Wynne prison in Huntsville, Texas. The prison had a contract for inmates to take information from consumer surveys and enter it into computers. Inmates doing time for such crimes as murder, robbery and rape.

(voice-over) Parfait says he and other inmates were amazed at the information they saw—everything from what appliances people own to how much money they make. Parfait says he bought information about Beverly Dennis from a fellow prisoner.

(on camera) You got all this information...

HAL PARFAIT:...for 25 cents.

CHRIS WALLACE: And that's what a person's personal life is worth here in the prison?

HAL PARFAIT: Apparently so.

CHRIS WALLACE: A quarter?

HAL PARFAIT: Yeah, 25 cents.

CHRIS WALLACE: (voice-over) Texas prisons no longer accept private work but saved taxpayers more than \$3 million in 1996 doing work for government agencies. Touring prison work areas, we saw tax records, court rulings, patients' medical files—the most sensitive information, all being thumbed through by felons, including murderers and, up until last September, sex offenders, like convicted child molester David Oshields. He says he saw plenty while working with car title applications.

DAVID OSHIELDS, Inmate: Phone numbers, Social Security numbers.

CHRIS WALLACE: (on camera) How do you think most people would feel if they knew that some of their most private personal information is being thumbed through by convicted criminals?

DAVID OSHIELDS: It would probably make people pretty paranoid.

CHRIS WALLACE: (voice-over) Larry Fitzgerald, spokesman for the Texas prisons, insists security has been beefed up.

LARRY FITZGERALD, Texas Prison Spokesman: If we have to strip-search them seven times a day, we'd do it.

CHRIS WALLACE: (voice-over) There are daily, thorough strip searches. Inmates face felony charges if they remove documents from the workplace. Fitzgerald says sensitive information is safer here than on the outside.

LARRY FITZGERALD: In the free world, what guarantee do you have when you, Chris, give out your Social Security number to somebody or your credit card? What guarantee do you have that that's not going to be misused?

CHRIS WALLACE: (voice-over) So prisoners keep handling sensitive information, and consumers are the last to know.

RUSTY WEBER, Employed Inmate: This is Rusty Weber with Sandstar Family Entertainment.

CHRIS WALLACE: (voice-over) Like other telemarketers, Sandstar instructs its inmate sales force not to mention they're calling from prison. The company says that information isn't pertinent.

(on camera) Do you think that's fair to your customers?

MICHAEL CLAPIER: I don't believe that it's unfair to the customer.

CHRIS WALLACE: And how do you think they would react if they knew? Do you think they might be a little bit less likely to give their address, their phone number, the names and phone numbers of six of their friends?

MICHAEL CLAPIER: I don't know.

CHRIS WALLACE: (voice-over) Even when a company gets in trouble, that may not stop it from using prison labor. Remember Augie Pisano, whose credit card number was used by a TWA inmate/agent a few years ago?

(on camera) What do you understand TWA's policy to be now about using inmates?

AUGIE PISANO: I think they stopped the program.

CHRIS WALLACE: Why do you say that?

AUGIE PISANO: I think they realized they made a mistake.

CHRIS WALLACE: What if I told you you're wrong, that TWA still to this day...

AUGIE PISANO: Is that right?

CHRIS WALLACE: If you got on a phone right now, it might be an inmate who picked up the phone on the other line.

AUGIE PISANO: That's amazing to hear that. It obviously didn't mean anything to them. But it means a lot to me. Maybe if one of the representatives of TWA had the same situation with me, maybe they would think twice about what they're doing.

CHRIS WALLACE: (voice-over) Which brings us back to the company that sent Beverly Dennis' consumer survey to a rapist. Metromail, which would not speak with us on camera, called the case unfortunate. But in court documents, they argue that Dennis filled out their survey voluntarily.

(on camera) They say you gave up your right to privacy.

BEVERLY DENNIS: No, I did not, because I didn't know how I was giving out that information. I did not want it to go to a prisoner. That's for certain. To someone who is dangerous? To endanger my life? No way.

CHRIS WALLACE: (voice-over) Beverly Dennis is suing Metromail, claiming it recklessly endangered her life by sending her survey, and thousands of others, to criminals.

BEVERLY DENNIS: Well, these are the two pipes that I brought home from work.

CHRIS WALLACE: (voice-over) She sleeps with these pipes by her bed, well aware that Hal Parfait, the man who wrote he wanted to visit her, is due to be released in less than eight months.

(on camera) And how does that make you feel?

BEVERLY DENNIS: Oh, I can't—there's no—I cannot put it into words. I am just—I am so scared.

HAL PARFAIT: She can relax, because I'm not going that way.

CHRIS WALLACE: (voice-over) Parfait says he has no interest in ever seeing Beverly Dennis. But he has a warning about all that personal information in the hands of prisoners around the country.

HAL PARFAIT: Your life is for sale for 25 cents. No matter if it's in Texas or California or Florida or West Virginia, anywhere. You know. It all depends on the information that you want.

