



2011 Annual Report

July 1, 2010 – June 30, 2011

Moving Research Into Practice

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Dear Friends and Supporters,

With respect to offenders with substance abuse disorders, years of research have proven that “treatment works” with correctional populations. It saves lives, reunites families, restores health and productivity, increases public safety, and saves money for society.

I’m proud to say that the Gateway Foundation has played an integral part in generating the research that supports the success of treatment, both through its history of providing treatment to individuals involved with the criminal justice system and through participating in numerous studies conducted by researchers in the substance abuse field.

Because the benefits of treating correctional populations have been adequately demonstrated, Gateway Foundation remains committed to providing this important line of business. In the upcoming fiscal year and in years to come, Gateway’s Corrections Division plans to put research into practice through

implementing additional evidence-based interventions in our corrections programs and to develop new product opportunities that will expand our reach within the criminal justice system.

As you will see when you read the remainder of this annual report, the Corrections Division has already begun to implement these strategic initiatives. We look forward to sharing our future successes with you as these initiatives become reality.



Victor Fonseca, Chairman
Gateway Foundation Board of Directors



Michael Darcy, President and CEO
Gateway Foundation, Inc.

Gateway Foundation Corrections—Developing New Products to Meet Growing Needs

Through our 43-year history of serving people in need of treatment for substance abuse and co-occurring mental health disorders, Gateway Foundation is keenly aware of the system-level impact these issues can have on families, communities, and society as a whole. Individuals who suffer from addiction and the related criminal lifestyle also place a significant burden on governmental agencies, both in the community and within correctional settings. Gateway Foundation is committed to providing solutions at every stage of the addiction and criminogenic spectrum and has focused this year on developing strategies to improve our service continuum within the Corrections Division.

Through extensive research and enhancements to our core curricula, Gateway continues to provide cutting-edge, evidence-based correctional treatment programs within institutional settings. However, Gateway now uses its experience and expertise to provide additional cost-effective solutions for criminal-justice related clients and settings. We are working to expand our Day Reporting Center intervention model to include electronic monitoring technologies, and we have developed a contract-staffing approach to assist jurisdictions that cannot afford to contract with Gateway for more intensive programming. In addition, our assessment and client evaluation techniques have long since been a part of our institutional treatment programs, but we are now pursuing strategies to employ these solutions as stand-alone services.

Gateway Foundation Corrections partners with federal, state, and local correctional agencies to ensure that services are directed at the identified needs within each individual context. Whether it is through preventive risk assessments for first-time offenders, mid-level interventions into substance abuse and criminogenic patterns, intensive institutional programming for high-risk addicted offenders or structured re-entry services for those released from correctional settings, Gateway Foundation continues to provide solutions that “reduce recidivism, and rebuild lives”.

Gateway Wins Contract Rebid for Maryville Treatment Center in Missouri

In April 2011, Gateway received notice from the Missouri Department of Corrections of a four-year renewal award to continue providing treatment services at the Maryville Treatment Center (MTC) in Maryville, MO. MTC is a 525-bed, fully-dedicated treatment prison for males that provides intensive therapeutic community model programming through an integrated treatment program. Gateway Foundation clinicians work in conjunction with counseling staff from the Missouri Department of Corrections’ Division of Offender Rehabilitation Services (DORS) to deliver treatment services to the residents of MTC. The Department’s decision to renew a contract with Gateway demonstrates our success at this program and is representative of **Gateway’s position as a valued partner** of Missouri.

Gateway Secures Contracts in St. Louis to Provide Personnel and Expertise

Gateway’s St. Louis Outpatient Program secured two new contracts in the past year that will allow us to expand our reach in the community. Both projects will enable Gateway to provide staffing expertise in collaboration with community stakeholders.

Second Chance Act Sub-Grantee. In January 2011, Gateway began providing family therapy services for families of offenders who will be released to St. Louis upon completion of their incarceration. The collaborative project includes stakeholders from the St. Louis Metro Police Department, St. Louis University, the Missouri Department of Mental Health Division of Alcohol & Drug Abuse, and the Missouri Department of Corrections. Gateway is a sub-grantee of the Second Chance Act funding, which supports a Family Therapist position allocated to the project and clinical supervision activities for interns from St. Louis University. The project hopes to provide evidence to support the need for family interventions that reduce recidivism rates for the participants by intervening in family system issues related to re-entry.

St. Louis City Drug Court. In July 2011, Gateway was awarded a contract to provide the St. Louis City Drug Court with an Aftercare and Pre-Treatment Coordinator to assist with the delivery of intervention services within the Drug Court. Unlike a contract to provide direct services, this contract is for a single staff position, which allows Gateway to use its expertise to work with the courts even though they do not have the capacity to outsource an entire program. It is through opportunities such as this that **Gateway can reach more in need**, even when resources are limited.

Gateway Updates Core Curricula for Corrections Programs

For 43 years, Gateway Foundation has been at the forefront of correctional treatment and to this day remains committed to providing the highest quality of care available for addicted persons involved in the criminal justice system. In 2002, Gateway advanced its application of these principles through developing its first Core Curriculum, the blueprint for the delivery of institutional treatment programming. In the past decade, there have been many advances in the treatment field that have resulted in an increased emphasis on evidence-based practices that enhance the efficacy of the Therapeutic Community methodology. In response, Gateway Corrections management and clinicians sought to update the Core Curriculum in order to improve our systems of care.

