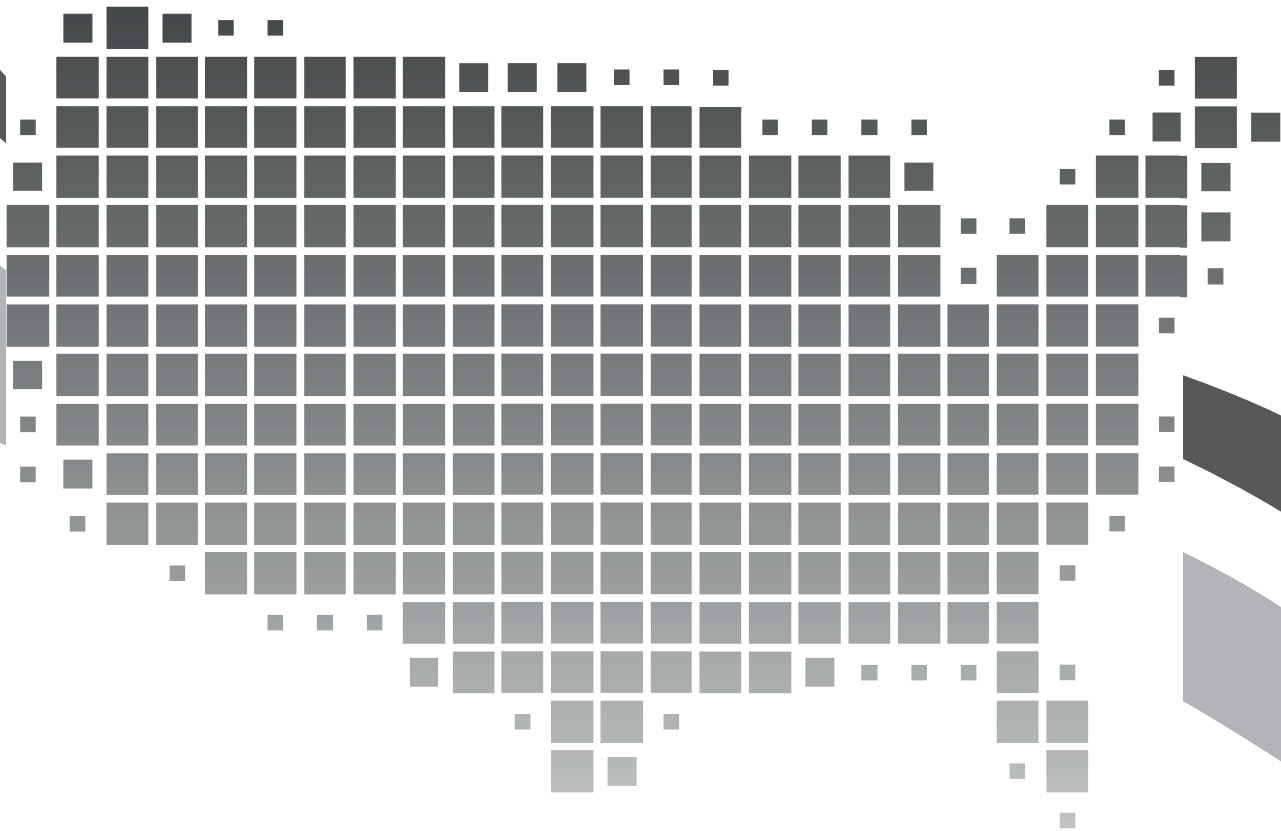




**FY 2014 Annual Report**



**Interstate Commission for Adult  
Offender Supervision**  
*Ensuring Public Safety for the 21st Century*

# THE MISSION: TO GUIDE THE TRANSFER OF OFFENDERS IN A MANNER THAT PROMOTES EFFECTIVE SUPERVISION STRATEGIES CONSISTENT WITH PUBLIC SAFETY, OFFENDER ACCOUNTABILITY AND VICTIM'S RIGHTS.



Milt Gilliam (OK)  
Chair



Sara Andrews (OH)  
Vice-Chair



Charles Lauterbach  
(IA) Treasurer

<b>EXECUTIVE COMMITTEE</b>	<b>Michael Pottieger, PA</b> <i>East Region Chair</i>	<b>Anmarie Aylward, WA</b> <i>West Region Chair</i>	<b>Jane Seigel, IN</b> <i>Rules Committee Chair</i>	<b>Charles Lauterbach, IA</b> <i>Finance Committee Chair</i>
	<b>Chris Norman, AL</b> <i>South Region Chair</i>	<b>Dori Ege, AZ</b> <i>Training, Education and Public Relations Committee Chair</i>	<b>Anne Precythe, NC</b> <i>Information Technology Committee Chair</i>	<b>Patricia Tuthill, FL</b> <i>Victims' Representative</i>
	<b>Cathy Gibson-Beltz, NE</b> <i>Midwest Region Chair</i>	<b>Chris Moore, GA</b> <i>DCA Liaison Committee Chair</i>	<b>Mike McAlister, NH</b> <i>Compliance Committee Chair</i>	



The Commission provides numerous tools to ensure the Compact functions at peak performance: the national office, the Interstate Compact Offender Tracking System (ICOTS), the ICAOS Website, training materials and more assist us in doing our jobs effectively. However, tools without highly qualified professionals to use them are limited in their effectiveness. The involvement of qualified professionals remains consistent from year to year and makes this a unique and great organization. Commissioners, deputy compact administrators (DCAs), compact staff, and officers around the country are there to ensure we progress as an organization to protect our communities.

In FY 2014, the Commission celebrated another successful year. The Commission expanded its commitment to crime victims by launching a notification service that automatically notifies victims in real time when certain offender activities occur. The ICAOS Training Committee updated existing training materials, created new programs and published a new e-book to support officers and officials around the country. These resources and others are available to the states at no cost. I strongly encourage you to take advantage of these materials and programs to assist in your efforts to improve rule compliance.

In addition to implementing new programs, the Commission implemented or upgraded a number of systems critical to the operation of the commission; including the launch of the ICAOS Compliance Dashboards, the expansion of performance reports, the migration of production servers to a more robust and less expensive platform, replacing the hardware for the voting system and launching numerous enhancements to ICOTS. The Commission further expanded the reach of ICOTS data by implementing data sharing exchanges with state fusion centers and the FBI's N-DEX program.

