

Pigeonly | Corrections

**Eliminate Contraband.
Protect Your Staff.
Lower Cost.**

Budgetary Price Proposal

**For a Subscription-Based Postal Mail
Contraband Elimination Solution.**



Prospect: New Mexico Department of Corrections
Population: Approx 3,500
Facilities: 8

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Introduction and Background

Founded in 2013, Pigeonly has become one of the largest independent inmate services providers, serving over 300k customers across 88 countries. Corrections by Pigeonly, our contraband elimination solution, allows correctional facilities to receive legal and non-legal postal mail without the risk of contraband, protecting the safety of correctional staff while streamlining the current mail processing process, while significantly lowering the cost to facilities.

Our service is delivered as an easily implemented Software as a Service (SaaS) solution requiring no investment in or maintenance of expensive hardware or software. Our contracts are based on an affordable, multi-year subscription agreement with the option of a 90 Day free pilot program, providing for maximum flexibility and the de-risking of a Pigeonly Corrections deployment.

Industry Problem

Postal mail is one of the oldest and most commonly used methods to introduce contraband into a prison facility, creating an expensive and often times lethal problem for both inmates and corrections staff.

One Department of Corrections (Florida DOC) was reported by the Miami Herald in 2018, that the past few years were the most deadliest in Florida prison History. This spike in mortality is paralleled by a dramatic rise in "accidental deaths" up from 12 in 2016 to 99 in 2018. Those are mostly drug overdoses, according to the Florida DOC. This is a consent theme across the nation.

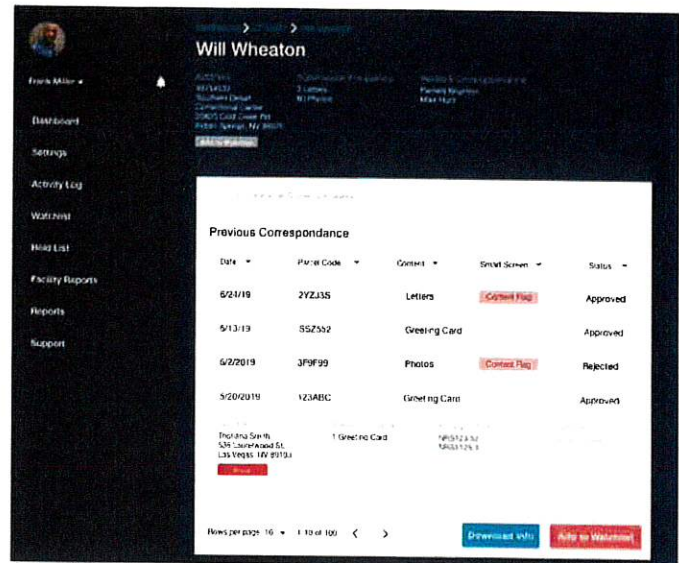
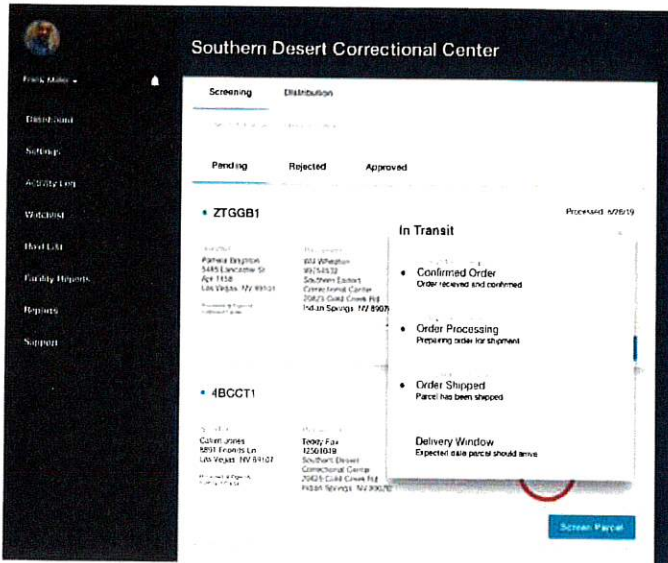
The top killer, according to an internal FDC audit: Synthetic marijuana, more commonly called K2 or Spice. It's the same drug that has made National Headlines when 70 people overdosed in a 24 hour period in New Haven, Conn. Home of Yale University.

