



**RISE**

**Eija-Riitta Nelin**  
**[eija-riitta.nelin@om.fi](mailto:eija-riitta.nelin@om.fi)**

## Background for the need of the prepaid card

- Every prison had their own system and cashier for handling inmates money.
- CSA had one common bank account for all incoming money for inmates, and even that we had advised that every transfer should have at least this information: prisoners name, birthday, prison number and prison. Still there were transfers with messages like this: *"Happy Birthday Matti Wishes from mother!"*.
- If inmate changed prison, old prison had to send information about the money to the new prison, there were two balances per inmate; own money (possible to use 140 € per month) and money earned in prison (no restriction for use). The information was sent via email, fax and traditional mail.
- The Finnish Government Shared Services Centre for Finance and HR (Palkeet) had to do daily the balance sheet check and inform every prison about the money. Sometimes they "remembered that this person was at Helsinki prison last time, and they did the transfer, which might be old information).
- Cost for balance sheet check and paying inmate's invoices was around 170.000 € annually
- When the inmate was released we had to calculate also future incomes in advance and pay all the money in cash.
- We wanted card to be prepaid so that there won't be risk of overdraft
- We started to pay allowances and salaries for open prison inmates at beginning of 2014 to their own bank accounts.
- But for inmates who did not have or were unable to have a bank account we had to pay their allowances to bank by payment order.
  - If the inmate did not have an identification card, our officers had to go to the bank with a special permission and do the cash withdrawal
  - Inmates did not receive payment orders same day and we had to take inmates to bank many times.
  - When inmates were released, it was usual that they did not pick the money from payment orders and nearly 20% of the cash was returned to us after 45 days. And we tried to do it again and again.

## CSA's requirements for prepaid card

- One system for all the prison money
- Every card should have own IBAN (relatives and authorities can send money directly to the prisoner)
- Prisoners can use prepaid card both in prison and also outside prison.
- CSA can pay inmate's invoices and transfer money from prepaid card to own account or some other account.
- CSA can pay allowances and salaries directly to each card according to payment schedule even after release
- Only deported prisoners shall have all the money that they have at their card when leaving and still in cash as well as those inmates that were moved to other country to continue their sentence
- Inmates can use the prepaid card during the release month plus three full months after.

## Incoming money to prison

- If inmate has cash when he arrives to a closed prison, we take the cash from the inmate and put the money to a prepaid card and then the inmates can use their money right away.
- Inmate gets his PIN and we tell them their IBAN and BIC code so that he can inform the parties who will send them money. Officers can not give that information and inmates have to give their IBAN and BIC code themselves to the parties that send them money.
- Earlier the Prison Act did not allow money or any instrument of payment at closed prison on inmate's possession. Now even that the law changed, we do not give cards directly to inmates in closed prisons. Instead when they need to pay canteen purchases, their cards are handed to them for the duration of the purchase. This is a safety measure.
- Prisons do not allow visitors to bring money to prisons after CSA started to use prepaid cards. Only exception is, that if someone brings money for the inmate to pay fines.
- Before prepaid cards, inmates received large quantities of cash in letters. Now the amount of cash letters has decreased, but there are still inmates that do receive them.
- In the beginning we thought that we can close the common account for all the prisons, but we have not been able to close it.
  - Not all the municipalities are able to pay to Irish Iban (the company providing the service is English company but virtual Iban for Barclay Bank are Irish) , their allowance paying systems do not have SEPA capability
  - If the cardholder is on a sanction list (OFAC list is the one, that banks do want to obey it, but for us the law says that we cannot prevent any payments from the card and to the card), we have to allow inmate's relatives to send money to common prison account and we will transfer the money to inmate's card.

## Can every inmate get a prepaid card, even those who have no certain identity or multiple identities? And what about those who are going to be expelled from the country?

- Every inmate who comes to CSA through two other authorities: police and the judiciary which have checked the inmates indentity.
- CSA checks which method of identification have been done.
  - There is a note in Prison information system (VATI) who has made the identification and from which document
  - If we later find that the personality information has changed we change it also to VATI and MACP (card system admistration tool)
  - If we cannot identify an inmate, there will be some restrictions for the card usage (we will not allow outside transfers to the card, and they won't get a card after their release)

## After inmate is released

- If an inmate is released and informs us about his own personal bank account, we transfer money from his prepaid card to his own bank account. Also unpaid allowances, salaries and unused phone credits will be deposited directly to his personal bank account.
- If an inmate does not give his own personal bank account details, and will be released to Finland or any other SEPA country, he can keep the prepaid card and it will be valid the release month plus 3 months.
- We will normally pay twice the allowances and salaries after the release according to the payment schedule. Salaries and allowances are paid twice a month at open prisons and once a month at closed prisons.