The Commission's compliance audit program completed its fourth year and entered a new phase of measuring and holding states accountable. The FY 2014 audits focused on states that consistently failed to meet compliance thresholds and to demonstrate significant improvement. In FY 2014, the Commission took enforcement actions against two states and is closely monitoring several others. In most cases, the improvement is dramatic and in FY 2015 the efforts to enhance rule compliance will continue to be an area of focus and intense interest. Conducted in concurrence with existing actions, the FY 2015 audit program focuses on randomly auditing all fifty-three member states.

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Commissioners, deputy compact administrators (DCAs), compact staff, and officers around the country are there to ensure we progress as an organization to protect our communities.”

I am pleased to report that the Commission remains fiscally healthy. Since the last dues increase six years ago, the Commission expanded service offerings and the organization is approaching a point where services will outstrip resources. A dues increase is not imminent, but going forward the Commission needs to be mindful of taking on additional expenses without expanding revenues.

Treasurer Charles Lauterbach and the Finance Committee prudently manage our funds and continue to hold down administrative expenses. The long-term investment strategy continues to exceed expectations. In the last year, the return on investment was 17.5 percent a change of 4.9 percent from last year. The long-term investment provides the basis for a healthy reserve.

During the last twenty-four years I witnessed the Interstate Compact develop into a vital part of the criminal justice system. That entire time the driving force to accomplish our goals has always been the staff. I watched as Commissioners and DCA's with full time jobs volunteer to run for office, serve on committees, and conduct training around the country. The passion and commitment demonstrated has always been maintained at a high level with ultimate professionalism. Add in the dedication and skills of the national office staff and we have the tools we need to continue to move forward. I am proud to be a part of this movement to provide for the public safety of our country.

Sincerely,

**Milt Gilliam, Chair**

*Interstate Commission for Adult Offender Supervision*

## 2013 ANNUAL MEETING RECAP



The 2013 Annual Business Meeting (ABM) in Boston, MA, provided the opportunity to consider a number of significant rule changes, strategize on new directions, and conduct trainings. The meeting began with a welcoming speech from Andrea Cabral, Executive Secretary of Public Safety for Massachusetts. Following Executive Secretary Cabral, each committee chair reported on committee activities and accomplishments.

The Information Technology Committee reported on the following projects: Fusion Center Data Exchange – the automated sharing of ICOTS data with the state fusion center in New York, the successful implementation of the ICOTS Violation Enhancements, increased usage of External Reports to improve compliance and the integration of victim notification in ICOTS using VINEWatch.

The Training Committee discussed on program offerings and attendance. The committee revised rules training curriculum, updated and developed new on-demand modules, and published new topic-based trainings on a variety of projects. In May 2013, the Commission trained approximately 4,000 ICOTS users on the ICOTS enhancements to the violation process. In addition, the Commission provided on-site trainings to judges, prosecutors, sheriffs and field officers. For the first time, the Commission presented a workshop at the National Sheriff's Association.

The DCA Liaison Committee implemented the DCA Mentoring Program adopted by the Executive Committee in May 2013. Designed to coach, train, and counsel new deputy compact administrators on the operations of a compact office, the DCA Mentoring Program provides guidance to DCAs that need assistance to resolve difficult compliance issues. In FY 2013, the committee DCA regional chairs encouraged quarterly meetings in each region. Finally, the committee successfully advocated for a DCA training day at the ABM starting in 2014.

The Compliance Committee met four times during the past year to discuss compliance issues. The Committee found Puerto Rico and the U.S. Virgin Islands in default for their failure to convene a state council. The committee discussed complaints against

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The 2013 Annual Business Meeting (ABM) in Boston, MA, provided the opportunity to consider a number of significant rule changes, strategize on new directions, and conduct trainings.

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Georgia and Kansas and recommended disciplinary action to the Executive Committee. Both states avoided significant fines by immediately implementing corrective action plans. In addition, the committee expressed concerns regarding Rules 5.101, 5.103, 5.105 and 5.111 to the Rules Committee.

The Compliance Committee reported the FY 2013 audit, which included all states on nine standards with a random schedule. The results were fifteen states received four or more “C’s” (compliance less than 80 percent of the time), twenty-three states received three or more “C’s” and only twelve of fifty-three states passed 4.106 standard (submission of annual progress reports). The FY2014 compliance audit will include only states that found to have four or more standards that were in category “C” during the FY2013 audit.

Commissioner C. Lauterbach (IA), Finance Committee Chair and Treasurer, reported the Commission is financially sound. The Commission finished the fiscal year 4 percent under budget and with a reserve of \$532,468.35 in long term investments.

The Rules Committee presented nineteen rule amendments for Commission’s consideration. The Commission voted in favor of fifteen rule amendments and their ICOTS change cost of \$57,395. The rule amendments touched on retaking, transfer request documentation, timeframe adjustments (any timeframe less than 30 days will be measured as business days) and changes to a number of definitions.

Following the standing committee reports, General Counsel R. Masters moderated a panel of prosecutors consisting of Thomas B. Wine, Commonwealth’s Attorney, Louisville, KY; Michael Salloum, District Attorney’s Office, Worcester, MA; and Larry Landis, Executive Director of the Indiana Public Defender



Council. The panelists shared their thoughts and experience with the Interstate Compact and answered questions from the audience.

Each of the four regions elected a chair to serve a two-year term. The new chairs include: South – Christopher Norman (AL), East – Michael Potteiger (PA), Midwest – Cathy Gibson-Beltz (NE), and West – Edward Gonzales (NM).

The meeting concluded with the announcement the next ABM will be held August 25–27, 2014, Oklahoma City, OK.

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The compact statute defines a state as a state of the United States, the District of Columbia and any other territorial possessions of the United State.”

