



**CORRECTION  
ENTERPRISES**

*Not Just Making It Right. Making It Better.*

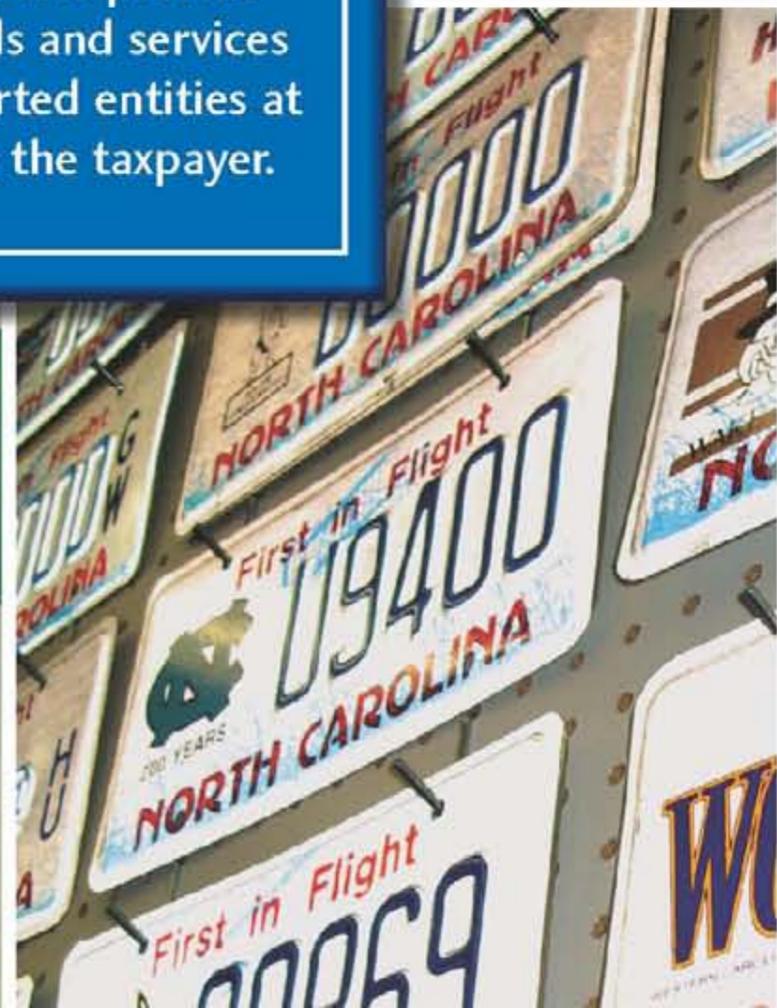


**North Carolina Correction Enterprises**

# **2008 ANNUAL REPORT**

**NEW TECHNOLOGIES - EXPANDING CAPABILITIES**

2020 Yonkers Road • Raleigh, North Carolina 27699 • 800.241.0124 • 919.716.3600 (local) • [www.correctionenterprises.com](http://www.correctionenterprises.com)  
This Annual Report was proudly produced, printed and assembled by working inmates at the NC Correction Enterprises Print Plant.



**MISSION STATEMENT**  
 To provide a meaningful work experience and rehabilitative opportunities for inmates and provide quality goods and services to tax-supported entities at a savings to the taxpayer.