CHRIS WALLACE: (on camera) As we told you when this report first aired last fall, Metromail says it learned a lesson from what happened to Beverly Dennis and no longer uses prison labor. And Sandstar tells us it no longer allows its prison telemarketers to see people's addresses. But several companies which still use inmates refused to discuss their programs with us, some saying they need to protect their own privacy.

ANNOUNCER: Dr. Nancy Snyderman looks at a new prescription for weight loss.

SANDRA STEIN: It's better than any other diet pill I've ever taken.

ANNOUNCER: Could it work for you? When PrimeTime continues.

(Commercial Break)

LANGUAGE: ENGLISH

LOAD-DATE: February 19, 1998

The Seattle Times – January 1, 1998 – "Inmate Says He Sent Out Two Cards – 200 Other Names Found in his Cell" (By Keiko Morris)

A Redmond woman who discovered she had an unwanted pen pal at the Clallam Bay Corrections Center may not have been the only one, according to corrections officials.

The convicted rapist who sent the woman a suggestive Christmas card told investigators that he had mailed another card to a person he had spoken with while working the information phone lines for the state Department of Parks and Recreation, said Howard Yarbrough, manager of the state's Correctional Industries.

The inmate was one of several employed in a telemarketing-job program at the close-custody prison (one step below maximum security). The inmates answered the department's information hotline and sent maps, brochures and other information to callers about campgrounds and other park facilities.

"During questioning this same guy said he sent out two Christmas cards with personal notes inside," Yarbrough said.

Officials suspended the telemarketing operation and began investigating the program's security measures early last month after Alison Hamman reported receiving a suggestive Christmas card from inmate Parker Charles Stanphill. Hamman had called for campground information and given her address.

Two other telemarketing programs were also shut down, one with the state Department of Ecology and another with the state Board of Community and Technical Colleges.

Yarbrough also confirmed that a list of about 200 names and addresses were found in Stanphill's cell. No further information about the list or the second letter will be released until after the investigation is completed late next week, he said.

Sue Zemek, spokeswoman for Parks and Recreation, said the department is aware of only the one incident involving Hamman. Clallam Bay Corrections staff members are now manning the information line, and starting Monday Parks and Recreation staff members will field all hotline calls in Olympia. Zemek said people also can report complaints using that number (1-800-233-0321).

Before the 2-year-old program began, park officials debated whether the department should hire its own staff members or contract a private business to better market state parks, she said. But budget cuts made those options too expensive. Convinced that monitoring the inmates would be sufficient, the department went ahead with the program at Clallam Bay.

"I think we went into it as an agency really concerned about public safety. We made a judgment call and for two years we were right," she said. ". . . We thought there were enough security measures. Now we've been proven wrong."

The issue of using inmates as telemarketers has received considerable attention in recent months. Last month, the ABC news program 20/20 reported that a major airline uses inmates to take reservations and record callers' credit-card information, as well as their names and addresses.

In Washington state, only one private company, Washington Marketing Group, uses inmates to place calls, Yarbrough said. Prisoners handle everything from voter drives to charity fund-raisers.

The purpose of these work programs is to help inmates develop job skills and reduce the likelihood that they will return to prison after their release, Yarbrough said.

Stanphill was convicted of rape in Franklin County and in Arizona. Now serving a sentence of 10 years and nine months, he has been placed in solitary confinement.

Knowledge of Stanphill's background was unsettling for Hamman, who received the Christmas card

nearly eight months after she had called the hotline.

Hamman expressed shock and anger that criminals would be able to interact with the public and have access to personal information.

"If you knew you were talking to a rapist, would you give out your name and address?" she asked. "I see it as a potential threat to my family's safety that this man had my address."

Information from Associated Press reports is included in this story.

The Seattle Times – January 22, 1998 – "Program With Inmates Probably Won't Restart" (By Keiko Morris; Seattle Times Eastside Bureau)

A telemarketing job program for state prisoners, suspended after a convicted rapist sent a suggestive card to a Redmond woman, likely won't be resumed, and two officials in the Department of Corrections have been reassigned.

An investigation into the program at the Clallam Bay Corrections Center revealed that prisoners answering calls about the state park system were too loosely monitored.

In addition to sending letters to callers who were unaware they had been talking to convicts, some inmates used the toll-free line for personal calls and, in one case, tried to smuggle in drugs.

Corrections officials yesterday released findings of a monthlong investigation into the prison-work program and fielded questions from legislators on the state House Criminal Justice Corrections Committee in Olympia.

Officials from the state Department of Parks and Recreation, the agency that hired Correctional Industries to run its parks hotline, also attended the hearing.

The 2-year-old program was halted last month after a Redmond woman reported receiving a suggestive Christmas card from Parker Stanphill, a convicted rapist. The woman, who had assumed he was a ranger, had given Stanphill her name and address to receive information.

Investigators found that Stanphill also sent a card to a Vancouver, Wash., woman and had collected addresses of women in Seattle and Shoreline. Inmate Michael Massingale, a convicted child rapist, had attempted to converse with a Vancouver woman using the hotline.

Stanphill and other inmates used the hotline for personal calls, which led to Stanphill's dismissal from the program.