### AWARDS PRESENTED:

Executive Chair Award presented to Jane Seigel, Commissioner (IN)

Executive Director Award presented to John Gusz, Deputy Compact Administrator (NJ)

Peyton Tuthill Award presented to Victims' Advocate Suzanne Elwell (MN)

### EX OFFICIO REPRESENTATION:

National Conference of State Legislatures – Alison Lawrence

National Victims Organization – Patricia Tuthill

National Institute of Corrections – Jim Cosby

American Probation and Parole Association – Carl Wicklund

Association of Paroling Authorities International – Keith Hardison

Interstate Commission for Juveniles – Ashley Lippert

Conference of State Court Administrators – Sally Holewa

National Organization of State Chief Justice – Chief Justice G. VandeWalle

### SPIRIT OF THE COMPACT RECOGNITION:

Heather Fowler (OR)

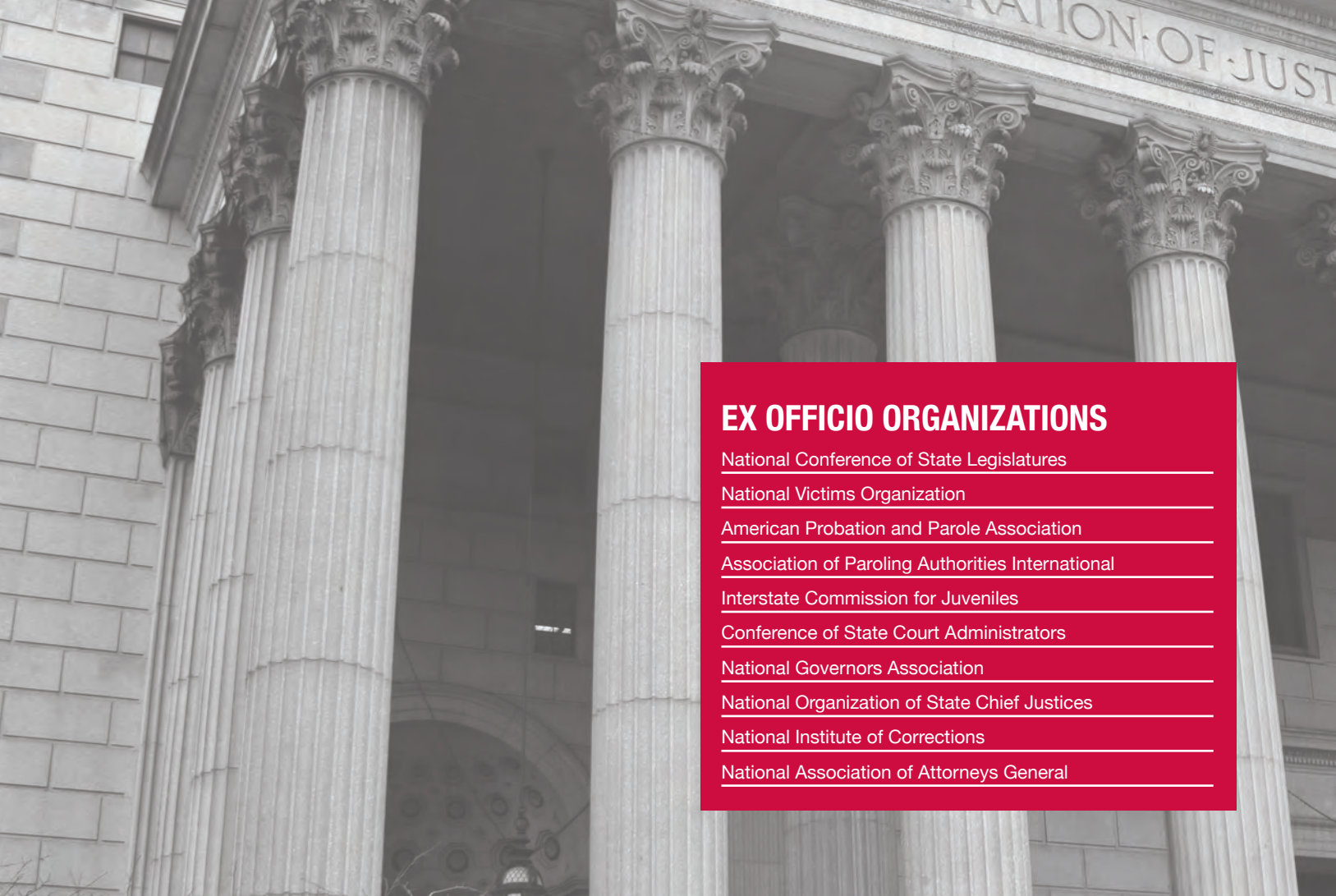
Mary Scott (AR)

Jim Warren (OR)

Brian Spence (MI)

Leslie Lee (CO)





## EX OFFICIO ORGANIZATIONS

[National Conference of State Legislatures](#)

[National Victims Organization](#)

[American Probation and Parole Association](#)

[Association of Paroling Authorities International](#)

[Interstate Commission for Juveniles](#)

[Conference of State Court Administrators](#)

[National Governors Association](#)

[National Organization of State Chief Justices](#)

[National Institute of Corrections](#)

[National Association of Attorneys General](#)

## VICTIM NOTIFICATION AND THE INTERSTATE COMPACT

The Commission is proud to announce the launch of the Interstate Compact Offender Tracking System (ICOTS) VINEWatch Notification System. The automated victim notification system makes it possible for states to keep victims notified and informed, so they have the opportunity to be heard. ICOTS VINEWatch enables crime victims to obtain timely and reliable information 24 hours a day about the status of offenders relocating from one state to another. Victims will receive notification of significant compact events involving the offender, including information about the offender's movement and violations of compact supervision.

The Commission is reaching out to the public, advocates, criminal justice professionals, and crime victims to increase community awareness of the ICOTS VINEWatch notification system and to protect victims from further harm. Please share this information in your communities to encourage participation in ICOTS VINEWatch. There is no direct cost to the membership to implement. Contact your state's Compact Office or victim notification authority for more information on the notification system and its implementation.

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The Commission is reaching out to the public, advocates, criminal justice professionals, and crime victims to increase community awareness of the ICOTS VINEWatch notification system.

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# VISUALIZING PERFORMANCE AND COMPLIANCE

Earlier this year the Commission introduced a new tool for measuring states' performance and rule compliance. The Compliance Audit Standards Dashboard enables users to determine their state's compliance position on eight compliance standards at-a-glance.

Using the Dashboard, compact administrators, deputy compact administrators and other authorized people can quickly access their state's compliance. The dashboard is an easy to read, graphical presentation of key performance indicators.