# OUR EMPLOYEES

**Karen Brown, Director**

- |                    |                    |                   |                    |                    |                       |                   |
|--------------------|--------------------|-------------------|--------------------|--------------------|-----------------------|-------------------|
| Billy Abbott       | Christopher Carter | Melody Fowler     | Shirley Jenkins    | Jasper Medlin      | Susan Rogers          | Dinesh Tailor     |
| Ralph Acierno      | Clarence Carter    | Thomas Franklin   | Danny Jobe         | Brent Millsaps     | David Rosado          | Bruce Tart        |
| Bruce Adams        | Heath Cash         | Carolyn Freeman   | Brian Johnson      | Larry Millsaps     | Neil Rosato           | David Taylor      |
| James Adams        | Joseph Chavis      | Howard Fuller     | Charles Johnson    | Michael Mitchell   | David Ross            | Jennie Tedder     |
| Wade Adams         | Joseph Clark       | Linda Fuller      | Ethel Johnson      | Donnie Moore       | Sue Rouse             | Perry Tharrington |
| Teresa Adkins      | Dennis Clark       | Clifford Galloway | Kenneth Johnson    | Larry Moore        | Calvin Rowe           | Alfred Thomas     |
| William Aldridge   | Randall Cole       | Robert Gianellino | Lynn Johnson       | Max Moore          | Donald Powell         | Alton Thompson    |
| David Alexander    | Ronald Coleman     | Fredrick Gilbert  | Marshall Johnson   | Larry Morrison     | Charles Royal         | Brenda Thompson   |
| Teresa Anderson    | Larry Coley        | Willie Glover     | Stephen Johnson    | Antoinette Murphy  | Thomas Russell        | Russell Thompson  |
| Graham Arnold      | Patricia Collier   | Jacqueline Gordon | William Johnson    | Kevin Murphy       | John Ruymen           | Carl Thornton     |
| Thad Artis         | Chuck Congleton    | Wilbur Graham     | Anthony Jones      | Barnard Murray     | Cheryl Ryder          | Jeffrey Tilghman  |
| Andrew Artola      | Robert Cooke       | Elizabeth Green   | Joseph Jones       | Jeffrey Murray     | Marlin Salazar        | Deborah Tinsley   |
| Arthur Atkinson    | Karen Cooper       | Kenneth Green     | Sharon Jones       | William Murray     | Beverly Sanders       | Wanda Todd        |
| Keith Atkinson     | Edith Covington    | Randall Green     | Julia Joyner       | David Myers        | Bobby Sandling        | Larry Toler       |
| Nancy Ausley       | William Craft      | Lawrence Greene   | Linda Joyner       | Bobby Napier       | John Sasser           | Richard Turner    |
| Robert Ayers       | Thomas Crosby      | Michael Greene    | Patricia Joyner    | Daniel Newsome     | Merrell Sasser        | Albertino Valente |
| Winfred Ayscue     | David Crowder      | Mark Guyton       | Robert Kaldahl     | Victoria Newsome   | Charles Salter white  | Gary Vance        |
| Michael Baldwin    | Charles Cummings   | Carolyn Hanson    | Charles Kerley     | Richard Nicholson  | William Saunders      | Felix Vennero     |
| Kenneth Barna      | Raymond Cuvilje    | Darrell Hanson    | Blanche King       | Cecil Norris       | Thurman Saylor        | Rebecca Vincent   |
| Chris Barnhill     | Bobby Dale         | Alvah Hare        | James King         | Randy O'Neal       | Rodco Scarpone        | James Walker      |
| Ronnie Barrier     | Jon Daniel         | Robert Harrell    | Michael King       | Ronald Olive       | Carolyn Schatz        | Malvert Walker    |
| William Bass       | Joline Daniels     | Ernest Harrington | Randy Kinsey       | Veronica Ormond    | Ronald Sherrill       | Glen Wall         |
| Brenda Beam        | Anthony Danks      | David Hatcher     | James Koster       | Jamie Parker       | William Shorts        | Pamela Ward       |
| James Bennerman    | Bruce Darden       | Linda Haynes      | Wester Lackey      | William Parker     | Sherry Sibbett        | Wayne Warren      |
| Parenza Best       | Jeffrey Daughtry   | Pamela Hedrick    | Jeffery Lassiter   | Patricia Parks     | James Sluder          | Larry Watson      |
| Ricky Best         | Jerome David       | Bradley Helms     | Charles Ledford    | Gloria Pate        | Cheriel Smith         | William West      |
| Chris Bevall       | Linda Davidson     | James Hendricks   | Edward Lee         | Brenda Patterson   | David Smith           | John Westbrook    |
| Douglas Biggs      | Jimmy Dean         | Johnny Hendricks  | Joel Leggett       | Cathy Patton       | Ellis Smith           | Deborah Wheeler   |
| John Bink          | Edgar Deremer      | Carozell Henry    | Robert Leon        | Danny Pearce       | Gayla Smith           | Kenneth Wheeler   |
| Noah Blackman      | Diane Dickens      | David Hicks       | Alton Leonard      | Leon Pelletier     | Jeffrey Smith         | Tony Whisnant     |
| Ricky Blackman     | Edward Dickerson   | Lucille Hill      | Barbara Lewis      | Kenny Perkins      | Leslie Smith          | Donnie White      |
| Lisa Blanton       | James Dickerson    | Paul Hill         | Charlene Lewis     | Julian Phillips    | Rodney Smith          | James White       |
| Oliver Blowe       | Walter Drew        | Ralph Hill        | Lisa Lewis         | Marvin Pike        | Russell Smith         | Charles Whitehead |
| Larry Bobbitt      | Philip Driver      | Donald Hite       | George Lipscomb    | Travis Plemmons    | Thelma Smith          | Herman Whitley    |
| Bjarne Bojstrup    | Glenn Edwards      | Karen Hobbs       | David Livengood    | Paul Poole         | Diane Snead           | Larry Wilder      |
| Danny Boyd         | John Edwards       | Rickey Hobbs      | Ilena Lynch        | Susan Powers       | Larry Sorie           | Dean Williams     |
| Teresa Brantley    | Betty Eller        | Donald Hockaday   | Randal Maness      | Kenneth Privette   | Allen Spence          | Jimmie Williams   |
| James Brock        | Darryl Eller       | Hyman Holdford    | Charlie Martin     | Steven Pulliam     | Brian Spencer         | Julie Williams    |
| Bennie Brooks      | Tracy Estep        | Aubrey Holmes     | June Martin        | Tony Radford       | Laura St. Amant       | Steve Williams    |
| Alton Brown        | Jimmy Evans        | Phillip Hoover    | Carolyn Massengill | Robert Ramsay      | James Stallard        | Albert Williford  |
| David Brown        | Penny Evans        | William Horne     | Robert May         | John Reardon       | Danny Stanley         | Robert Wilson     |
| T. Brown           | Walter Evans       | Kenneth Howell    | Edith Mays         | Judy Rebold        | Robert Starling       | Albert Wilson     |
| Mary Helen Bullard | Carl Ezzell        | Robert Huffman    | David McCracken    | Gordon Reid        | John Stevenson        | Mary Wilson       |
| Kathy Bullock      | William Fail       | Cecelia Huhn      | Matthew McGuigan   | Victoria Reitzel   | Stephen Stewart       | Michael Winstead  |
| Jerry Bunn         | Charles Faires     | James Hutchins    | Michael McIntyre   | Carlton Richardson | Vellon Stone          | Inez Woodlief     |
| John Burnett       | Luther Farrow      | Lionel Ingram     | Gail McLamb        | James Richardson   | Jason Streich         | Charles Wood      |
| David Bulterworth  | Glen Ferguson      | David Inscoe      | Glenwood McLamb    | Tommy Richardson   | Anita Strickland      | Marsha Worthy     |
| Johnny Byrd        | Bruce Ferrell      | James Israel      | Jerry McLamb       | James Robbins      | Johnny Strickland     | Billy Wrench      |
| Marvin Capps       | William Fesperman  | Deborah Jacobs    | Johnny McLamb      | Jon Robbins        | Andrew Sullivan       | Claude Wrenn      |
| Connie Carlyle     | Randy Finch        | Steven Jacobson   | Robert McLamb      | Robert Robbins     | Angela Swartzendruber | Joyce Wrenn       |
| Jerry Carlyle      | Patricia Flowers   | Tass Jansen       | Sylvan McMillan    | William Robbins    | Phillip Sykes         | Charles Wright    |
| Amanda Carpenter   | Sharon Formyduval  | Michael Jenkins   | John Medford       | Jerry Roberts      | Roberta Symuleski     | Clayton Wright    |
| Chris Carter       | Betty Forte        |                   | Clarence Medlin    | Kelvin Rogers      | Bhupendra Tailor      | Ronald Young      |

# AWARDS OF EXCELLENCE

- NCCCE Employee of the Year* **Teresa Adkins**
- Outstanding Customer Service* **Debbie Jacobs**
- Workplace Improvement* **Linda Davidson**
- Quality* **Joseph Jones**
- Safety* **Billy Robbins**
- Inmate Improvement/Training* **Michael Winstead**
- Heroism* **Chris Barnhill, Hugh Crawley, Scott West and Winfred Ayscue**



# **CORRECTION** **ENTERPRISES**

*Not Just Making It Right. Making It Better.*

## **TABLE OF CONTENTS**

<b>LETTER TO STAKEHOLDERS.....</b>	<b>2</b>
<b>WORKFORCE DEVELOPMENT</b>	
Apprenticeship & Certificate Programs .....	5
Preparing for Tomorrow - Inmate Interview .....	6
<b>ENVIRONMENTAL SENSITIVITY</b>	
NCCE “Green” Efforts .....	8
<b>FINANCIAL AND STATISTICS</b>	
Sales to State Employees .....	13
Our Financial Statement .....	14-15
Earnings by Industry .....	16-17
<b>TECHNOLOGY</b>	
What’s New with Correction Enterprises .....	19
The Heidelberg Press.....	20
The DigiTag System.....	20
The Torchmate Plasma Cutter .....	21
<b>IMPACT</b>	
Recidivism Reduction.....	23
Contributions .....	23
Making an Impact - Inmate Interview.....	24

# MESSAGE FROM THE DIRECTOR

To Our Valued Customers and Stakeholders,

Thank you for your interest and continued support of Correction Enterprises. We are pleased to share our 2008 Annual Report with you – highlighting our New Technologies and Expanded Capabilities as well as our success stories.

