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## Final Report

### Project Prison Industry/Certification

Grant Number  
89-DD-DX-KO18

132363

Submitted to:  
The Bureau of Justice Assistance  
May 1, 1991

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U.S. Department of Justice  
National Institute of Justice

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Submitted to:  
The Bureau of Justice Assistance  
May 1, 1991

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## **Department of Justice**

The Honorable Richard Thornburgh, Attorney General  
Jimmy Gurule, Assistant Attorney General  
Gerald Regier, Acting Director, Bureau of Justice Assistance  
William Powers, Director, Special Projects Division  
Louise Lucas, Project Monitor, Special Projects Division

## **American Correctional Association - Project Staff**

Anthony P. Travisono, Executive Director  
W. Hardy Rauch, Project Director  
Robert J. Verdeyen, Project Coordinator  
Christine E. Pacanowski, Associate Project Coordinator

## **Project Team**

Jeffrey Washington  
Kenneth Neagle  
Carolyn Swahl  
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**U. S. DEPARTMENT OF JUSTICE**  
Office of Justice Assistance, Research, and Statistics

## CATEGORICAL GRANT PROGRESS REPORT

This recordkeeping requirement falls under the authority of P.L. 96-511, Sec. 3507. The information provided will be used by grant monitors to track grant progress. No further monies or other benefits may be paid out under this program unless this report is completed and filed as required by existing laws and regulations (OMB Circulars A-102 and A-110; Omnibus Crime Control and Safe Streets Act of 1968, as amended; Juvenile Justice and Delinquency Prevention Act of 1974, as amended; and the Justice System Improvement Act of 1979, as amended).

1. GRANTEE American Correctional Association		2. AGENCY GRANT NUMBER 89-DD-DX-K018	3. REPORT NO. FINAL
4. IMPLEMENTING SUBGRANTEE None		5. REPORTING PERIOD (Dates) FROM: April 1, 1990 TO: March 31, 1991	
6. SHORT TITLE OF PROJECT Project Prison Industry/Certification TA	7. GRANT AMOUNT \$279,933	8. TYPE OF REPORT <input type="checkbox"/> REGULAR <input type="checkbox"/> SPECIAL REQUEST <input checked="" type="checkbox"/> FINAL REPORT	
9. NAME AND TITLE OF PROJECT DIRECTOR Hardy Rauch, Director Standards and Accreditation	10. SIGNATURE OF PROJECT DIRECTOR <i>Hardy Rauch</i>	11. DATE OF REPORT May 10, 1991	

12. COMMENCE REPORT HERE (Continue on plain paper)

This report concludes the reporting required by the Bureau of Justice Assistance through the cooperative agreement with the American Correctional Association.

In accordance with the agreement, I certify that all specific tasks as defined by the Project Manager have been completed.

13. CERTIFICATION OF RECEIPT BY GRANTEE CRIMINAL JUSTICE COUNCIL (Official signature)

14. DATE







**U. S. DEPARTMENT OF JUSTICE**  
Office of Justice Assistance, Research, and Statistics

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1. GRANTEE American Correctional Association		2. AGENCY GRANT NUMBER 89-DD-CX-K018	3. REPORT NO. 5
4. IMPLEMENTING SUBGRANTEE None		5. REPORTING PERIOD (Dates) FROM: 4/1/90 TO: 6/30/90	
6. SHORT TITLE OF PROJECT Project Prison Industry/Certification TA	7. GRANT AMOUNT \$279,933	8. TYPE OF REPORT <input checked="" type="checkbox"/> REGULAR <input type="checkbox"/> SPECIAL REQUEST <input type="checkbox"/> FINAL REPORT	
9. NAME AND TITLE OF PROJECT DIRECTOR Hardy Rauch, Director Standards & Accreditation	10. SIGNATURE OF PROJECT DIRECTOR <i>Hardy Rauch</i>	11. DATE OF REPORT July 31, 1990	

12. COMMENCE REPORT HERE (Continue on plain paper)

During the reporting period of April 1, 1990 through June 30, 1990, the following activities were conducted:

TASK A -- Provision of Consultation and Advice Assistance

We continue to receive numerous telephonic and written inquiries from individuals expressing interest in the PIE program. Informational packets concerning the program were forwarded to:

Mr. Gary Reynolds, Comptels, Inc. of Willspoint, Texas.