Although the obvious solution would be to restrict or limit postal mail, studies show that this approach can negatively impact reentry efforts, while also expose the Stat to costly lawsuits for infringement of an inmates' Constitutional Rights to receive postal Mail.

A Simple Low-Cost Solution

Corrections by Pigeonly is a postal mail solution that allows correctional facilities to receive legal and non-legal postal mail without the risk of contraband, protecting the safety of employees and inmate population. All (non-legal) postal mail is received digitally by us from the public then printed and shipped from **our** secure, offsite facility completely eliminating the risk of contraband. Corrections staff are notified when postal mail is enroute from our facility allowing them to digitally prescreen the images and contents of (non-legal) mail in advance of its arrival from a secure, web-based dashboard.

For Legal mail, our multi-factor authentication (MFA) allows attorneys to directly send legal mail only after verifying their identity by using a combination of different factors. This allows correctional staff to ensure legal mail is secure and contraband-free without jeopardizing attorney-client privilege.

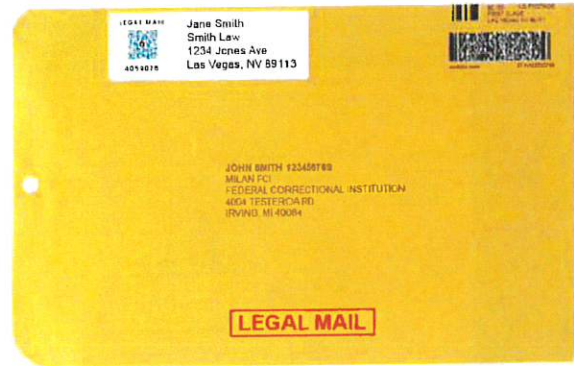


Key Features	Key Benefits
Postal Mail Sender Authentication (patent-pending)	Correctional staff will be able to safely verify the authenticity and contraband-free status of any parcel being sent into the facility
Immediate alerts when mail is en-route	Correctional staff will be notified when mail is en-route to their facility, allowing advance screening from an web-based dashboard
Smart Screening assisted by Artificial Intelligence	Supported by our built-in artificial intelligence, one staff member can now safely screen in a single hour the same volume of mail that would have taken multiple staff members days to screen
Detailed mail data for investigation, prosecution, analysis	Investigators now can run detailed reports to proactively identify bad actors and/or policy violations
Subscription-based service is a hosted cloud-based solution	No investment in or maintenance of expensive hardware or software
Automatic Sender notification for rejected mail parcel	Approve or reject mail in seconds. 10X faster than manually opening and resealing parcels
Supports legal mail, while maintaining attorney client privilege	Verifiable legal mail without jeopardizing attorney-client privilege protecting facilities from lawsuits or litigation

How it works

Legal mail

Our multi-factor authentication (MFA) allows attorneys to directly send legal mail only after verifying their identity by using a combination of different factors. This allows correctional staff to ensure legal mail is authentic without jeopardizing attorney-client privilege.