Correction Enterprises provides a unique service to the State of North Carolina. We use technology and skills that emulate the private sector to train, encourage and demand the best efforts, quality and productivity from the state's most unlikely employees: incarcerated men and women.

During the Fiscal Year 2007/2008, Correction Enterprises made significant progress in our goal to provide quality products and services to the State of North Carolina. New products included female inmate clothing, expansion of our ANSI Safety Vest line, new ergonomically designed mesh-back office chairs and a line of environmentally sensitive janitorial products. Additionally, the purchase of a high-volume press allowed us to greatly expand our four-color process printing capabilities.

Correction Enterprises continues to focus resources on our most important product produced – a well trained inmate ready to re-enter society as a productive, law abiding citizen. This year, new emphasis was placed on Department of Labor apprenticeship opportunities for inmates, highlighted by the start-up of the Reupholstery Apprenticeship at Pamlico Correctional Institution and the Digital Printing Apprenticeship at the NC Correctional Institution for Women.

Through this report, I invite you to take a closer look at Correction Enterprises' values and business practices. I think you will agree, contributing to the mission of Correction Enterprises makes a difference, not only to the lives of the offenders, but to the State of North Carolina. I appreciate all of your support this past year and in the years to come.

Sincerely,



Karen A. Brown  
Director



*“The most important product produced by Correction Enterprises is a well-trained, highly motivated inmate, ready to transition to a productive citizen upon release from incarceration.”*

- Karen Brown, NCCE Director



# WORKFORCE DEVELOPMENT

Correction Enterprises provides quality products and services to our customers while providing job skill training opportunities to inmates who work at Correction Enterprises' plants. Correction Enterprises has managed to keep the pace of modern manufacturing by constructing new facilities, or upgrading existing plants and by utilizing a combination of planned development and balanced technology. We continue to provide the fundamentals that supply structure, purpose and training to meet the demanding needs of North Carolina's prison system and its inmates.

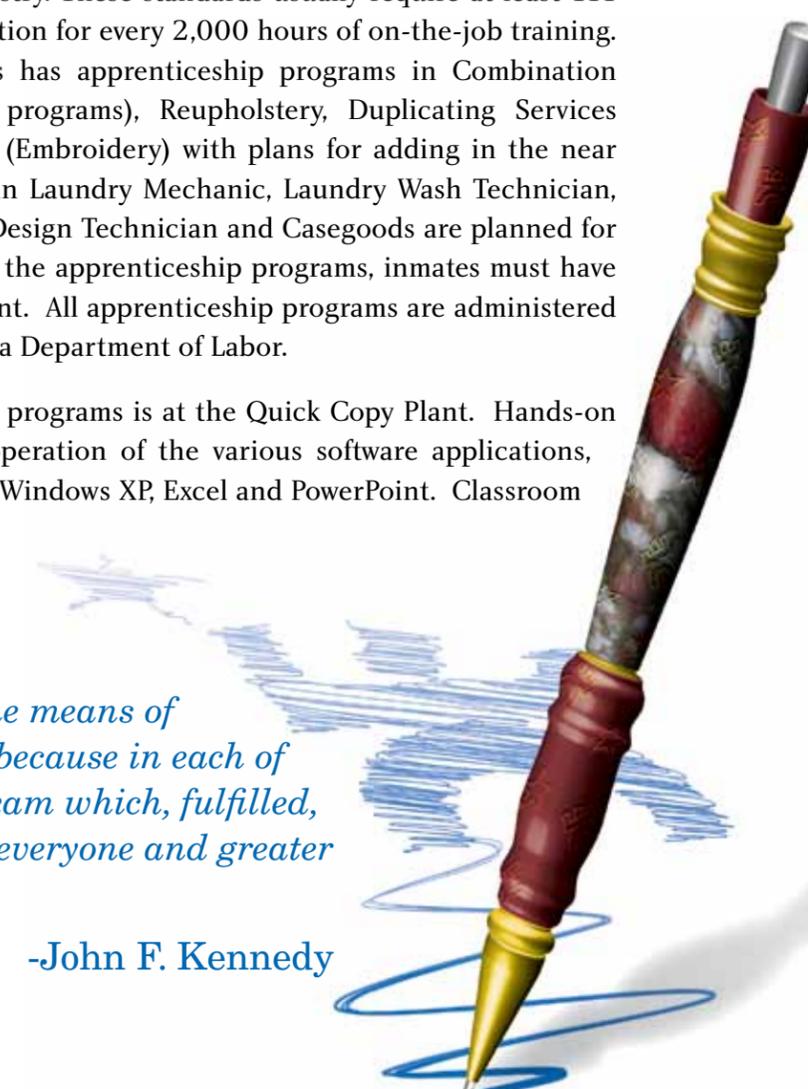
## APPRENTICESHIP AND CERTIFICATE PROGRAMS

For over 10 years Correction Enterprises has partnered with the state and national Department of Labor (DOL), the Division of Prisons and the Community College System to establish apprenticeship programs that will eventually lead the successful inmate to certification as a Journeyman. By using DOL job competency standards, Correction Enterprises ensures that training provided to inmates is congruous with those skills recognized by an industry, as necessary for competent performance at the Journeyman level in that industry. These standards usually require at least 144 hours of related classroom instruction for every 2,000 hours of on-the-job training. Currently, Correction Enterprises has apprenticeship programs in Combination Welding, Printing (six separate programs), Reupholstery, Duplicating Services Technology and Digital Graphics (Embroidery) with plans for adding in the near future, Apprenticeship programs in Laundry Mechanic, Laundry Wash Technician, Sewing Machine Mechanic, CAD Design Technician and Casegoods are planned for the near future. To be eligible for the apprenticeship programs, inmates must have a high school diploma or equivalent. All apprenticeship programs are administered and awarded by the North Carolina Department of Labor.