Mr. Ken Weeten, National Office of Social Responsibility, Washington, D.C.

Ms. Ellen Kirschbaun, Administrator, Maricopa County Sheriffs' Detention Bureau, Phoenix, Arizona.

Marilyn Wilkens, Director of Arizona Correctional Industries, Phoenix, Arizona.

Andy Bates, Reporter for the U.S. News and World Report, Chicago, Illinois.

Julie MacDonald, Legislative Analyst's Office, Sacramento, California.

William Gerald, Manager of Correctional Industries, AIEA, Hawaii.

Joseph Antal, Private Consultant, Wachenhut Corporation.

Leonard Black, Bureau of State Use Industries, Trenton, New Jersey.

13. CERTIFICATION OF RECEIPT BY GRANTEE CRIMINAL JUSTICE COUNCIL (Official signature)

14. DATE

Howard Skolnik, Project Director, Nevada State Industries, contacted ACA staff regarding the number of allowable deductions that was permissible under certification. Mr. Skolnik requested a formal ruling as to whether a five percent deduction from the gross income from all inmates could be legislated with the five percent going into a fund that could only be used for construction of new industry programs. Our response to Mr. Skolnik was that the certification limited the number of allowable deductions to four, with total deductions limited to not more than 80 percent of the workers' gross wages. ACA staff indicated that funds collected by the Department of Prisons for the cost of incarceration could be used for construction of additional prison industries space, but that no other additional deductions could be imposed by the department. Copies of our correspondence were provided to Mr. John Wilson, Assistant General Counsel, Office of Justice Programs.

Mr. Skolnik also requested information regarding the procedure to become eligible to bid on the General Services Administration Federal Service Supply Schedule Program. We provided Mr. Skolnik with a listing of all the business service centers for the General Services Administration that would provide the information concerning contracting opportunities. We do not believe that these opportunities are that well known to all other project managers and hope to discuss the process at future training sessions.

At the request of BJA staff, ACA staff provided followup correspondence to Ms. Susan Littlefield, a Committee Researcher for the New Hampshire House of Representatives. Ms. Littlefield had requested clarification as to whether a certification could be extended from one jurisdiction to others throughout the state as "umbrella" coverage. Our response was in concert with the position held by Mr. John Wilson at a seminar that was held in Portland, Maine in early 1990.

ACA staff also acknowledged the receipt of applications for certification from Marilyn Baker, County Commissioner of Wood County, Bowling Green, Ohio, and Robert J. Orr, Chief Administrative Officer, Illinois Correctional Industries, Springfield, Illinois.

ACA staff has made repeated efforts to contact Sheriff Edgar Wheeler of Aroostock County, Maine regarding the status of their PIE application. Our efforts have not been successful; however, we are anticipating that all counties in Maine will be seeking certification under the "umbrella" coverage of the State of Maine's certification.

Mr. Verdeyen received a telephone call from a Ms. Sheryl Strecker, Attorney for the Illinois Department of Corrections, regarding interstate commerce and the alternatives to private sector involvement without certification.

We received a telephone inquiry from a Mr. James Brosnan, a reporter for the Memphis Commercial Appeal newspaper regarding PIE legislation that was pending in Congress. Mr. Brosnan had indicated that he had spoken with Mr. Dan Jordon, Legislative Aide to Senator Lott of Mississippi. Mr. Brosnan indicated that he had been informed of pending legislation which would increase the number of projects, and was interested in any information that pertained to the application of the Tennessee Department of Corrections. We provided Mr. Brosnan with the number of offenders that was anticipated to be employed in the project, as well as the name of the prospective employer.