Benefits of using digital dashboards include:

- Visual presentation of performance measures
- Quickly identify and correct negative trends
- Easily generate detailed reports showing new trends
- Ability to make more informed decisions based on collected business intelligence
- Align strategies and organizational goals
- Save time (compared to running multiple reports)
- Quick identification of data outliers and correlations

Sample screen images from the new ICAOS Compliance Audit Dashboard Reports.



## NATIONAL OFFICE STAFF

**Harry E. Hageman**, *Executive Director*  
859.721.1051  
hhageman@interstatecompact.org

**Sam Razor**, *Assistant Director*  
859.721.1052  
srazor@interstatecompact.org

**Xavier Donnelly**, *ICOTS Project Manager*  
859.721.1053  
xdonnelly@interstatecompact.org

**Mindy Spring**, *Training and Audit Coordinator*  
859.721.1054  
mspring@interstatecompact.org

**Kevin Terry**, *Website Analyst*  
859.721.1055  
kterry@interstatecompact.org

**Barno Saturday**, *Logistics and Administrative Coordinator*  
859.721.1056  
bsaturday@interstatecompact.org

## COMPLIANCE AUDITS

### COMPLIANCE AUDITS

After reviewing the results of the FY 2013 compliance audit, the ICAOS Executive Committee decided that in FY 2014 the Commission would audit the fifteen states or territories that failed four or more standards (compliance was less than eighty percent of the time). The goal of the FY 2014 compliance audit was to determine if the states addressed the findings from the previous audit.

Nearly half (seven) of the fifteen states subject to audit in FY2014 were also required to submit and implement a corrective action plan. To date, three of those states successfully implemented their corrective action plan and are in compliance.

All states are subject to an audit in FY2015. To assist states, the Commission increased the number of compliance reports. The compliance reports used to conduct the audits are the same reports posted on the Commission's website for use by the compact offices. In addition to the new reports, the Dashboard will help users quickly identify problem areas. States failing four or more standards (including three or more rule standards) in the FY 2015 will be required to submit and successfully implement a corrective action plan addressing the failed standards. The FY 2015 audit standards are available on the ICAOS website.

### REDUCING EFFORT AND IMPROVING PRODUCTIVITY THROUGH DATA ANALYSIS

The Interstate Compact is not immune to the 80/20 rule. Generally, twenty percent of the users are responsible for eighty percent of the errors in ICOTS. When ICOTS External Reports are properly used, they provide the information necessary to focus on those who would benefit from additional training.

In addition to the reports that are currently available, the Commission has the capability to generate custom queries and develop special reports to meet your state's individual needs. In many states, this service produced incredible results. If you or your office needs assistance in using ICOTS reports, please contact the national office.

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The involvement of qualified professionals remains consistent from year to year and this makes a unique and great organization.”

### FY2014 VS. FY2013 QUICK FACTS:

#### THE AVERAGE NUMBER OF DAYS FROM CREATION TO TRANSMISSION:

CASE CLOSURE NOTICE DECREASED BY 25%

PROGRESS REPORT DECREASED BY 67%

TRANSFER REQUEST REPLY DECREASE BY 5%

VIOLATION REPORT DECREASED BY 14%

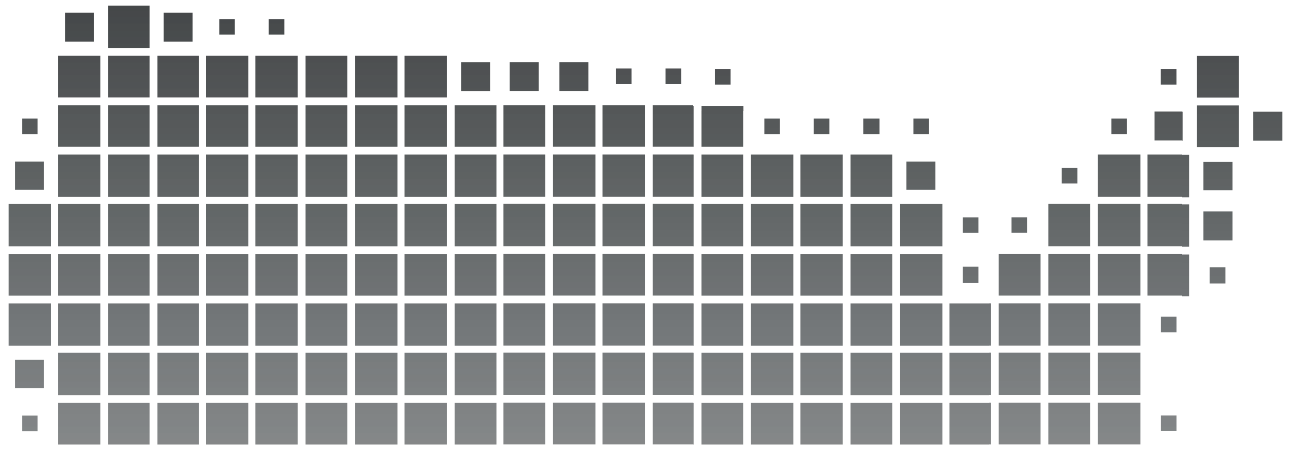
### TECHNICAL AND TRAINING ASSISTANCE PROGRAM: TAKE ADVANTAGE OF A HELPING HAND... FOR FREE

In 2008, the Commission created a Technical and Training Assistance Program with three goals in mind:

- (1) Provide training, technical assistance and support to member states, territories and other criminal justice professionals involved in Interstate Compact business;
- (2) Ensure effective training opportunities are available to interstate professionals, which will increase their knowledge of the Commission's rules, practices, technology, and compliance; and
- (3) Assist member states and territories in defining operational or programmatic problems specific to Interstate Compact and provide recommendations regarding solutions to these challenging issues.

The Commission funds the program each year and there is no cost to member states and territories who take advantage of the program. If you are interested in participating, please refer to the guidelines outlined in the policy. All member states and territories are eligible to apply. The Training and Technical Assistance Policy can be found under the legal tab at [www.interstatecompact.org](http://www.interstatecompact.org).