One of the newest apprenticeship programs is at the Quick Copy Plant. Hands-on training includes the technical operation of the various software applications, including: Microsoft Office 2000, Windows XP, Excel and PowerPoint. Classroom

*“Let us think of education as the means of developing our greatest abilities, because in each of us there is a private hope and dream which, fulfilled, can be translated into benefit for everyone and greater strength for our nation.”*

-John F. Kennedy



study is built around such disciplines as Business Math & Measurement, Materials Management & Inventory, Basic Human Resource Policy and Sales, Marketing and Copyright Laws. Other management skills are also included and center on plant safety, page layout and machine operation. An attendance requirement of 95% is also required to ensure full participation by the inmate. This instruction will earn an apprenticeship in Quick-Copy Services Production Specialist.

*“Upon the subject of education, not presuming to dictate any plan or system. I can only say that I view it as the most important subject which we as people can be engaged in.”*  
- Abraham Lincoln

The Metal Plant at Brown Creek Correctional Institution offers an apprenticeship program for welding. Partnering with Harnett Community College, this program is completed with one year of classroom training and 2-3 years of on-the-job training. Over 25 journeymen have graduated from this course; and four of these graduates have been released and are currently working in the respective field.

Correction Enterprises has also established partnerships with industries such as furniture manufacturing and local community colleges. This partnership has provided inmates with opportunities for certifications in curriculum programs of instruction. The Upholstery and Woodworking Program are two examples of this instruction, which is produced in cooperation with Catawba Valley Community College. The Upholstery Program recently graduated 75 inmates in August 2008. NC Representative Ray Warren was the highlighted speaker and commended those graduating for successfully completing this program. Inmates were coached and guided in the various steps, such as cutting and sewing. This two-year program has a 98% success rate and awards 36 credit hours when completed.

Correction Enterprises realizes the responsibility that we have in providing a meaningful work experience and rehabilitative opportunities for inmates. We continually move closer every day to accomplishing our mission.

## PREPARING FOR TOMORROW

Dimitri Spotards is 27 years old and serving out the final year of his incarceration, at the Brown Creek Correctional Institution in Wadesboro, North Carolina. He has been incarcerated since 1998.

Dimitri began thinking about his upcoming freedom about three years ago while serving his time at Harnett Correctional Institution. It was there that he heard of the Welding Program offered to inmates through Central Carolina Community College. He saw the program as a way to stay motivated and to keep his mind occupied, while steering clear of

any trouble while in prison. Dimitri made the decision to take the opportunity; it is one he hasn't regretted. He completed the 320-hour classroom training with a curriculum involving Applied Math, Applied Communication, Symbols and Specs and Workplace Safety. Hands-on training consisted of basic welding skills such as Tig-Welding, Cutting Process and Fabrication. He earned his certificate earlier this year. The hard work paid off; his instructor at the college noticed the effort that Dimitri gave and took it upon himself to recommend him for the Journeyman Welding Program at the Correction Enterprises Metal Plant at Brown Creek.

Dimitri was moved to Brown Creek Correctional Institution and began the program in September, stating that “this was my chance; this was my opportunity to make a change.” Dimitri had little work experience, so basic skills such as teamwork, personal work ethic and goal setting were foreign to him. However, this is one area he believes that Correction Enterprises has been the most help to him. Dimitri believes that Correction Enterprises has taught him the importance of teamwork and commitment, “in a real world concept, as it is on the street.” He has used this as motivation to set and attain goals; goals that he will carry with him in less than a year.

Dimitri understands that the road ahead may not be easy, and it may take him some time to find the right job, but until then, he will work at any job. He views his Correction Enterprises experience as the best accomplishment in his life, and he “isn't about to let that go to waste!”

He is making decisions today that will drive his future, believing that once he finds employment in his profession he will be able to add to his credentials by returning to school, perhaps, to take coursework leading to a Master Craftsman or a Certified Welding Inspector. Without a doubt, he is very grateful for the Correction Enterprises Journeyman Program.

*“Education is the most powerful weapon which you can use to change the world.”*  
-Nelson Mandela





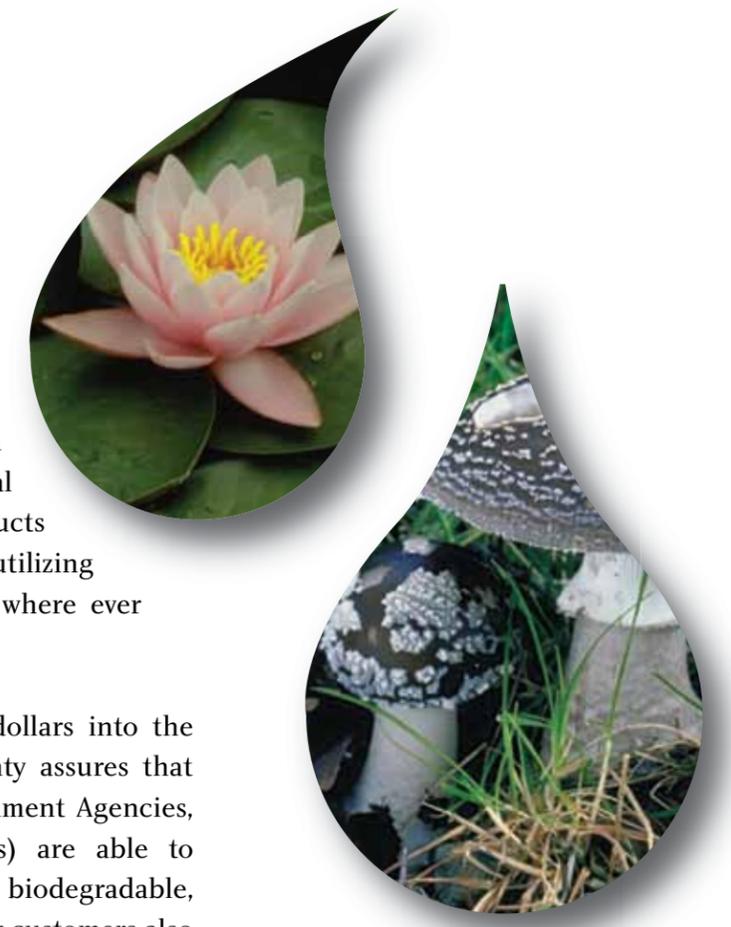
# ENVIRONMENTAL SENSITIVITY

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To preserve and to protect is what going “Green” is all about, and Correction Enterprises is committed to finding ways help protect the environment. From the manufacturing process through final dissolve, we work to make our products compatible with the environment while utilizing practices that recycle, reuse and reduce where ever feasible.