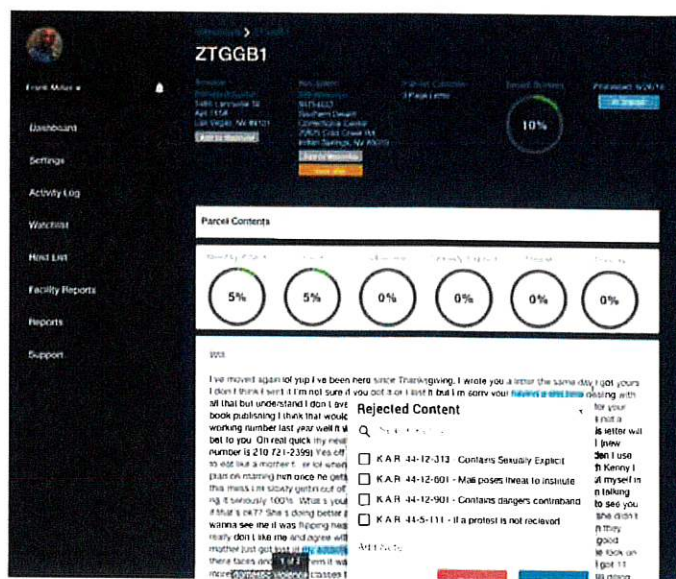
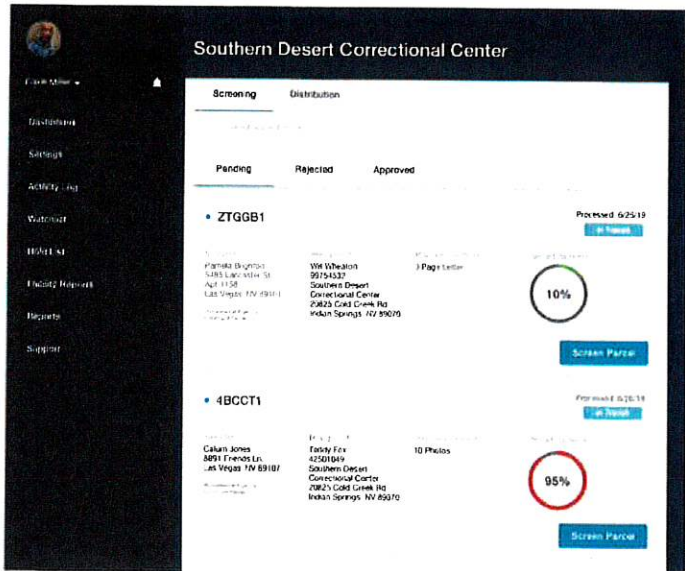


1. Attorneys are on-boarded by Pigeonly's security team after their license and bar status is verified with the appropriate State licensing and regulatory agencies
2. Attorneys use Pigeonly's multi-factor authentication (MFA) software to activate unique, one-time use pre-printed adhesive labels (provided by Pigeonly) that allow correctional staff to verify the authenticity of legal mail
3. Once the Legal Mail arrives, correctional staff can scan each parcel label to verify its authenticity, including background information on the parcel origins, attorney and law firm details

Non-Legal Mail

Pigeonly's office will become the general mail reception address for ALL incoming hand-written correspondence. We open each parcel, screen the envelope and content for contraband, then use our proprietary software to digitize the scan into a smart document with searchable and selectable text. This process ensures that the digital copy closely resembles the original hardcopy, solving an issue that most prison mail-scanning solutions face, as typical mail scans can be illegible or hard to read.

For people who want to send an inmate mail digitally, we also provide an easy-to-use website that allows the friends and families of inmates to send printed photos, letters, greeting cards, postcards, and online articles right from any cell phone, tablet or computer. We take both the physical mail we digitized and the digital mail from our consumer-facing website, assign them a unique barcode, and ship them to your facility in our patent-pending envelope via USPS.



Mail Screening

Via our online dashboard, staff can easily approve or reject the contents of the incoming mail based on the unique rules and policies at a given facility, without having to use additional man hours to physically open mail, re-insert mail and/or provide a reject explanation letter to the sender and receiver. We guarantee that mail sent from our secure facility is contraband-free.

Mail Screening Features:

- View all contents for non-legal mail
- Automatic keyword screening
- Filter and sort mail by sender and/or recipient
- Flag Senders and Recipients
- Create customizable reports
- Auto Reject Mail based on mailroom policies
- Blacklist/Whitelist senders
- Generate rejection letters/ Notifications

Cost and Savings Benefits

Contraband entering your facility comes at a steep financial cost to taxpayers and pose a significant safety risk to both staff and offender population. Corrections by Pigeonly is a simple way to increase security and efficiency in your mailroom while significantly lowering your mail screening and processing cost. This will allow you to re-allocate those critical resources to mission critical areas of the institution while maintaining safety as a priority for your staff.