Dave Savage, deputy secretary of Correctional Operations, said he would appoint a new superintendent to replace Robert Wright at Clallam Bay, effective today. The Corrections Industries site manager, David Wattnem, has been reassigned.

Sue Zemek, spokeswoman for the Parks Department, said it will cost four times as much to run the program without inmate workers, but the department isn't willing to take further chances.

As a result of the investigation, corrections officials have barred sex offenders from any prison work in which they might have contact with the public. They also suggest reviewing the criteria used to place inmates in jobs. Now, most work programs consider inmates' prison behavior, rather than their criminal records.

The Effect on My Family

The following statement is from my daughter as she struggles to deal with the abuse inflicted by the Utah State Prison and the telemarketing industry.

Mom,

...It's kinda hard to not always think about what people are really thinking now. I barely even talked to any of my best friends at school today. I've kinda gone to a place of don't trust hardly anybody at all no matter what type of personality. It's not as extreme as not talking to anybody, but it's pretty close except for basic small talk, i.e. "How was your day?", "Have you done your homework, yet?" and that type of stuff. All day I've felt my feet hitting the ground, but it seemed as though I wasn't walking. It's like "Oh, this is bad, gotta get outta here." all day even when I was alone. It was kinda weird...

As the realities of everyday life tend to distract, they also bring into view the basic struggles we all must face. As school came to a close last year, we all learned that children are not safe in their schools (Columbine) or churches (Wedgewood). The government is helpless to prevent or protect families from another horrid reality. All over the country, parents reacted to bomb threats, hit lists and fear. No one was left untouched.

As this year comes to a close, the new reality is that prison inmates can enter our lives and homes at any given time and there is no safe haven for our daughter to relax within a secure environment and reflect on the day's events. While doing homework or relaxing, if the phone rings listing "Unavailable" on the caller ID, we no longer wonder if it is a distant relative out of the calling area, rather, is it another prison?

As the years pass, we will continue to wonder if one day the inmate will show up in our neighborhood after his release. A friendly hello from a stranger in the

neighborhood grocery store and we will wonder if he is truly a stranger, or a convicted felon following through on past information gathered while working as a telemarketer in the prison system. We will diligently call the prison to request updates on expected parole dates, but how many inmates have my daughter's personal information? The worst part of this tragedy is that it was preventable. My daughter was betrayed for a hopeful sale of a video portraying family values, how ironic.

Every time a child is put at risk, whether riding in a car or surfing the internet, the question of safety is always at the forefront of concerned parents and responsible industries. We have been betrayed by the telemarketing industries, our government, and the prison systems, and to their disgrace, we remain vulnerable.

Conclusion

As shown within these pages, no monitoring system or guideline(s) can protect our children from inmates who have access to the public. The responsible state prisons that have chosen to protect and serve the public by discontinuing these programs should serve as an example for the rest of the states. If it is not acceptable to place families at risk in one state, why should the value of life be less in another state?

I beseech those with foresight and courage to abolish the practice of using inmates within the telemarketing industry.

If, with all the evidence before you, and with victims imploring you to protect the innocent, you believe it is still in the best interest of our children to continue this practice, then you must impose a mandatory full disclosure.

For those telemarketing companies that choose to use the prison system to populate some or all of their work force, requirements must be added to ensure public safety and promote trust. We, as parents and consumers, retain the right to protect the innocent. For these causes, the following is proposed for consideration.

1. Responsibility of the Individual State

- A. The Attorney General's Consumer Protection Division will provide listings upon request to the consumer of the state prison(s) within their jurisdiction that choose to employ, in whole or part, inmates for the use of telemarketing whether promotional, seasonal, charity or other reasons.
- B. The Attorney General's office will keep an updated list of each telemarketing company including but not limited to the following items: company's name, address, email address and phone numbers for the purpose of "Do Not Call" requests, along with the products to be solicited by the inmates.
- C. The requests for the above information that have been received via phone, written or email communication from the consumer will be answered in a timely manner not to exceed 10 business days from receipt of the initial request.
- D. The Attorney General's office will provide on their website the information stated in item A. and B.
- E. The consumer complaints will be verified and then documented on a quarterly basis with the public to have access via the website to the nature of the complaint and resolution.

2. Responsibility of the Prison and Telemarketing Company ("PTC")

- A. The "PTC" will provide a current list of products being marketed by the inmates along with information as it pertains to the company including, but not limited to the following: the company's name, address, email address and phone numbers for the purpose of "Do Not Call" requests.
- B. The "PTC" will forward any and all complaints or violations of the telemarketing sales rule that required reprimand or termination of a prison employee to the Attorney General's Consumer Protection Division within 24 hours. Failure to disclose violations will result in penalties and fines to be administered against the telemarketing company. Multiple failures to disclose within any 90 day time frame will result in the suspension of the telemarketing contract with the prison for a period not less than one year.

- C. The "PTC" will submit to the Attorney General's Consumer Protection Division a detailed summary of the monitoring system in place for the purpose of ensuring compliance with all industry regulations.

Dated April 26, 2000.

Respectfully submitted,

April Jordan

April Jordan

[REDACTED]