Our investment of nearly seven million dollars into the Janitorial Products Plant in Warren County assures that all our customers (State and Local Government Agencies, Colleges, Universities and Municipalities) are able to purchase cleaning products that are 100% biodegradable, non-volatile and non-corrosive. Most of our customers also use our Diluting System. These systems accurately mix the correct ratio of chemical to water for use in spray bottles and mop buckets. Our state-of-the-art machinery even collects the shavings created when the bar soap is cut and recycles it back for reuse.

The Nash Print Plant has been hard at work developing new methods to integrate the green concept. All inks used are a vegetable oil base with a minimum amount of volatile organic compounds. The ink sludge waste is removed by an environmental service company, which blends the waste and uses it as a fuel source in other applications.



*“It is good to realize that if love and peace can prevail on earth, and if we can teach our children to honor nature’s gifts, the joys and beauties of the outdoors will be here forever.”*

*- Jimmy Carter*



*“Human subtlety will never devise an invention more beautiful, more simple or more direct than does Nature, because in her inventions, nothing is lacking and nothing is superfluous.”*

- Leonardo da Vinci

Who would have guessed that the roofing industry and printing industry were tied together? Non-hazardous solvents are used in the washers that clean print parts. After four weeks, the solvents are picked up by an environmental company for recycling. The recycled solvent creates an additive for making the lapping compound used in roofing shingles.

Preserving our environment through recycling is a vital component of being “green” and that’s why, throughout Correction Enterprises, we do our best to recycle where ever possible. In 2007 a total of 785 tons of plastic, metal, paper and glass were recycled along with another 508 tons of organic materials (wooden pallets, etc.) and other materials (motor oil, tires, asphalt etc.) bringing the total to 1,293 total tons.

The Sign Reclaiming Plant is Correction Enterprises’ “Green Machine” as it operates a massive recycling and reuse effort. The Sign Plant supplies over 90% of North Carolina road signs and 98% of the Interstate signs. The process begins by supplying large metal scrap containers at Department of Transportation sites. Correction Enterprise drivers collect these containers once they are filled with signs no longer in use and transports them back to the plant in Carthage. Here the signs are fed through a Hydro Stripper machine that uses 38,000 pounds of water pressure angled in such a way as to remove all the

sheeting and glue from the signs leaving the Chromate Conversion coating that protects the raw aluminum. The raw aluminum is then ready to have new sheeting and glue applied, creating a brand new sign. This process restored over 84,000 pounds of road signs last year alone and is so impressive that representatives from other states have visited the operation. It is safe to say that a sign without damage could be recycled indefinitely, and some current signs are known to have been in circulation since the early 1980s.

Some may wonder where our old license tags end up. Correction Enterprises generated over 418,000 pounds last year alone. The tags are fed through a “shredder” then shipped off to be melted down and reused. Soda cans may be created using this recycled aluminum.

Conserving natural resources by reducing usage is paramount at all North Carolina Correction Enterprises Plants. Many plants have either gone to or are in the process of switching to newer more energy efficient lighting. Several large laundries use water recycling measures that make a dramatic impact on consumption.

These are just a few of the ways that Correction Enterprises works at becoming a friendly companion to our environment, by working today to create an environmentally better tomorrow.



*“It’s not easy, being Green.”* - Kermit the Frog



# FINANCIALS AND STATISTICS

## SALES TO STATE EMPLOYEES

On August 1, 2007, North Carolina Correction Enterprises was granted legislative approval to sell products to active State Employees. With much preparation and planning, a pilot program began on December 1, 2007. This added benefit has been well received. State Employees now have the opportunity to purchase various consumer related items such as eye glasses, state logo polo shirts, printed brochures, etc. The fiscal year ended with a total of \$57,729 in sales, from state employee purchases.



*Karen Hobbs  
NCCE Optician*

One of the most popular items with state employees are eyeglasses. The Optical Plant has been producing prescription eyeglasses since April 1998. Most of the glasses, produced by inmates at the optical facility, are for the North Carolina Medicaid Program. The Optical Plant's reputation for producing quality eyeglasses in a timely manner is well known throughout the state. The order process of having a pair of glasses made begins with an account application and an optometrist's prescription. From start to finish, the average turnaround time, for these purchases, has been less than one week. The quality, convenience and cost savings to state employees have been a well received benefit.

*“Wealth, like happiness, is never attained when sought after directly. It comes as a by-product of providing a useful service.”*

*- Henry Ford*

## FINANCIAL STATEMENT For June 30, 2008

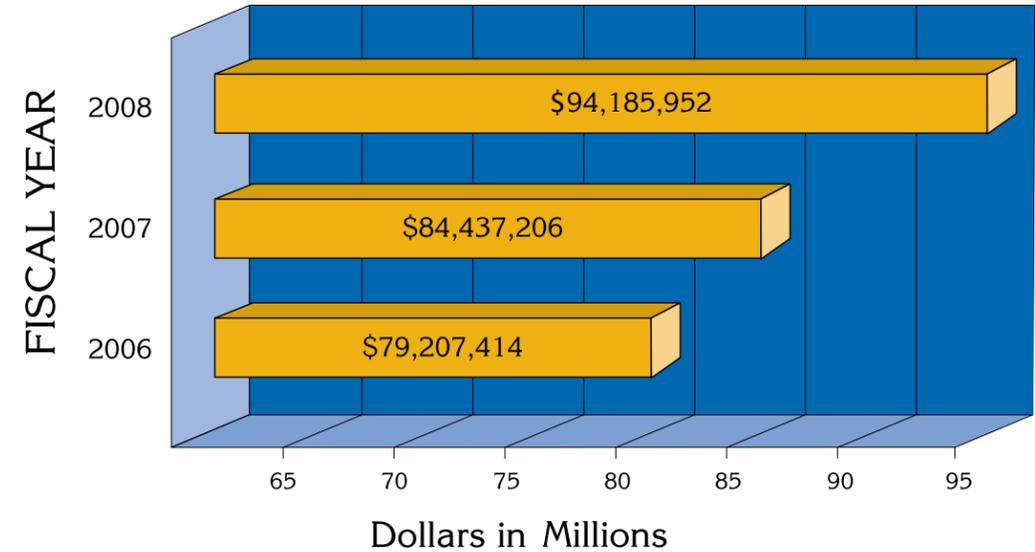
<b>Current Assets</b>			
	Cash	\$12,069,939	
	Accounts Receivable	6,909,616	
	Less Allowance for Bad Debt	(14,737)	
	Raw Material Inventories	11,637,258	
	FG Inventories	5,533,755	
	Investment	-	
	<b>Total Current Assets</b>	<b>\$36,135,831</b>	
<b>Fixed Assets</b>			
	Plant and Equipment	\$88,295,972	
	Less Accumulated Depreciation	(41,667,448)	
	<b>Net Plant and Equipment</b>	<b>\$46,628,524</b>	
<b>Other Assets</b>			
	Construction in Progress	\$2,299,989	
	<b>TOTAL ASSETS</b>	<b>\$85,064,344</b>	
<b>LIABILITIES AND FUND EQUITY</b>			
<b>Current Liabilities</b>			
	Accounts Payable	\$1,564,808	
	Accrued Payroll	17,224	
	Sales Tax Payable	-	
	Due to Other Funds	236,517	
	Deferred Revenue	373,250	
	<b>Total Current Liabilities</b>	<b>\$2,191,800</b>	
<b>Long Term Liabilities</b>			
	Compensated Absences	\$2,107,400	
	<b>TOTAL LIABILITIES</b>	<b>\$4,299,200</b>	
<b>Fund Equity</b>			
	Contributed Capital	\$20,313,000	
	Retained Earnings	60,452,144	
	<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b>\$85,064,344</b>	