Pilot Program Terms, and Conditions

During the proposed pilot program, Pigeonly will grant the New Mexico Department of Corrections (NMDOC) non-exclusive, non-transferable, license to use, test and evaluate Pigeonly's contraband elimination products and services for up to 90 days at **no charge**.

Marketing

NMDOC will allow Pigeonly to Market our Digital Platform via a link on the NMDOC website to further promote our services.

Secure legal mail without any legal liability

Our multi-factor authentication (MFA) process allows attorneys to send legal mail directly to the correctional facility only after verifying their identity by using a combination of different factors. This allows correctional staff to ensure legal mail is authentic without jeopardizing attorney-client privilege.

Contraband-free physical mail, no hard to read digital scans

Our PO box will become the reception address for ALL Incoming mail from individuals who want to continue to send handwritten letters. We screen each parcel for contraband then use our software to digitize it into a smart document with searchable text.

After digitization, the original is stored in our facility for 45 days (or a designated time by NMDOC) and the digitized copy shipped to the correctional facility in our patent-pending envelope via USPS. This process ensures that the facility receives physical, contraband-free mail without the infrastructure costs to print onsite or distribute inmate mail via tablets/kiosk.

Online Mail Composer

We also offer a faster, more convenient alternative to hand-written mail by allowing the public to create greeting cards, drawings and photos from any cell phone, tablet or computer. Once created, these items are automatically printed and shipped directly to the correctional facility in our patent-pending envelope, designed specifically for safe handling for mailroom staff and inmate population.

Correspondence Tracking

Provides the public a way to track when their inmate mail was received by the facility and approved by NMDOC staff member(s) for delivery to the inmate.

Built-in Investigative Intelligence

Supercharge your intelligence and screening capabilities with our AI-powered screening technology. By analyzing word choice and context, our AI understands nuance and tone in multiple languages.

Includes Technical and Implementation Support

We offer phone customer support 6 days a week 6am – 6pm PST and after-hours support via email. We also have built-in software that allows us to share screens remotely with the NMDOC staff members during the customer support call to better allow us to see what the staff member is seeing and quickly address the issue a staff member may be facing.

Pricing, Terms and Conditions

The following pricing is a budgetary estimate only and is subject to change. The pricing provided remains valid for forty-five (45) days from the date of this proposal.

- The total number of Inmates for billing purposes is calculated based on the NMDOC average daily population (ADP) at \$50.00 per inmate per year which is currently listed at 3,300 inmates.
- Payment terms are as follows, 100% of the yearly total is due upon completion of 90 day trial period unless negotiated for monthly, or quarterly payments.
- Pigeonly will compensate the NMDOC with a Cost Reduction of .25 Cents per each Parcel Processed via our Consumer Digital Platform after the 90 Trial Period is completed.. Revenue Share will be paid 30 days after previous monthly Parcel totals are calculated.
- Average Daily Population (ADP) will be recalculated annually.

Pricing	90 Day Pilot Program	Year 1	Year 2	Year 3
Yearly Cost Per Inmate (ADP 3,300)	\$0	\$175,000	\$175,000	\$175,000
Total Cost	\$0	\$175,000	\$175,000.	\$175,000

Cost Savings Program

Pigeonly will offer to the NMDOC a Cost Reduction of .25 cents per each or each piece of Mail that comes in Via our Consumer Digital Platform.

- These are the letters, greeting cards, postcards and Photos where Friends and Family have signed up for our Digital online services.

Estimated Cost Savings

- If the NMDOC moves forward with Pigeonly Corrections this Cost Savings program could have an impact on the pricing. Conservatively, we estimate that a 20% to 50% conversion rate is possible by the time we have completed the 90 Pilot Project.
- Conversion Rate would be based on current trends in letters received via our Digital Platform vs sent in via the USPS.

Integration & Timelines

Pigeonly will provide an implementation team that will initiate your setup within 60-90 days of acceptance of this proposal. Setup and training will take approximately 2-3 working days and can be done in person or remotely via video conference.

Support: Standard customer support includes 24/7 assistance with user account, software interface, tools, features, incident (re)\ classification and review.