#### Planned

We will continue to respond to written and telephonic communications from certified project managers and potential applicants. Increased emphasis will be placed on finalizing the pending applications so that they may be forwarded to BJA for approval when legislation increases the number of approved projects.

#### TASK B -- Monitoring

There were no on-site visits during this period.

#### Planned

On-site visits to ensure continued compliance are planned for the western and mid-western states during this period.

#### TASK C -- Review, Evaluate and Dissemination of Documentation

Several certified programs have provided notices of designation for new projects. The State of Alaska Department of Corrections has recently certified the Alaskans Leather Product Manufacturing Company. It will be located in Lemon Creek Correctional Center, Juneau, Alaska. They estimate that up to ten workers will be employed at an approved wage of \$5.00 per hour. The product line is the production of personal use leather goods that would be manufactured in Alaska and packaged for wholesale buyers.

Mr. Don Lincoln, Superintendent of Cornhusker State Industries, reported a notice of designation for Fiberesin, Shop 33, that will be manufacturing wood-door panels. They estimated a workforce of up to ten inmate workers at a wage rate of \$3.80 per hour.

The State of Connecticut recently approved their first project with the designation of Corporation for Public Management-Aetna. The project will be located in the correctional institution at Enfield, with approximately six inmate workers to

be employed at a wage rate of \$6.50 per hour. It will be a service line composed of micrographics.

Oklahoma Correctional Industries submitted a notice of designation for Enid Manufacturing, Inc, which will be located at the James Crabtree Correctional Center in Helena, Oklahoma. They estimate employing up to eight inmate workers at the minimum wage rate. Their product line will be farm tractor attachments and the market will be nationwide. Oklahoma Correctional Industries has also designated an Optronics, Inc. as a project, which is located at the Dr. Eddie Warrior Correctional Center in Taft, Oklahoma. They estimate employing up to ten inmate workers at the minimum wage. The product line will be automotive accessories and their proposed market is nationwide.

Oregon Correctional Industries has designated their second project under the name of Unigroup Wood Products Shop. It is located in Eastern Oregon Correctional Institution at Pendleton, Oregon. They estimate they will employ up to 25 offenders with a wage rate of \$4.25 per hour. The product line will be wood stakes/industrial cutstock, and it will be available for wood product wholesalers and brokers.

South Carolina submitted notices of designation for the Third Generation, a producer of women's clothing. It is located in the Women's Correctional Center at Columbia, South Carolina. They anticipate employing up to 25 workers at the minimum wage and their proposed market is nationwide. A similar program is also being designed for the Greenwood Women's Center in Greenwood, South Carolina. They estimate they will employ up to 150 workers at the minimum wage.

An updated summary performance report and revised list of certified private sector/prison industry enhancement programs were prepared and distributed to each program manager, along with other individuals designated by BJA.

#### Planned

ACA staff will develop a quarterly performance report for the period ending June 30, 1990. ACA staff will continue agency application reviews as they are received.

#### TASK D -- Preparation of Original Documentation

No activity to report.

#### Planned

Develop strategy for the production of an executive summary of a videotape that describes the PIE program.

#### TASK E -- Training

A workshop for all PIE managers was held in Omaha, Nebraska during the period June 3-5, 1990. The workshop for project managers was in conjunction with a prison industry workshop funded by the National Institute of Justice. Dr. Harry Cannon, Director of Iowa Correctional Industry, presented a paper which focused on the difficulties associated with private sector ventures. The program was well received and generated a great deal of dialogue.

##### Planned

There are no training workshops planned during the ensuing quarter.

#### TASK F -- Special and/or Ad Hoc Assignments and Evaluations

At the direction of BJA staff, we developed a proposed program statement that established guidelines for the review and certification of applications submitted under the provisions of the PIE program.