## STATEMENT OF INCOME For the Fiscal Year July 1, 2007 to June 30, 2008

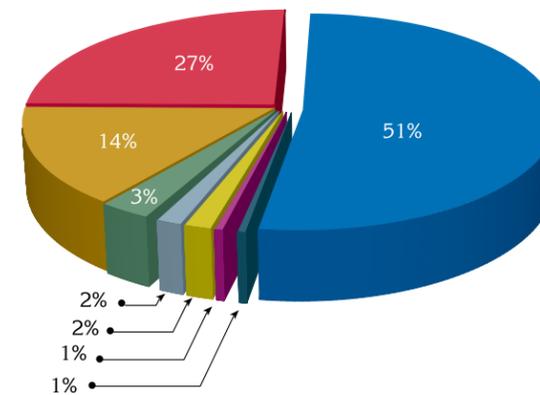
<b>OPERATING REVENUES</b>			
	Sales	\$93,817,738	
	Miscellaneous Revenue	368,214	
	<b>Total Operating Revenues</b>	<b>94,185,952</b>	
<b>COST OF SALES</b>			
		75,375,056	
<b>GROSS MARGIN</b>			
		\$18,810,896	
<b>OPERATING EXPENSES</b>			
	Selling and Administrative Expenses	6,797,638	
	Depreciation Expenses	3,384,018	
	Bad Debt	-	
	<b>Total Operating Expenses</b>	<b>\$10,181,656</b>	
<b>OPERATING INCOME</b>			
		\$8,629,240	
<b>NON-OPERATING REVENUE</b>			
	Gain (Loss) on Disposition of Assets	(101,097)	
	<b>Income Before Operating Transfers</b>	<b>\$8,528,143</b>	
<b>OPERATING TRANSFERS</b>			
	Transfers Out	3,165,250	
	Inmate Labor	3,198,550	
	<b>Total Transfer to Other Funds</b>	<b>\$6,363,799</b>	
<b>NET INCOME (Loss)</b>			
		<b>\$2,164,344</b>	

\*Includes \$2,777,401 of Correction Enterprises Internal Sales.

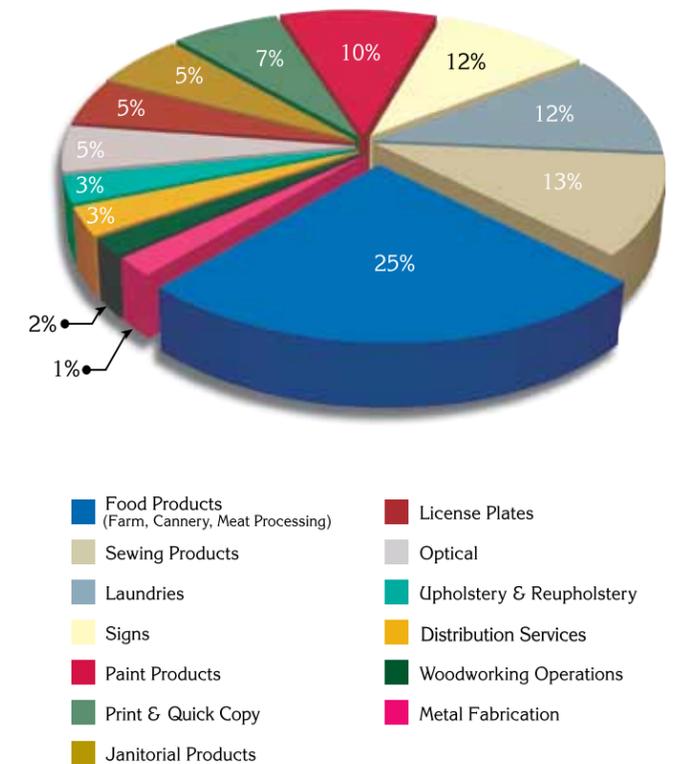
## SALES OF GOODS & SERVICES



## 2008 SALES BY CUSTOMER



## 2008 SALES BY PRODUCT



# Earnings by Enterprise Industry

License Tag Plant	Revenue: \$4,324,423 Cost of Goods Sold: \$3,347,604 Gross Profit (Loss): \$976,819 Inmate Assignments: 58
Paint Plant	Revenue: \$9,492,511 Cost of Goods Sold: \$7,852,227 Gross Profit (Loss): \$1,640,284 Inmate Assignments: 60
Print Plant	Revenue: \$3,998,727 Cost of Goods Sold: \$3,819,950 Gross Profit (Loss): \$178,777 Inmate Assignments: 109
Sign Plant	Revenue: \$10,595,734 Cost of Goods Sold: \$8,035,758 Gross Profit (Loss): \$2,559,976 Inmate Assignments: 147
Sign Reclaiming Plant	Revenue: \$1,016,709 Cost of Goods Sold: \$230,526 Gross Profit (Loss): \$786,183 Inmate Assignments: 14
Quick Copy Plant	Revenue: \$2,143,857 Cost of Goods Sold: \$1,731,104 Gross Profit (Loss): \$412,753 Inmate Assignments: 42
Woodworking Plant	Revenue: \$1,548,267 Cost of Goods Sold: \$1,595,067 Gross Profit (Loss): (\$46,800) Inmate Assignments: 58
Sewing Plants (Scotland, Pender, Marion, Columbus, & Pasquotank)	Revenue: \$12,023,800 Cost of Goods Sold: \$7,973,242 Gross Profit (Loss): \$4,050,558 Inmate Assignments: 437
Janitorial Plant	Revenue: \$4,932,194 Cost of Goods Sold: \$3,675,902 Gross Profit (Loss): \$1,256,292 Inmate Assignments: 70