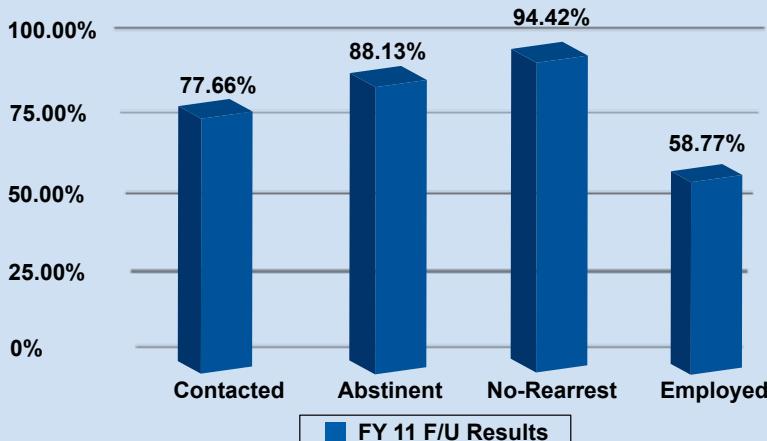
In 2010, Gateway began updating the three volumes of Gateway's 2002 curriculum into a modern, modular format that included the historical context of our therapeutic community model, but with more up-to-date information and implementation techniques. The revised curriculum has been designed to include the following core modules: Orientation, CD Education, Life Skills, Cognitive Restructuring, Gender-Specific Programming, Relapse Prevention, Re-Entry, and TC Interventions and Techniques. Gateway will continue to supplement its Core Curriculum with additional evidence-based interventions specific to identified needs of each population served (e.g., TCU's Brief Interventions, implemented via Gateway's "adaptive treatment" model).

During FY11, the first two Core Curriculum modules, Orientation and CD Education, have been completed and are being implemented throughout our treatment system. The third, Life Skills, is near completion and will be released by the end of the year. These first three modules include the core information utilized in all correctional treatment programs within Gateway Corrections. By updating our curriculum with new approaches, current information, and evidence-based interventions, **Gateway continues to lead the field through our effective solutions for treating addicted persons within criminal justice settings.**

Outcome Results Demonstrate Success of Texas In-Custody Treatment Programs

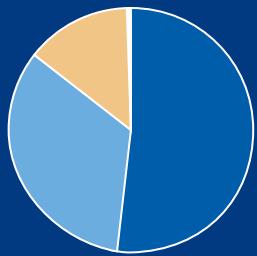
Gateway currently provides in-custody treatment services for the Texas Department of Criminal Justice at two In-Prison Therapeutic Communities (IPTC), three Special Needs Substance Abuse Felony Punishment Facilities (SAFPF), and one Intermediate Sanction Facility (ISF). Follow up data collected on nearly 80% of clients released in FY11 demonstrates Gateway's ability to prepare offenders to reenter the community successfully. Of these offenders contacted 60-90 days post-release, nearly 90% were still abstinent from alcohol and illegal substances, just under 95% had not been re-arrested, and nearly 6 of every 10 completers had already gained verifiable employment in the community.

FY11 Texas In-Custody Program Follow-Up Outcome Results



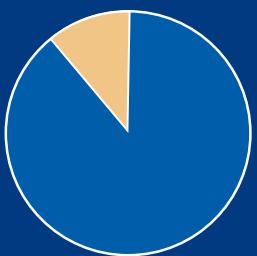
FY 2011 Corrections Demographic Breakout

% by Ethnicity



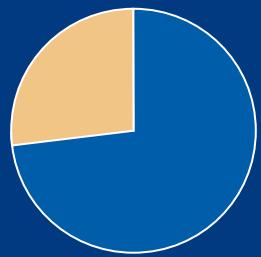
- African-American (9,518 / 51%)
- Caucasian (7,156 / 38%)
- Hispanic (2,011 / 11%)
- Other (155 / <1%)

% Male/Female



- Male (16,778 / 89%)
- Female (2,062 / 11%)

In-Custody vs. Outpatient



- In-Custody (13,703 / 73%)
- Outpatient (5,137 / 27%)

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PROGRAM SITES

Corrections Division

ILLINOIS

CHICAGO
Cook Co. Sheriff's Office
Pre-Release Center
Day Reporting Center

MISSOURI

BOWLING GREEN
Northeastern Correctional Center

FORDLAND

Ozark Correctional Center

MARYVILLE

Maryville Treatment Center

ST. JOSEPH

Western Reception, Diagnostic
& Correctional Center

ST. LOUIS

St. Louis Outpatient Program

VANDALIA

Women's Eastern Reception,
Diagnostic & Correctional Center

TEXAS

BROWNWOOD
Havins IPC

BURNET
Burnet County Jail ISF

DALLAS
Gateway-Dallas

GATESVILLE
Hackberry SAFPF

HONDO
Ney IPC

HOUSTON
South Texas ISF

HUNTSVILLE
Estelle SAFPF

RICHMOND
Jester I SAFPF

NEW JERSEY

ANNANDALE

Mountainview Youth CF
Mountainview Youth CF II

BRIDGETON

South Woods State Prison

CLINTON

Edna Mahan CF

DELMONT

Southern State CF

NEWARK

Northern State Prison

YARDVILLE

Garden State CF

Key

CF = Correctional Facility

IPTC = In-Prison Therapeutic Community

ISF = Intermediate Sanction Facility

SAFPF = Substance Abuse Felony Punishment Facility