As part of our efforts to develop a long-term strategy, and dealing with the anticipating growth of the PIE program, a concept paper was forwarded to BJA staff which highlighted several initiatives that we propose for the next twelve to eighteen months.

Several telephone conversations have transpired between Mr. Verdeyen of ACA staff and Mr. Dan Jordan, an Aide to Senator Lott of Mississippi, regarding proposed legislation affecting the number of pilot projects. Mr. Jordan indicated that the Senator was interested in sponsoring legislation that would increase the number of pilot projects from the existing 20 to a level of 50, including the involvement of the Federal Prison System. Early indications are that there is a reasonable expectation that the legislation will pass both the Senate and the House.

##### Planned

ACA staff will continue to respond to requests from BJA staff. We will intensify our efforts to solicit support from correctional administrators for any legislation that impacts favorably on the PIE program.





U. S. DEPARTMENT OF JUSTICE  
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1. GRANTEE American Correctional Association		2. AGENCY GRANT NUMBER 89-DD-CX-K018	3. REPORT NO. 6
4. IMPLEMENTING SUBGRANTEE None		5. REPORTING PERIOD (Dates) FROM: 7/1/90 TO: 9/30/90	
6. SHORT TITLE OF PROJECT Project Prison Industry/Certification TA	7. GRANT AMOUNT \$279,933	8. TYPE OF REPORT <input checked="" type="checkbox"/> REGULAR <input type="checkbox"/> SPECIAL REQUEST <input type="checkbox"/> FINAL REPORT	
9. NAME AND TITLE OF PROJECT DIRECTOR Hardy Rauch, Director Standards & Accreditation	10. SIGNATURE OF PROJECT DIRECTOR 	11. DATE OF REPORT October 31, 1990	
12. COMMENCE REPORT HERE (Continue on plain paper)			

During the reporting period of July 1, 1990 through September 30, 1990, the following activities were conducted:

### TASK A -- Provision of Consultation and Advice Assistance

A great deal of correspondence and telephone conversations occurred during this reporting period in connection with the review of certified programs with inactive projects. Proposed letters of decertification were drafted by ACA staff and forwarded to BJA for review and approval. Letters proposing decertification were forwarded to the Directors of Corrections for the States of Maine, New Mexico, and Missouri. In response to those letters, each state has been able to designate a project that has become operational as of October 1, 1990.

Anticipating passage of the amendment which would increase the number of pilot projects, correspondence was forwarded to each of the pending applicant agencies, advising them of the status of legislation and requesting information pertaining to their application. Most agencies responded to our inquiry; however, we have not been able to make contact with Sheriff Wheeler of Aroostook County, Maine. We will make additional efforts to contact Sheriff Wheeler, although it is our belief that he will operate a designated project under the State of Maine's certification.

Several telephone conversations transpired between ACA staff and Mr. Wade Merry of South Dakota and Mr. Tom Mathis of Tennessee regarding the status of the proposed legislation. Both individuals were kept informed as to each stage of the legislation.

13. CERTIFICATION OF RECEIPT BY GRANTEE CRIMINAL JUSTICE COUNCIL (Official signature)

14. DATE

Informational packets concerning the PIE program were forwarded to Mr. James Roberts, Director of Standards and Accreditation, Lancaster Pre-Release Center, Lancaster, Massachusetts and Mike Acimovic of the State Auditor's Office, Legislative Services, Denver Colorado.

ACA staff conversed with Ms. Jill Will of the Division of Correctional Industries, State of Washington, concerning an allegation by an inmate that Nyman Marine, a private sector partner doing business with correctional industries, had transported finished products in interstate commerce. After hearing details of the allegations, ACA staff encouraged Ms. Will to document the issues and present them to staff of BJA. A letter summarizing a meeting between Nyman Marine personnel and correctional industry staff, dated August 30, 1990, was forwarded to BJA and ACA. It is our understanding that Mr. John Wilson, Office of General Counsel, OJP, has the issue under advisement.