# Earnings by Enterprise Industry

Metal Plant	Revenue: \$1,161,968 Cost of Goods Sold: \$1,342,829 Gross Profit (Loss): (\$180,861) Inmate Assignments: 58
Upholstery Plant	Revenue: \$1,877,487 Cost of Goods Sold: \$1,544,277 Gross Profit (Loss): \$333,210 Inmate Assignments: 37
Re-upholstery Plant	Revenue: \$957,779 Cost of Goods Sold: \$619,783 Gross Profit (Loss): \$337,996 Inmate Assignments: 42
Optical Plant	Revenue: \$4,454,678 Cost of Goods Sold: \$2,888,954 Gross Profit (Loss): \$1,565,724 Inmate Assignments: 53
Laundry Plants (Central, Craggy, Chase, Umstead, Broughton, Sampson & New Hanover)	Revenue: \$9,359,811 Cost of Goods Sold: \$7,869,069 Gross Profit (Loss): \$1,490,742 Inmate Assignments: 480
Forestry Resources	Revenue: \$88,488 Cost of Goods Sold: - Gross Profit (Loss): \$88,488 Inmate Assignments: 0
Warehouse/Distribution	Revenue: \$2,619,228 Cost of Goods Sold: \$2,325,802 Gross Profit (Loss): \$293,426 Inmate Assignments: 19
Meat Processing Plant	Revenue: \$13,857,272 Cost of Goods Sold: \$13,069,371 Gross Profit (Loss): \$787,901 Inmate Assignments: 82
Farm, Cannery and Warehouse	Revenue: \$9,364,807 Cost of Goods Sold: \$10,837,608 Gross Profit (Loss): (\$1,472,801) Inmate Assignments: 270



### WHAT'S NEW AT CORRECTION ENTERPRISES?

It is imperative that we continue to introduce technology into various areas of our operations, so we can address the changing needs of the customer. Consequently, increasing technology is imperative for carrying out our mission of producing a quality product while providing the inmates with the latest equipment and techniques that are used in the trade.

Some of our industries are less technical than others and therefore lend themselves to more hands-on functions. These operations continue to provide as many inmates as possible with the opportunity to be exposed to the basic skills of that industry.

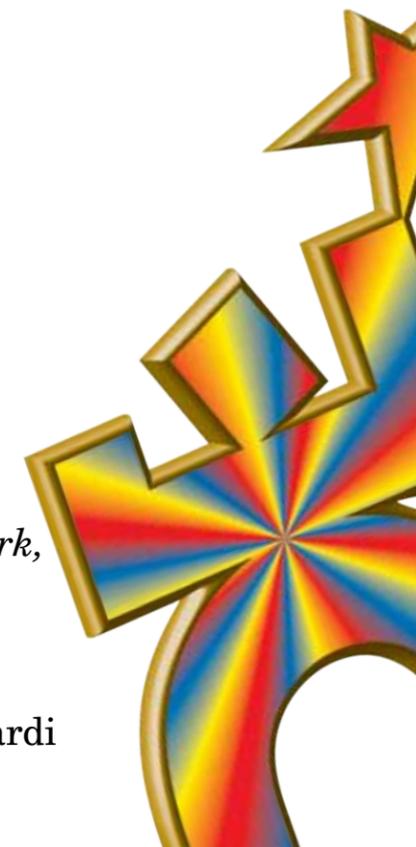
Modernization through new equipment, latest software or new procedures continues to strengthen Correction Enterprises as a provider of inmate training. On the following pages are just a few of those implementations over the last year.



# TECHNOLOGY

*“Individual commitment to a group effort - that is what makes a team work, a company work, a society work, a civilization work.”*

-Vince Lombardi





## THE HEIDELBERG PRESS

January 2008 marked the beginning of a new era at the Nash Print Plant. A 40 inch, 5-color Heidelberg press with a coater was purchased and installed, making it the largest press in operation at the plant. This \$1.5 million dollar addition has the capacity of producing 12,000 sheets per hour.

There are three aspects of this press that make it unique from the other presses in operation at the plant. A state-of-the-art color control computer module utilizes digital color information sent from prepress, making press runs more manageable and consistent. The coater, installed at the end of the 5 print units, gives customers a choice of the finish they want applied to the printed sheet. Finally, the dryer seals the ink on the press sheet, creating a finished product ready to be cut or bound.

The print plant hopes to win another PICA (Printing Industry of the Carolinas, Inc.) award by producing quality work on the new press. The inmates that are trained to operate the machine are ready for the challenge.

## THE DIGITAG SYSTEM

In 2008, the Division of Motor Vehicles (DMV) decided to introduce flat screened specialty plates. This presented the opportunity for the Tag Plant to upgrade its technology. In March 2008, the plant purchased a DigiTag System. The system included a Server, a 60 ton Press, the DigiTag machine and the software.

DMV sends the order for specialty plates through the server. The order for the vanity plates are then processed by the DigiTag printer. The particular design that has been requested, along with the tag number is placed on a white adhesive-backed vinyl using the technology of the software. Once completed, the vinyl is transferred to the applicator. The applicator bonds the vinyl with the aluminum to form the newly designed tag. The tags are then given four curved corners along with drilled holes so the tag may be affixed

to a vehicle. The final step is quality control to ensure the exact specifications of the DMV. These beautiful new plates can already be seen throughout North Carolina. The favorite specialty tag to date? The Blue Ridge Parkway.

## THE TORCHMATE PLASMA CUTTER

The Metal Plant at Brown Creek Correctional Institution has installed equipment that is on the "cutting" edge of technology. The Plasma Cutter is designed to create intricate designs complete with etching onto metal surfaces. The \$20,000 addition will enable the Metal Plant not only to create beautiful pieces but also to save time and money in the process.

Here's how it works. A picture of the intended product is either scanned into the cutter's computer or a design is created using Auto-Cad. Once the picture is scanned, the operator will make a "dry run" to check to see that the cutter will follow the commands being sent by the computer. Next, a piece of metal up to 4'x10' is set into place. When ready, the cutting begins, nothing more than a bright tip of plasma begins creating an accurate form of the scanned design. If necessary, etching is accomplished and is of equal accuracy, within 1/30th of an inch! One of the most decorative pieces produced so far is the Cape Hatteras Lighthouse Business Card Holder. To further illustrate the time and money savings, brackets for shelving were previously purchased for \$29 per pair. However using the Plasma Cutter, the brackets are produced in-house at a cost of \$2 per pair. The grills at all NC State Parks would generally take two hours for layout and cutting of the metal. With the Plasma Cutter the time is reduced to 5 minutes, with stunning accuracy.



