

The main title of the report, "Expanding Our Horizons". "Expanding" is written in a large, bold, blue-green font, while "Our Horizons" is in a smaller, black font. The text is centered over a background image of a dirt road winding through a grassy field under a dramatic, cloudy sky with a bright sunburst effect.

Expanding Our Horizons

Dear Friends and Supporters,

FOR MORE THAN 40 YEARS, Gateway Foundation's Corrections Division has partnered with federal, state and local agencies to provide treatment for individuals involved in the criminal justice system. Our mission and vision support providing quality treatment for all who need it, and the corrections population provides Gateway with a unique opportunity to achieve this goal. Our programs help individuals leave confinement with the tools to return to their communities as positive and productive members of society, able to return the investment made in their future. Success in treating this population reduces individual rates of recidivism, saves state budget dollars, and creates a greater potential for less criminal activity in the communities we serve.

Our commitment is to always provide cost-effective, efficient, research based treatment, and our reputation and future is built on the successful outcomes of those we serve. Our Corrections Division programs in Missouri and Texas continue to participate in national research studies, the results of which provide us with the information needed to further hone the efficacy of our services. In the past year, these successes helped us experience the highest level of growth (nearly 50%) in the history of the Corrections Division! We successfully renewed contracts for seven programs and added six new programs. As of the writing of this report, Gateway now operates nearly 8,500 in-custody treatment beds every day through 27 programs located in Illinois, Missouri, New Jersey and Texas.

During FY2012 we continued work on our new community corrections initiatives—something we strongly believe will positively impact our business line in the future. Through an agreement with a division of 3M, we can now provide electronic monitoring services in conjunction with treatment in community-based correctional programs. We've also developed a new treatment model for individuals convicted of driving under the influence that will be deployed in Texas in FY13, and may soon be extended to outpatient programs. We believe that our development of these "community corrections" interventions and programs will provide us with even more opportunities to **reduce recidivism and rebuild lives!**

Gateway's growth and successes are due to the guidance of our board of directors, the commitment of our management team, and the daily efforts of every staff member. Thank you to all of you who make it possible for us to provide the best possible service to our clients and customers of the Corrections Division.



Victor Fonseca, Chairman
Gateway Foundation Board of Directors



Michael Darcy, President and CEO
Gateway Foundation, Inc.

2012 Fiscal Year Demographic Breakdown

% BY ETHNICITY



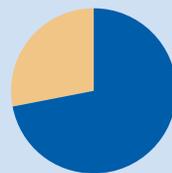
■ African-American: 8,711 (51.8%)
■ Caucasian: 5,715 (34.0%)
■ Hispanic: 2,309 (13.6%)
■ Other: 93 (0.6%)

% BY GENDER



■ Male: 15,111 (90%)
■ Female: 1,717 (10%)

IN-CUSTODY / OUTPATIENT



■ In-Custody: 12,114 (72%)
■ Outpatient: 4,714 (28%)

EXPANDING OUR SUCCESSES

Missouri Growth

This spring the Gateway Corrections Division received two notices of award from the Missouri Department of Corrections (MDOC). Gateway received a five-year contract to continue providing treatment services at the Ozark Correctional Center (OCC) in Fordland, MO, a 650-bed, fully-dedicated treatment prison for males. Gateway was also successful in its bid to renew the MDOC contract for its program at the Women's Eastern Reception, Diagnostic and Correctional Center in Vandalia, MO. This renewal contract also includes the operational oversight of the treatment programs at the Chillicothe Correctional Center in Chillicothe, MO, and an expansion of the male special-needs program at Northeast Correctional Center in Bowling Green, MO. As a result of these awards, Gateway now operates over 2,000 treatment beds within the MDOC system, now our second largest Corrections market. We believe that the Department's decision to award these contracts to Gateway demonstrates our **success as a trusted partner** in Missouri.

Texas Expansion

Gateway experienced its largest successful contract bid in history in Texas this year. Gateway was awarded all 10 of the Substance Abuse Felony Punishment Facility (SAFPF) and In-Prison Therapeutic Community (IPTC) programs out for bid, more than doubling our capacity in the State. As the now exclusive provider of the vendor-operated SAFP/IPTC programs, these five-year contracts give Gateway the opportunity to substantively improve the efficacy of the overall treatment initiative. Our successful bid included a modified program design that offers the most expansive breadth of service possible within the fiscal constraints of TDCJ's budget. Gateway now operates eleven institutional programs in Texas, with a total treatment capacity of 4,677 beds. The Texas market currently comprises 54% of our in-custody treatment operations.

EXPANDING OUR SERVICES

Gateway Secures Agreement with 3M Electronic Monitoring

In March of 2012 Gateway finalized negotiations with 3M Electronic Monitoring (3M EM) to become a “Value Added Reseller” of electronic monitoring products and services, which enables Gateway to begin providing monitoring and supervision services in conjunction with our treatment programs. Program participants at Gateway’s Cook County Sheriff’s Office Day Reporting Center are currently provided with electronic monitoring through 3M EM, and future initiatives will seek to replicate the success of this program in new markets. Our goal is to meet the comprehensive needs of correctional jurisdictions by providing integrated treatment, intervention and monitoring services through a single contractual relationship. Gateway is proud to be associated with such a strong electronic monitoring services provider, and we believe that by combining our efforts with 3M EM, we can increase our presence in the national community corrections market.