Interstate Compact Offenders					
Sex	Race	Probation	Parole	Dual	TOTAL
Female	American Indian or Alaskan Native	365	54	34	453
	Asian or Pacific Islander	289	18	6	313
	Black	6,111	767	405	7,283
	Unknown	274	43	13	330
	White	17,333	2,292	1,222	20,847
<b>Female Totals:</b>		24,372	3,174	1,680	29,226
Male	American Indian or Alaskan Native	684	217	97	998
	Asian or Pacific Islander	1,104	230	73	1,407
	Black	21,310	9,861	3,019	34,190
	Unknown	1,054	408	84	1,546
	White	49,576	14,243	5,761	69,580
<b>Male Totals:</b>		73,728	24,959	9,034	107,721
<b>Grand Totals:</b>		98,100	28,133	10,714	136,947

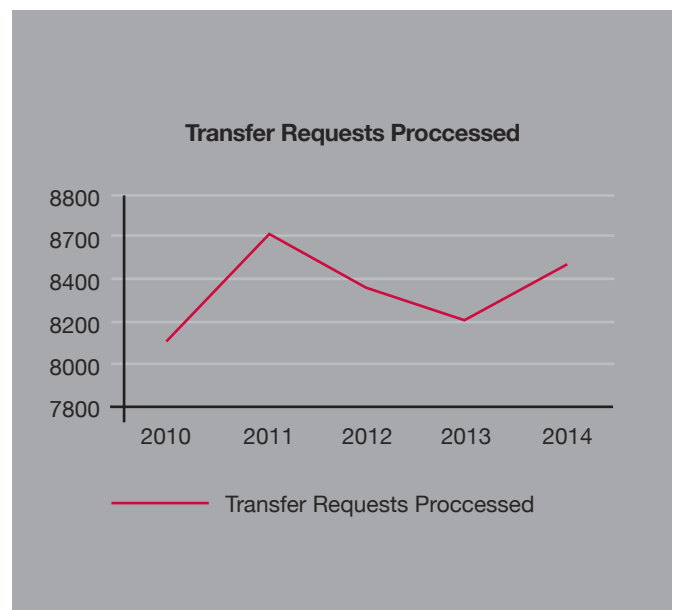
## OFFENDER DEMOGRAPHICS

### Gender

Male offenders on compact supervision are over-represented in both the probation and parole population. Of those offenders on Interstate Compact supervision (probation or parole), 78.6 percent are male and 21.4 percent are female. This represents a slight two percent variation from the general probation and parole population of 76 percent male, according to the Bureau of Justice Statistics 2012 report.

### Acceptance and Rejection Rates

This year ends the multi-year trend of slightly increasing approval rates with a decrease of two percent from last year. The number of transfer requests processed increased by 3.1 percent from last year. When analyzing offender transfers based on reason for transfer, the offenders that transferred to be closer to family comprised the largest group, 31,042. Consistent with previous years, offenders who were a resident of the receiving state constituted the group most likely to have its request approved and discretionary transfer requests are the least likely to be approved.



## OFFENDER DEMOGRAPHICS

Discretionary transfer requests account for 13.9 percent of all requests (a decrease of nearly five percent from FY 2013), but represent only 10.3 percent of the accepted transfer requests. The acceptance rate of discretionary transfers decreased slightly from FY 2013 at approximately 53 percent. States vary widely in their willingness to accept discretionary transfers, from a low of 26 percent to a high of 75 percent.

### Expedited Requests for Reporting Instructions (RFRI)

The approval rate for expedited RFRI increased by nearly seven percent over the previous fiscal years. This is significant because expedited RFRI allow offenders to travel immediately due to emergency circumstances (severe illness in the family, employment demands, academic demands, etc.).

### Crimes of Conviction

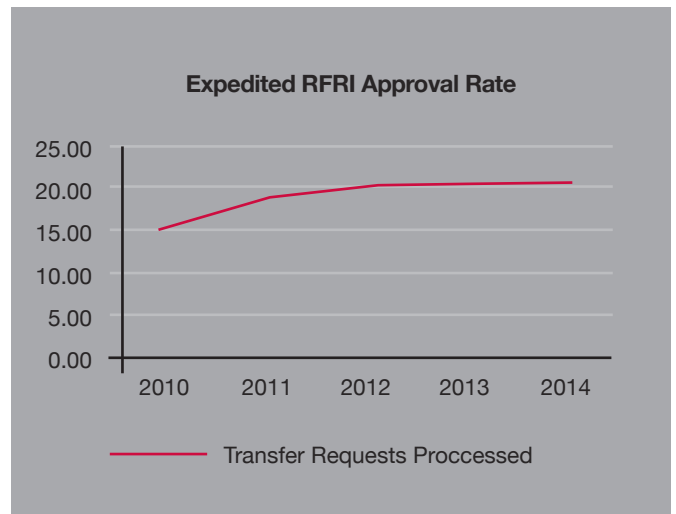
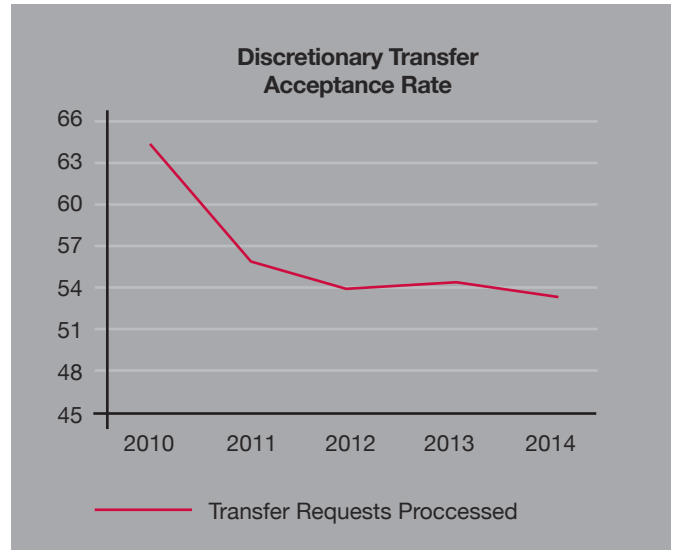
The crimes of conviction for compact offenders mirror the general population of probation and parole offenders. In the table shown, the top five crimes of conviction account for over half of the total.