## Limitations in usage of cards.

- CSA has not enforced any limits to the money usage inside the prisons after taking the prepaid card system in use.
- Prepaid Financial Services "PFS" (the service provider) has set some limits (some of those CSA have chosen) for the cards:
  - Maximum three deposits per day
  - POS usage maximum 6.000 € per day
  - Maximum deposit 5.000 € per day
  - Minimum deposit 0,01 €
  - Maximum balance at card 15.000€ ( So far, no one has had this much money at his card)
  - Maximum ATM withdrawal per day 3.000 €

## What happens if there still is money on the card after that three months has passed after the conditional release?

- CSA will send a letter for all the card holders that have more than 50 € left and ask for account information. If we cannot find their address information, we are not able to send the letter. If the released inmate tells us his personal bank account number, we will transfer the money to that account. Unfortunately many of the cardholders do not answer to us, even after they got the letter.
- To every cardholder that returns to prison we will transfer money to a new card (this has been done from the beginning)
- Best solution would be, that CSA would get inmates personal bank account information before the inmate is released and we could transfer the money from the card in advance and last allowances would be paid to former inmates personal bank account.
- At the moment closed cards have all together over 70.000€

---

## How often do the inmates get their salary?

- Open prisons inmates have two pay days per month
  - Earning period is from 1st of the month till 15th and the second period of the month is from 16th till the end of the month.
- At closed prisons inmates have one payday per month
  - Earning period is from 22nd of last month until the 21st of this month
- CSA started to pay according to the payment schedule all the salaries for open prisons at the same time when we started to pay to inmate's own personal bank account at beginning of 2014.
- In May 2016 CSA started to pay allowances and salaries to prepaid cards for all the closed prison inmates and all those open prison's inmates who have not given their own personal bank account number and also according to the payment schedule.
- Even when the inmate is released, we will pay the allowances and salaries according to the payment schedule either to his own bank account or to his prepaid card. Only exceptions are the inmates who get deported outside the SEPA area or if they will continue their sentence in other country's prison.

## What if the inmates lose their cards or forget the code to the card?

- If the cardholder is still in a prison, we will give him a new card and transfer details (and the money) from old card, so that IBAN stays the same, but PIN and card number will change
- We put to MACP's NOTES field (card administration system) information about new and old card, so that it is easier to follow.
- If the inmate is already released we ask them to contact the nearest prison.
- If released prisoner tells us his own personal bank account we rather remove the funds from prepaid card to his own bank account and put his own IBAN also to VATI (prison information system).
- Released prisoners can also call to Prepaid Financial Services Ltd customer service and ask the money to be send to his private bank account.

## Is the system easy to administrate?

- Many functions are easy
  - change DC code (prison code)
  - put needed information to the system (all first names, last name, birth date, prison number, prison)
  - Transfer details from old card to new card
  - Pay invoices or transfer money
  - Take balance list for all the inmates in same prison (if the DC code change has changed)
  - Take transaction for individual cardholder
  - Take bank statement per one prison for each inmate
  - It is easy to make a note (but not everyone remembers to make it)
  - Some officers were at first a little bit worried, because MACP is in English (we do have instructions in Finnish)
- New law does not allow officers to see transactions after releasement and that is why cardholders can call to PFS customer service. Administrative users see only the balance of each card in status list, and the card status.

## What happens with the money that the inmates are carrying with them upon arrival in a prison? The money goes to the card but what about the actual cash?

- CSA have a limit (credit) at E-wallet for 50.000 € so that we can deposit all the cash that the inmate brings with him to the prison.
- The actual cash will be put to a safe and if the amount of money in the safe is over the Cashier instruction. We will take it to the bank and deposit to CSA's bank account.