*“Success is having a flair for the thing that you are doing, knowing that is not enough, that you have got to have hard work and a sense of purpose.”*

*- Margaret Thatcher*



*“Many persons have a wrong idea of what constitutes true happiness. It is not attained through self-gratification but through fidelity to a worthy purpose.”*  
 - Helen Keller

The goal of prison programs, such as North Carolina Correction Enterprises, is to reduce recidivism and help inmates successfully transition back into society. These programs are put in place to change offender’s attitudes with the hope that their behavior will change. To achieve this goal, the staff works to develop inmate self-esteem through work-related activities with inmates taking pride in their work accomplishments. At 2008 fiscal year-end, Correction Enterprises’ programs provided meaningful work assignments to 2,036 inmates, at 31 locations statewide.

In most instances, inmates are willing to work so they can earn money, learn a job skill, and occupy their time while in prison. Inmates wanting to work for Correction Enterprises must meet certain minimum qualifications, that may include: education (possibly a GED), 18 years of age, acceptable conduct, and the physical ability to perform the work required. Once an inmate is assigned to a specific task, they receive more detailed instruction. This additional training may come from Correction

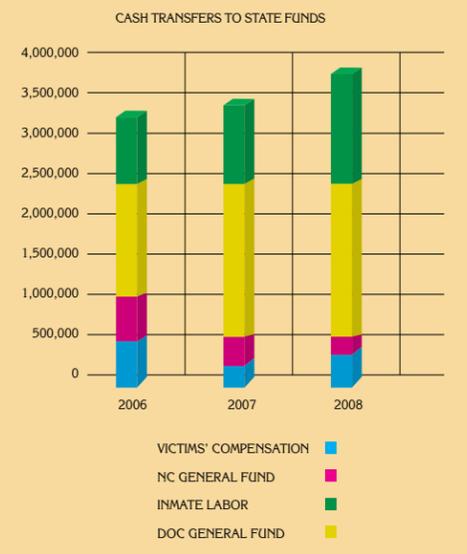
Enterprises staff, prison education staff or even community college classes. For industries that require highly skilled labor, such as manufacturing eyeglasses, a longer training regime may be required. When Correction Enterprises invests resources in training inmates, it becomes cost effective to reduce the inmate turnover rate. Throughout an inmate’s tenure at a facility, Correction Enterprises’ staff check and verify inmate proficiencies in the skills acquired.

Keeping inmates working reduces idleness and discipline problems. Inmates become more committed to the industry/trade they are working in and may be more willing to search out the same type of work when released from prison. When an inmate has completed their commitment to the state, Correction Enterprises hopes it has given the inmate the knowledge, skills and ability to be a valuable asset to prospective employers. Correction Enterprises strives to provide North Carolina citizens with workers that are better qualified and trained to meet the skilled workforce needs of the State.

# IMPACT

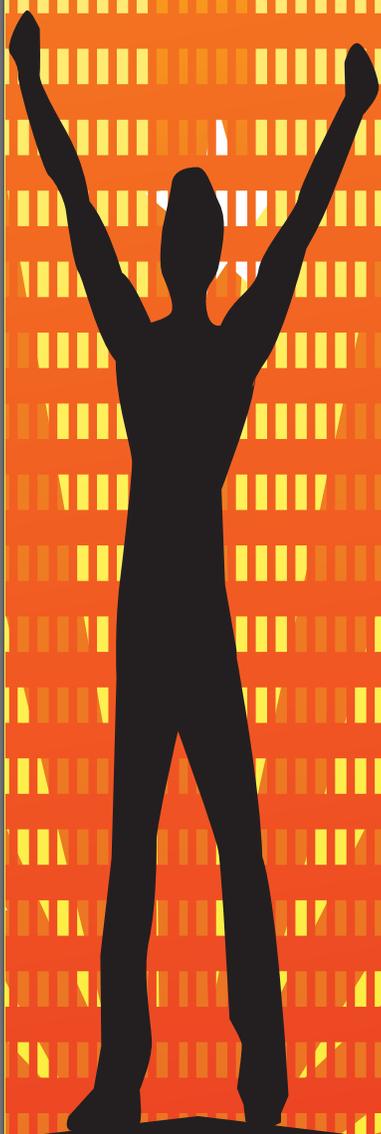
## CONTRIBUTIONS

North Carolina Correction Enterprises provides goods and services for the Department of Correction and other state-supported entities. We continue to contribute directly and indirectly to the economy through purchases of materials, supplies, and outside services. Transfers and deductions from Correction Enterprises and Inmate Wages include victim compensation, family support obligations, and other financial obligations including the Department of Correction and North Carolina General Fund. Inmates involved in the trash and debris removal from the parks and roads of the state are compensated through the Inmate Labor funds. Money for Correction Enterprises’ operation is not appropriated by the North Carolina General Assembly; it is self funded by the retained earnings produced within the fiscal year.



*“The difference between the impossible and the possible lies in a man’s determination.”*

*-Tommy Lasorda*



## MAKING AN IMPACT

William Hyman was incarcerated in 1994 at the age of 17. He used his time in prison to earn his GED and enrolled in various educational programs such as landscaping and electrical wiring. He also worked in three Correction Enterprises Plants: Tag, Optical and Print. He was hired at the Print Plant in 2003 and was trained to operate AB Dick, Hamada and Quickmaster presses in the offset department. He was also trained to run folder, cutter, drill, perforator and saddlestitch machines in the bindery department. He spent the last three years of his sentence at the print plant, where he was released in March 2006.

William immediately began searching for employment, working odd jobs for the first year after being released. His biggest help came from temporary agencies, which placed him in various positions, helping him earn an income. However, one day he drove past Riverside Printing Company in Rocky Mount, NC. He stopped in hopes that they were accepting applications. He was hired in September 2007 and currently operates a folder in the bindery department.

William attributes his success in the re-entry process, to his family and to Correction Enterprises for helping him learn the skills needed to obtain a job. He urges all who are incarcerated to learn as much as possible while in prison and to apply for a drivers license once released. Transportation is one of the key elements in being available for employment. William hopes to continue his work in printing, but in the future would like to invest in real estate. He was asked, what one piece of advice he would convey to others in the re-entry process. He smiled and responded, “Never Give Up!”



*Joey Sogluizzo, Production Manager at Riverside Printing and William Hyman.*