### Victim-Sensitive Cases

Transfer requests identified as victim-sensitive by the sending state, in accordance with the definition of “crime victim” in the sending state’s statutes, are approved at a slightly lower rate than those that are not victim-sensitive. Approximately 10.8 percent of the offenders transferred in FY 2014 are victim-sensitive designated cases. Even though it represents a slight decrease from last year, the rate has been reasonably consistent over time. Of the 9,149 transfer requests designated as victim-sensitive, 74.5 percent received approval by the receiving state. The rate of acceptance for victim-sensitive cases remains relatively constant regardless of other trends in acceptance rates.

### Registered Sex Offenders

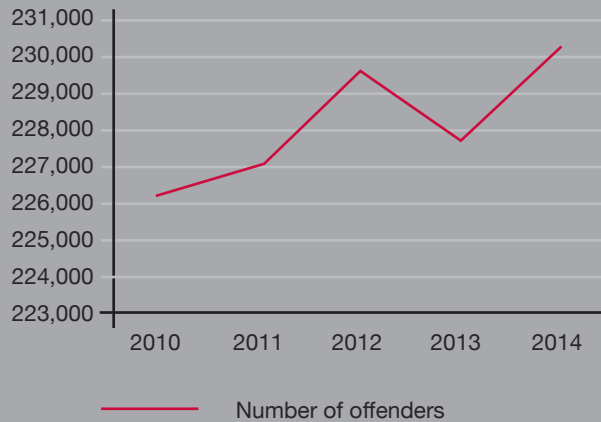
In FY 2013, 6,237 sex offenders applied for interstate transfer, an increase of 0.5 percent compared to FY 2013. Member states and territories approved 48.9 percent, or 3,047 sex offender transfer requests. The sex offender request approval rate is well below the 70.8 percent average for non-sex offenders. The number of approved sex offender transfers rose significantly from slightly less than five percent of the total number of transfers approved in FY 2013 to 10.2 percent in FY 2014.



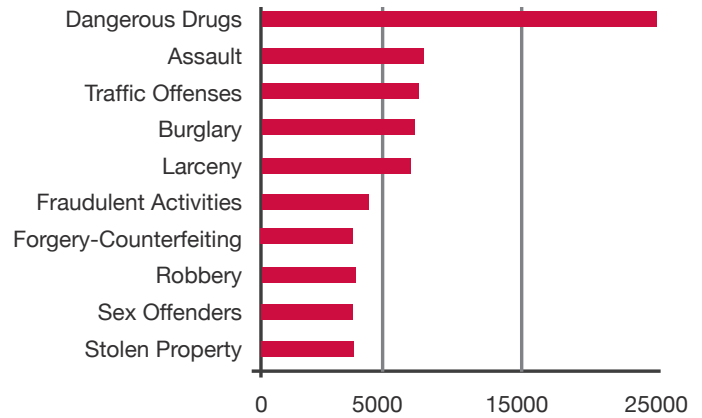
*The ICAOS rules define a sex offender as:*

*An adult placed under, or made subject to, supervision as a result of the commission of a criminal offense and released to the community under jurisdiction of the courts, paroling authorities, corrections, or other criminal justice agencies. In addition, the offender is required to register as a sex offender either in the sending or receiving state and is required to request a transfer of supervision under the provisions of the Interstate Compact for Adult Offender Supervision.*

### Offenders under Active Supervision



### Top Ten Crimes of Conviction



### Acceptance and Rejection Rates

Accepted Cases	Rejected Cases	Accepted %	Reason for Transfer
6,277	5,563	53.0%	Discretionary
145	56	72.1%	Employment transfer of family member to another state
314	186	62.8%	Employment transfer of the offender to another state
197	49	80.1%	Live with family who are military members
59	15	79.7%	Military member
31,042	12,929	70.6%	Resident family AND Employment or Means of Support
22,881	4,881	82.4%	Resident of receiving state within the meaning of the Compact
33	17	66.0%	Transfer of military veteran for medical or mental health services
60,948	23,696	70.8%	Totals/Average Rate of Acceptance

## A New Way – Major Changes in how Supervision Violations are Reported

The states and territories submitted 24,773 violation reports in FY 2014 compared to 36,718 violation reports in FY 2013. This represents a 32.5 percent decrease in the number of reports filed in a single year. This dramatic shift is attributed to the changes made to the ICOTS application and how officers communicate regarding violations.

In addition to changes in how field officers input the violation report, the data generated is different and more detailed. Previously the Commission didn't have the ability to report on probable cause hearing requests (1,523 in FY 2014) or directly track the required retaking violations (12,372 mandatory retakings ordered in FY 2014).

The average violation report prior to the enhancements took an average of seven days to go from creation to transmission to the other state. The reduction of 11,945 violation reports from FY13 to FY14 represents the elimination of 83,615 processing days.

The distribution of the type of violations remains consistent with those reported in past years, where 75 percent involve the commission of a significant violation (including new arrest), four percent are the result of a new conviction, and 20 percent are for absconding.

The number of violations associated with registered sex offenders and victim sensitive offenders remains consistent with previous years, four percent and 11 percent respectively. Both percentages are consistent with their proportion of the offender population.

*\*A significant violation is an offender's failure to comply with the terms or conditions of supervision that, if occurring in the receiving state, would result in a request for revocation of supervision.*

## Case Closures

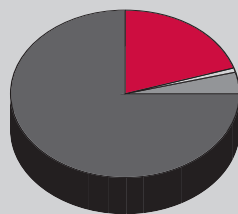
The states closed supervision on 63,286 compact offenders, an increase of three point six percent, or 2,224 cases, from FY 2013. The most notable changes from FY2013 are the decrease in successful completion of supervision (one percent) the increase in absconding (two percent) and early discharge (one percent).