## Where are the actual cards stored inside the prison?

- It depends on a prison. The most usual way is to have a file for each ward for cards in an alphabetical order (cards are in pockets) and some prisons do have locked boxes for cards (we do not know their PIN codes)
- We have put individual name and inmate number to each card with a sticker or we use a permanent marker (every card has common text "RISE." as a name; Rise is the first name and . (dot) as a family name)

## How much does the system cost? Licenses etc.

### ■ Implementation fee

- Development work (we have hourly cost and it depends how much time development takes per each assignment)

### ■ Monthly costs (normally between 3.000 € and 5.000 €) includes:

- Each Reloadable Card and postage (when we order them)
- Bank Transfers from Web (we pay inmate's invoices)
- POS Transaction Fees outside Finland
- ATM in Finland (certain fee for each withdrawal)
- ATM Transactions outside Finland (certain percentage of the total amount)
- Each IBAN transfer (negotiated maximum amount per month)
- Each returned IBAN transfer (each transfer have a certain cost)
- Charge for Pre Funding (negotiated percentage per month)

## Is it possible for the inmates to pay invoices with the help of the card? Can the inmates wire money to relatives etc?

- At the moment officers help cardholders to pay invoices and transfer money to another IBAN in MACP (card administration system) if we get a written inquiry form from inmate.
- In the future cardholders in open prison and released inmates can pay invoices themselves, transfer money and check the transactions and the balance at cardholder portal, (CCP)
- At closed prisons we will not allow prisoners to pay invoices themselves in the future; officers will do that and director of the prison will always check in advance if we can allow it.
- At closed prison inmates will only see their balance and transactions at CCP (cardholder portal) when our system is ready and have pc's for it.

## Is there an easy way for the inmates to see how much money they have on the card?

- If the cardholder is still at a prison CSA officers give them that information.
- In the near future CCP will help cardholders to check the balance themselves if they can access the internet (released prisoners and prisoners in open prisons)
- At closed prisons we do not yet have enough computers for that purpose (at the moment there is only one pc per prison, and it is mainly for education purposes)
- The most common ATM operator ("OTTO") in Finland does not give the balance information
- ATM operator "NOSTO" gives the information of the balance but it is not yet as common as ATM OTTO
- Customer service of PFS can tell their balance (for released inmates and inmates in open prisons)

## Can the inmates relatives send money to the account connected to the prepaid card using mobile pay or other similar services?

- In Finland mobile pay is a new technology and it is too early to comment on it
- Relatives can make SEPA transactions via internet banking and if they do it during office hours, the money will be at cardholders IBAN next working day at noon.
- We do not have a quicker method than one working day, if the money is coming from other IBAN
- Cards can be used in other SEPA countries (it was allowed from end of September 2016)
- Relatives have been able to send the inmates money from the beginning. At the start there were a few problems but most of the banks have not had any problems at all.
- If someone tries to send an express foreign payment, it does not work, it just has to be an ordinary SEPA payment.

## What are the main struggles with the system?

- At first we did not have enough user licences in the system. Now we have over 1.000 users (officers).
- At first there were some cultural differences with PFS
- At first we did not have a good contact person, she was Finnish but not qualified. From August 2016 we have had very good contact person who is Finnish and she has good experience for banking. But she left the company and there was about two months time that we did not have a finnish speaking contact person, but now we have a new contact person.
- Big problem at first was also, that we could not change DC code; that function was available at end of September 2016
- At first we could not transfer details from old card, and we had to create a new one everytime.
- We cannot print receipts, when we pay cardholders invoices, but they can see it from bank statment
- Some of our officers experience English language as a difficulty

## More troubles at the system

- You cannot use scandinavian alphabets Ä, Ö and Å.
- Cardholders cannot get their balances from Finnish ATM OTTO, they have been able to get it from NOSTO ATM since last autumn.
- Money comes to card after 11:00 AM on working days (english time 9:00 AM)
- If officer transfers money or pays invoices, the only sign will be the Internet Explorer's address line planet circling. That is why there have been cases when the same transfer has been made several times.
- Cards can be used in other SEPA countries (it was allowed from end of September 2016 (This is a good thing, not a trouble)
- Relatives cannot send money outside the SEPA area and also payments to outside SEPA area cannot be made from the system

## Problem with supplementary benefit from municipalities

- CSA was planning to close common prison account after a month of useage of prepaid card (for saving money and reducing work to find out whose money there is)
- Municipalities payment systems are not SEPA capable, and the problem is because prepaid cards have Irish IBAN
- There are some municipalities that can pay benefits directly to cards.
- CSA was not prepared to this problem
- The benefits that Social Insurance Institution pays, comes directly to prepaid cards (and it is most common way for incoming benefits nowadays, it changed in the beginning of 2017)

## E-wallet functionality

Limit is 50.000 € (at first we had little problems with this).