Gateway Develops Programs to Address Problem of Drinking and Driving

Using our vast experience in providing effective substance abuse treatment programs, Gateway developed a treatment model specifically designed to address the needs of offenders convicted of driving under the influence (DUI) of alcohol and illicit substances, or driving while intoxicated (DWI). The DWI Recovery Program is a cognitive-based, curricula-driven treatment program developed in response to the recent Request for Proposals issued by the Texas Department of Criminal Justice (TDCJ). This in-custody program uses interventions specific for the DWI population and high-risk offenders with a history of alcohol-related offenses. The initial implementation site for the DWI Recovery Program will be at TDCJ’s Ellen Halbert Substance Abuse Felony Punishment Facility, a fully-dedicated treatment institution for females located in Burnet, Texas. The DWI Recovery Program began operations on September 1, 2012.

IMPROVING OUR RESULTS

TCU’s Disease Risk Reduction

Over the past several years, Gateway’s institutional programs in Missouri and Texas participated in Texas Christian University’s Disease Risk Reduction (DRR) study (Wayne Lehman, Ph.D., Principal Investigator and Kevin Knight, Ph.D., CO-Principal Investigator), a research project funded by NIDA that focuses on the critical high-risk transition time between incarceration and return to the community. The *WaySafe* curriculum developed during this study was successfully implemented in eight different prison-based substance abuse treatment programs in Texas and Missouri. The evidence supported the effectiveness of *WaySafe* as compared to the Treatment as Usual (TAU) group for participants in each of the eight facilities in which it was implemented.

Participation in *WaySafe* was positively associated with getting tested for HIV after release back into the community—74% of offenders who participated in *WaySafe* reported getting tested for HIV compared to 55% of offenders who received treatment as usual. While preliminary, **early findings regarding 1-year re-arrest rates for study participants from our Texas sites also were positive (ranging from 9% to 20%), considerably lower than the average 25% 1-year re-arrest rate for Texas prisoners released in 2007** (per Texas Legislative Budget Board, 2011).

A second phase of the DRR study is examining how programs implement new evidence-based curriculums such as *WaySafe*. This phase currently includes several of Gateway’s programs in Missouri, and will soon include several of the new Texas programs as well. **This is another example of Gateway’s commitment to “moving research into practice.”**

Implementing Medication Assisted Treatment (MAT) in Community Correctional Environments

For several years, Gateway’s St. Louis Outpatient Program has been incorporating medication assistance to complement the traditional psychosocial treatment modalities used with addicted offenders. Gateway clinicians in St. Louis have found that medication assistance, particularly for the high number of alcohol- and heroin-dependent clients, has reinforced our methods for attacking this challenging addiction. In order to reinforce this clinically-based evidence, Gateway Foundation partnered with Texas Christian University’s (TCU) Institute of Behavioral Research (IBR) to conduct formal research into strategies to improve the implementation of MAT interventions with our population.

The collaborative research project with TCU IBR is part of a National Institute on Drug Abuse (NIDA)-funded Criminal Justice Drug Abuse Treatment Studies (CJ-DATS) grant (PI: Kevin Knight) and supports a patient-level outcome sub-study to complement the Medication-Assisted Treatment Implementation in Community Correctional Environments (MATICCE) protocol. The purpose of our study is to examine the patient-level impact of Medication-Assisted Treatment (with a focus on the prescription of Vivitrol®-extended release Naltrexone) for criminal justice-involved individuals under real-world conditions. This project is helping us understand ways to overcome the persistent challenges faced when referring our clients to the medication-assisted treatment they need. Through Gateway’s participation in this study, we hope to not only improve our client outcomes in St. Louis, but also to provide foundational support to broaden the application of MAT in additional community corrections markets. In so doing, **Gateway continues its commitment to improving the field of correctional treatment.**

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CORRECTIONS DIVISIONS PROGRAMS

ILLINOIS

Chicago

Cook County Sheriff's Office

- Pre-Release Center
- Day Reporting Center

MISSOURI

Bowling Green

Northeast Correctional Center

Chillicothe

Chillicothe Correctional Center*

Fordland

Ozark Correctional Center

Maryville

Maryville Treatment Center

St Joseph

Western Reception, Diagnostic and Correctional Center

St. Louis

St. Louis Outpatient Program

Vandalia

Women's Eastern Reception, Diagnostic and Correctional Center

NEW JERSEY

Annandale

Mountainview Youth CF

Mountainview Youth CF II (FMU)

Bridgeton

South Woods State Prison

Clinton

Edna Mahan CF

Delmont

Southern State CF

Newark

Northern State Prison

Yardville

Garden State Youth CF

* Program began operations in FY13

CF	Correctional Facility
IPTC	In-Prison Therapeutic Community
ISF	Intermediate Sanction Facility
SAFPF	Substance Abuse Felony Punishment Facility

TEXAS

Brownwood

Havins IPTC

Breckenridge

Sayle SAFPF*

Burnet

Halbert SAFPF*

Halbert DWI Recovery Program*

Dayton

Henley IPTC/SAFPF*

Gatesville

Hackberry SAFPF

Hondo

Ney IPTC

Houston

South Texas ISF

Huntsville

Estelle SAFPF

Kyle

Kyle IPTC*

Richmond

Jester I SAFPF

San Diego

Glossbrenner SAFPF*



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