## PROGRAMS, SERVICES AND ACCOMPLISHMENTS

### Administration

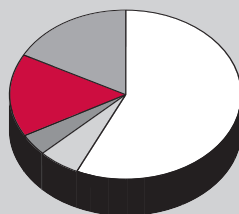
- Implemented the FY 2014 compliance audit program and set the standards for the FY 2015 audit
- Published 127 newsletters, announcements and emergency notifications
- Surveyed the states on parole officer overtime, treatment in other jurisdictions and tolling supervision time during violation proceedings
- Coordinated the 2013 Annual Business Meeting in Boston, Massachusetts, and fifty-five region and committee meetings
- Published a new administrative policy governing the creation and dissemination of surveys
- Implemented the DCA Mentoring Program
- Operated within approved budget

**Types of Violations**



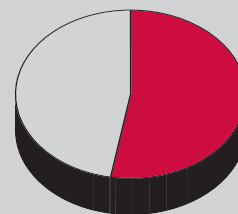
- Absconder (20%)
- New Conviction of a Violent Crime (1%)
- New Felony Conviction (4%)
- Significant Violation (75%)

**Violation Report Responses**



- Supervise / Sanction (17%)
- Supervise / Notify (16%)
- Order Return (4%)
- Conduct PC Hearing (6%)
- Violation Report Response (57%)

**Retaking Obligation**



- Discretionary (53%)
- Mandatory (47%)



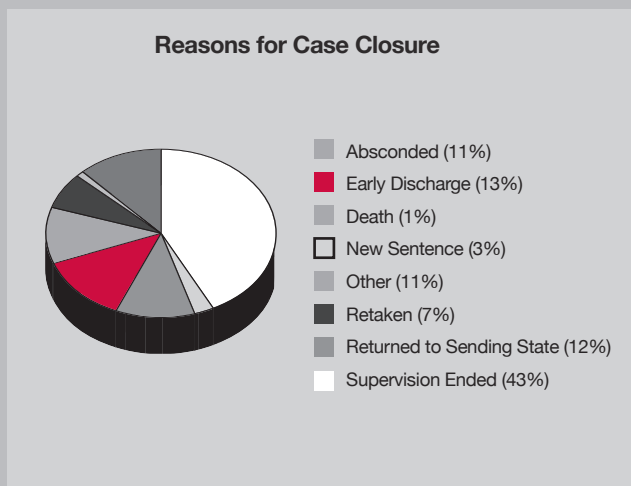
- Continued contribution to long-term investment portfolio (rate of return 12.6 percent).

### Legal

- Processed requests for Enforcement Actions, Complaints, Disputes and Advisory Opinions
- Took enforcement action against California, Puerto Rico, the US Virgin Islands and Kansas for rule and compact violations
- Published advisory Opinion 1–2014 (published 02.12.14) – At issue: Whether an offender under supervision in the receiving state, who is charged with a new criminal offense in the receiving state and arrested but released on bail on the new offense, may be subsequently arrested and detained for retaking by the sending state pending the resolution of the new criminal charge.

### Technology

- Implemented the ICOTS Rule Amendment enhancements
- Continued data sharing project with the New York State Fusion Center
- Implemented a data sharing project with the FBI N-DEX program
- Implemented victim notification application
- Upgraded the ICAOS website software
- Implemented Compliance Dashboards
- Expanded the data available to compact offices
- Migrated the National Office web and database servers to a new cloud vendor



We trained 1,300 field users on the ICAOS Rules and ICOTS

Over 1,500 individuals participated in the on-demand training sessions.

We trained 49 compact offices and staff on the new Rule amendments

Five states received training assistance through the Technical and Training Assistance Policy.



### Training

- Updated the Judicial Bench Book, the Commissioner Handbook, and the field officer training curriculums
- Expanded training topics and the number of online training modules
- Presented workshops at APPA and National Sheriffs' Association Annual Conferences
- Thirteen states offered continuing legal education credit to those who participate in ICAOS training programs
- Conducted fifty-five rule training sessions for field personnel
- Introduced a new training module on the Violation Addendums
- Trained 1,300 field users on the ICAOS Rules and ICOTS
- Trained 49 compact offices and staff on the new Rule amendments
- Over 1,500 individuals participated in the on-demand training sessions
- Five states received training assistance through the Technical and Training Assistance Policy
- Legal counsel trained judicial officials in New Jersey, Connecticut and Kansas
- Published two new training guides for Rule 3.107 and the appropriate use of Violation Addendum
- Published a legal whitepaper on Discharge of Sentences in Lieu of Retaking
- Collected published sanctioning grids on the ICAOS website



While an increase in services each year continues to challenge the budget, the financial outlook is positive. ”

By building on the progress made in FY2014, enforcing compliance with rules will continue to be a focus. At the same time, the Commission will turn its attention to rule making. The Rules Committee will spend much of FY2015 preparing for the amendment/proposals to be submitted for the Annual Business Meeting in Portland, Oregon. The Technology Committee will complete the next round of enhancements to ICOTS, seek to improve ICOTS VINEWatch usage and look for additional innovative ways for the Commission to serve the states. The Finance Committee continues to monitor the operating budget and long-term investment strategy.

The next scheduled Annual Business Meeting is August 27, 2014, in Oklahoma City, Oklahoma. This year the programming preceding the business meeting is expanded to include an additional day of training for deputy compact administrators. This additional time together for networking and expanded educational opportunities will offer new resources for the Commission going forward.

### Financial Outlook

While an increase in services each year continues to challenge the budget, the financial outlook is positive. The Commission maintains a healthy reserve fund and a growing long-term investment fund. Since the Commission voted to establish the long term investment fund it has steadily grown with consistent contributions. The Commission has not voted for an increase in membership dues since 2008 and because of its inclination toward conservative spending practices, it is unlikely that there will be a need to seek an increase in the near future.

In accordance with the Council of State Governments recommendations, the Commission maintains a reserve fund of \$1,782,760.26. The Commission also maintains a separate legal reserve of \$50,000 to cover litigation expenses. Beginning in 2011, the Commission began to pursue a long-term investment strategy to improve the rate of return on our reserve fund. In November 2012, the Commission decided to increase the monthly contribution to this fund from \$20,000 to \$30,000 per month. The Commission's long-term investment portfolio has a balance of \$1,015,139.35 and achieved a 17.5 percent rate of return during FY 2014.

