POLICY:

I. It is the policy of the Department of Corrections (DOC) to permit a prisoner, upon request, 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.

II. It is the policy of the Department to allow a prisoner who has not operated a business or business service prior to incarceration, to request permission to operate a business or business service while incarcerated. Approval for such a request will be at the discretion of the DOC Deputy Commissioner.

III. It is the policy of the Department that all requests from prisoners to operate a business or business services will be evaluated based on the following factors:

A. The prisoner's criminal history;
B. Type of business (whether it presents a risk of harm to the public);
C. Volume of phone calls, mail, or visits which may be required to operate the business;
D. Time remaining on the prisoner's sentence;
E. Prisoner's custody and security level; and
F. Prisoner's behavior while incarcerated.

IV. It is the policy of the Department that a business or business service operated by a prisoner while incarcerated does not constitute employment for purposes of AS 33.30.191 or DOC’s Policies and Procedures.

APPLICATION:

This policy and procedure will apply to all Department employees and prisoners.

PROCEDURES:
I. General Business Procedures:

A. 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.

B. 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 Operating Procedures (SOPs).

II. Application To Operate A Business:

A prisoner who wants to operate a business must submit a completed Prisoner Business Operation Application Form (Attachment A) to his or her Probation Officer (PO). The application must include a signed contract or letter of agreement addressing business finances under Procedures section V., below.

A. PO Packet:

1. Upon receiving a completed Prisoner Business Operation Application Form (Attachment A) the PO shall prepare and submit a packet to the Superintendent. The packet must include:

   a. The prisoner’s application;
   b. A pre-sentence report (PSR), police report or complaint;
   c. The prisoner’s most recent classification matrix;
   d. An Alaska Public Safety Information Network (APSIN) check (both in-State and III); and
   e. A summary of the prisoner’s behavior that is not reflected in the classification matrix.

2. The PO may request other staff input concerning the prisoner’s application.

3. As soon as the packet is complete (and no longer than 30 calendar days after receipt of the prisoner’s application) the PO must forward the packet to the Superintendent for review.

4. The 30-calendar day time limit in which to submit the PO Packet may be extended if, after waiting 30 calendar days, the PO has still not received documents that were requested for the packet. Any delay past the 30 calendar days due to having to wait for documents shall be noted by the PO in the packet.

B. Approval or Denial of Application:

1. 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.

2. The Director of Institutions shall either approve or deny the application within 15 working days of its receipt. The Director’s decision is final, except when a prisoner submits an application under...
Procedures section III. below. In that case, the Director must forward a recommendation to the DOC Deputy Commissioner within 15 working days of its receipt.

C. Filing:

1. Staff must file the application packet and final decision in the prisoner’s case record.

2. Staff shall also document the final application decision in the DOC offender management system, under “Case Notes”.

III. Business Application Exceptions:

In instances where a prisoner applies to operate a business that he or she did not operate before incarceration, the DOC Deputy Commissioner will make the final decision after reviewing the Director’s recommendation. This shall be done within 20 working days of receipt of the application from the Director of Institutions.

IV. Customer / Client Approval:

A. Before transacting any business, a prisoner must give the Superintendent or designee a list of all prospective customers using the Proposed Customer / Client List Form (Attachment B) and a copy of the Prisoner Business Customer / Client Letter (Attachment C) and an envelope addressed to each of the proposed customers.

B. 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 Prisoner Business Customer / Client Letter (Attachment C) before the prisoner may conduct business with the customer.

C. It shall be the responsibility of the prisoner to keep his / her customer / client list up to date at all times.

D. 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. The following restrictions apply to a prisoner’s proposed customer / client list:

1. A prisoner may not designate any co-defendants as a customer / client of their proposed business.

2. A prisoner may not designate a victim as a customer / client of their proposed business.

3. A prisoner may not designate an individual with whom they have a ‘no contact order’ as a customer / client of their proposed business.

4. A prisoner may not designate another company / organization where they have restrictions on contact with a particular group of persons, as a customer / client of their proposed business. (For example, trying to list a school as a customer / client when the prisoner is supposed to have no contact with
V. Business Finances:

A. Prisoners must have an agent (not a co-defendant or victim with a ‘no contact order’) 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 Procedures section II, above.

B. 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.

VI. Business Operation:

A. 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 institution or revokes / suspends the prisoner’s business operation.

B. Licenses and Taxes:
   The prisoner is responsible for renewing business licenses, filing federal, state, or local tax forms, and for complying with government regulations to operate a business. The prisoner may complete the Prisoner Business Case Record Information Release (Attachment D) in order to have information from their case record released for tax, Better Business Bureau (BBB) membership and license purposes. The prisoner must give the PO a copy of the business’ federal tax form and State of Alaska business license renewal each year. The PO shall review and file these documents in the prisoner’s case record.

C. 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.

VII. Suspension Or Revocation Of Business Operation Approval:
   The Superintendent or designee 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.

A. 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 under Procedures section VII, above. If the prisoner refuses such a request, the Superintendent may consider this fact in deciding whether to suspend or cancel the business operation.

B. 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.
C. The prisoner may appeal the Superintendent’s decision to the Director of Institutions. See DOC P&P 808.03, Prisoner Grievances for more information.

D. The Superintendent or designee shall provide any information to the Better Business Bureau (BBB) that might affect the prisoner’s standing.