- CSA makes direct payment every Thursday before 14:00 PM to reduce used limit. It will be paid with help of Palkeet at same day payment data. Palkeet will sign that they have paid it same day.
- Normally transfer to pay the limit is between 12.000 €- 28.000 € - Average payment is 21.000 €. Transfer will pay make to Barclay's customer asset account. We will send message to PFS card funding team, that this amount of money is coming to You.
- Normally the amount will be seen after noon on the same day at E-wallet. Southern District is making the payments and checks also E-wallet situation.
- In international payment traffic it is problematic with Bank holidays. Even that we are aware of English bank holidays, there might be delays. But it will not be problematic to inmates, because we always have enough limit to be able to put their own money to their cards.
- CSA has chose to have limit so that there are not unbounded funds at E-wallet. We use limit so that we are able to put the cash money directly to prepaid card when inmate arrives to closed prison.

## Sanctions matter

- We have one international prisoner that is on OFAC sanctions list, bank does not allow direct transfers but we cannot restrict (it is against Finnish law) so the money comes still via old common prison money account.
- We had two inmates about a year ago (nationalities of those inmates was not Finnish) in National sanctions list. And we had to have contacts with Ministry of Foreign Affairs, Immigration agency, Criminal Investigation Department (Money laundry unit) and Execution Authority (who makes restriction of money use and also the limits)
- Many other sanction list matches with bank were only with the first name and last name. When we told other names, date of birth and nationality, they were not at any Sanctions list (EU and UN)

## Development matters

- Possibility to change DC (prison code) (in use after 9/2016)
- Possibility to use card in other SEPA country (in use after 9/2016)
- Iban block; so that CSA can pay allowances, but no other transfer to cards (already in use)
  - When inmate is released
  - When the card holder is on sanctions list
  - When the we are not sure of the cardholder's identity
- Automatic card closure calendar based. (already in use)
  - For the released inmates
- Transactions list for every inmate that is at same prison; by a few clicks instead of individually prints separately (already in use)
  - We would like to have prison number, and running balance to each row and get the list in alphabetical order (not yet in use)
- CCP cardholder portal (not yet in use)
  - All cardholders can see their balance and transactions
  - Released and open prison prisoners can also pay invoices and transfer money to a different bank account

## Other users of the same prepaid card system at government sector

- Immigration agency started at November 2016
  - Asylum seekers benefits
  - All the benefits that they pay will be paid via similar system by the spring 2018
- Social Insurance Institution (KELA)
  - Basic income benefit paying moved from municipalities to KELA at the beginning of 2017 and Kela started to use for those clients which does not have own bank account
- Ministry of Justice is planning to start to use for witness's fee and they are planning to use single-use cards which are not reloadable (only two pilot courts, because there is no customer service in Swedish yet)
- Universities might be interested for international lecturers (not yet in use)
- National Defence Forces (not yet in use)
  - For recruit travels

## Where prepaid card is not working

- Veikkaus games (national gambling company), because POS thinks that this card is creditcard.
- Fueling a car from an automatic gas station (overuse might be possible)
- If the POS in the shop or restaurant or in the bus is not online (checking the balance)
- Sending package from R-kioski (Schenker does not allow any other than debit card;) POS thinks that prepaid card is credit card.
- Outside SEPA countries.

## Problems

- We had some problems because of NETS double authorisation last autumn and it took more than a week until all the balances were right (it showed negative balances and some of the cardholders were out of money that time)
- Some of the development work at PFS has influenced also our system
  - Visible bank account numbers for incoming and outgoing payments at transaction list (it was already corrected and came back)
  - Some Swedish and French text (already corrected)
  - Sometimes the system has asked us to choose gender
  - Excel report and different country settings
  - New users (officers) have not had all the needed functionalities (we can create users, but sometimes we cannot give same rights than those users that have been created in England)

## Benefits of prepaid card system 1.

- Less need for money in cash
- Quick to change DC prison code in system
  - There was plenty of manual work earlier
- We have been able reduce number of officers in handling inmates incomes and we have been able to centralize work
- We can make distance substitutes because of the centralized and same program for inmate money issues
- We can pay allowances and salaries to inmates according to the payment schedule and process is much more automatic.
- Most of the money coming to inmates is coming directly their cards and much quicker than earlier

## Benefits of prepaid card system 2.

- All the open prison inmates can have their salary same day.
- We can pay quicker inmate's invoices.
- Released inmates can take the card with them if they are released to SEPA countries and CSA can pay salaries to them according to payment schedule.
- Safer also to released inmates not to have too much cash on their pockets.
- We do not have to give cash to inmates for prison leave.