### New Rules and Amendments Effective March 2014

- Any rule that has a time requirement for action of less than 30 days shall be amended to reflect that those days are business days; any time requirement of 30 days or more shall be amended to reflect that those days are calendar days.
- Rule 1.101 Definitions – “Abscond”
- Rule 1.101 Definitions – “Warrant”
- Rule 3.101–1 Mandatory reporting instructions and transfers of military, families of military, family members employed, and employment transfer, and veterans for medical or mental health services
- Rule 3.102 – Submission of transfer request to a receiving state
- Rule 3.104–1 Acceptance of offender; issuance of reporting instructions
- Rule 3.107 Transfer request
- Rule 4.109 Violation reports
- Rule 4.112 Closing of supervision by the receiving state
- Rule 5.101 Discretionary retaking by the sending state
- Rule 5.101–1 Pending felony or violent crime charges
- Rule 5.102 Mandatory retaking for a new felony or new violent crime conviction
- Rule 5.103 Mandatory retaking for violation of conditions of supervision
- Rule 5.105 Time allowed for retaking an offender
- Rule 5.108 Probable cause hearing in receiving state
- Rule 6.103 Enforcement actions against a defaulting state

### FY 2014 Training Bulletins

- Training Bulletin 1–2014 / Rule 3.107 (a)(12)



## REPORT OF INDEPENDENT AUDITORS

To the Governing Board  
The Council of State Governments  
Lexington, Kentucky

### Report on the Financial Statements

We have audited the accompanying financial statements of The Council of State Governments (a nonprofit organization, the Council), which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Council as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by *Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* is presented for purposes of additional analysis and is not a required part of the financial statements. The combining statements of financial position and activities, and the schedules of amounts due to and due from managed organizations are presented for purposes of additional analysis and are not a required part of the financial statements. The combining information on pages 15 through 18 is presented for purposes of additional analysis rather than to present the financial position, results of operations, and cash flows of the individual departments the Council. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated [date of report] on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

*Blue & Co., LLC*

Lexington, Kentucky  
December 5, 2013



# OFFENDERS ON COMPACT SUPERVISION AS OF THE CLOSE OF FY 2014

States	Incoming				Outgoing				Total Offenders
	Probation Only	Parole Only	Probation and Parole	Total Incoming	Probation Only	Parole Only	Probation and Parole	Total Outgoing	
Alabama	2,904	716	301	3,921	1,356	433	39	1,828	5,749
Alaska	130	56	7	193	140	29	72	241	434
Arizona	1,416	506	77	1,999	2,390	205	53	2,648	4,647
Arkansas	1,709	681	144	2,534	1,203	1,460	117	2,780	5,313
California	4,153	1,212	181	5,546	2,117	476	27	2,620	8,165
Colorado	1,152	267	68	1,487	2,245	703	70	3,018	4,505
Connecticut	787	142	42	971	936	134	102	1,172	2,143
Delaware	595	138	73	806	316	26	40	382	1,187
District of Columbia	705	95	101	901	491	3	3	497	1,398
Florida	4,890	1,679	404	6,973	6,038	233	53	6,324	13,295
Georgia	3,584	929	139	4,652	7,316	1,320	1,007	9,643	14,293
Hawaii	143	43	7	193	260	105	6	371	564
Idaho	403	125	40	568	1,224	438	37	1,699	2,267
Illinois	3,282	1,143	257	4,682	2,066	880	50	2,996	7,678
Indiana	2,306	714	121	3,141	2,173	325	88	2,586	5,727
Iowa	1,067	277	77	1,421	969	310	45	1,324	2,745
Kansas	1,076	359	96	1,531	1,065	348	83	1,496	3,027
Kentucky	1,957	413	96	2,466	2,405	769	153	3,327	5,792
Louisiana	2,048	816	132	2,996	1,644	968	272	2,884	5,880
Maine	267	57	18	342	197	2	2	201	543
Maryland	2,867	460	149	3,476	1,037	279	299	1,615	5,090
Massachusetts	1,190	192	47	1,429	923	94	69	1,086	2,515
Michigan	1,775	584	100	2,459	1,238	594	55	1,887	4,346
Minnesota	1,309	291	102	1,702	2,055	272	74	2,401	4,102
Mississippi	1,573	570	122	2,265	1,713	542	327	2,582	4,847
Missouri	2,231	819	148	3,198	3,285	1,072	370	4,727	7,924
Montana	298	77	24	399	597	181	237	1,015	1,414
Nebraska	608	187	28	823	301	96	6	403	1,226
Nevada	732	203	30	965	1,079	380	22	1,481	2,446
New Hampshire	465	75	34	574	271	184	18	473	1,047
New Jersey	2,055	480	102	2,637	2,260	800	74	3,134	5,771
New Mexico	922	215	19	1,156	656	80	219	955	2,111
New York	3,691	752	140	4,583	1,897	1,235	39	3,171	7,754
North Carolina	3,523	838	236	4,597	1,250	163	66	1,479	6,076
North Dakota	624	100	53	777	464	29	78	571	1,348
Ohio	2,895	958	185	4,038	1,776	674	44	2,494	6,531
Oklahoma	1,843	783	118	2,744	1,239	239	29	1,507	4,251
Oregon	866	257	60	1,183	1,072	492	88	1,652	2,835
Pennsylvania	2,244	543	116	2,903	3,714	1,383	324	5,421	8,324
Puerto Rico	198	155	16	369	78	27	1	106	475
Rhode Island	435	42	14	491	716	37	71	824	1,315
South Carolina	2,088	508	189	2,785	960	202	41	1,203	3,988
South Dakota	408	79	23	510	458	253	30	741	1,251
Tennessee	3,576	972	377	4,925	2,249	554	74	2,877	7,802
Texas	4,240	1,970	436	6,646	7,031	3,056	273	10,360	17,005
Utah	566	124	26	716	312	146	5	463	1,179
Vermont	219	53	6	278	283	89	6	378	656
Virginia	1,749	506	130	2,385	5,753	191	189	6,133	8,517
Virgin Islands	34	15	3	52	3	3	0	6	58
Washington	1,481	467	126	2,074	472	111	20	603	2,675
West Virginia	967	174	47	1,188	299	283	30	612	1,800
Wisconsin	1,331	262	57	1,650	1,617	1,202	254	3,073	4,723
Wyoming	305	98	31	434	501	95	22	618	1,052
<b>TOTAL:</b>	<b>83,882</b>	<b>24,177</b>	<b>5,675</b>	<b>113,734</b>	<b>84,110</b>	<b>24,205</b>	<b>5,773</b>	<b>114,088</b>	<b>227,806</b>