At the request of BJA, an article concerning the Prison Industry Enhancement Program was prepared and forwarded for inclusion in the CI-NET Newsletter.

ACA staff received a telephone call from a Mr. Robert Gunnoe of the Bentley Corporation, Las Vegas, Nevada, concerning an inmate claim under the federal unemployment program. The inmate is claiming unemployment compensation benefits due to his parole from state custody and being relocated to a different part of the state. It appears as if the claim has some merit which, if allowed to stand, could create substantial problems for private sector partners. It was suggested that Mr. Gunnoe contact Mr. John Wilson regarding the issue.

The Missouri Department of Corrections forwarded an agreement between the Platt Junior College and the Andrea Corporation to establish a drafting service at the Western Missouri Correctional Center, Cameron, Missouri. This program will be the initial project for the correctional industries and it is proposed to initially employ inmate draftsmen earning approximately \$4.00 per hour. All indications are that the program is on line and doing well.

At the request of Wally Roman, Project Director for the Alaska Correctional Industries, ACA staff reviewed several policies and procedures regarding the Prison Industry Enhancement Program.

Mr. Wilbert Brown, Industries Division of the District of Columbia, Department of Corrections located in Lorton, Virginia, has expressed interest in pursuing PIE certification. Mr. Brown requested that ACA staff forward copies of other states' enabling legislation regarding private sector partnerships. ACA staff complied with his request.

At the request of BJA staff, Mr. Verdeyen conducted a review



of a contract between the New Mexico Department of Corrections, Correctional Industries Division and Amity Quality Restoration Systems, Inc. of New Mexico. Results of that review were conveyed to Ms. Lucas in a letter dated August 4, 1990.

Mr. Jack Flynn, Legislative Director for the Massachusetts Department of Corrections, recently inquired about the employment benefit aspect of the PIE certification criteria. More specifically, the Massachusetts legislature is considering new legislation which will enable the Department of Corrections to implement a model other than the "employer model." Mr. Flynn was inquiring as to the sufficiency of their proposed legislation, and he was advised to submit copies to Mr. Wilson in the Office of General Counsel for an interpretation. A copy of the letter from Mr. Flynn to Mr. Wilson dated August 13, 1990, was received by ACA staff.

#### Planned

We will continue to respond to written and telephonic communications from certified project managers and potential applicants. If the proposed legislation to increase the number of pilot projects is successful, major emphasis will be placed on securing new applicants to the program.

#### TASK B -- Monitoring

Mr. Hardy Rauch and Bob Verdeyen of ACA staff, along with Ms. Louise Lucas of BJA, Fred Mills, Project Director of California's Free Venture Program, and Ms. Marjorie Young, Director of Youth Services for the State of Georgia, visited the Alaskins Project in Juneau, Alaska during the month of September. While the project is in its infancy, there is potential for growth, provided they extend their marketing beyond the borders of their state.

#### Planned

An on-site visit to the designated projects at the Kansas State Penitentiary will be conducted during the month of October.

#### TASK C -- Review, Evaluate and Dissemination of Documentation

The Maine Department of Corrections recently submitted a Notice of Designation for the Bi-County Correctional Work Center at Kennebec County, Maine. The facility will be utilizing the customer model, employing approximately six inmate workers at a piece rate of .011 cents per piece. The product line will be the preparation and processing of bulk mailings and mailing lists.

The State of Washington submitted a Notice of Designation form for Mahan Farms, a private sector partnership with their

department. The project will be located at the McNeil Island Correction Center, McNeil Island, Washington, employing approximately five inmate workers at a wage of \$4.25 per hour. The product line will be grazing livestock as replacement herd for the private sector partners dairy program. Washington State Industries also has designated Earth Ray, Inc. located at Washington State Penitentiary, Walla Walla, Washington, employing approximately 13 inmate workers at a wage rate of between \$4.25 and \$4.89 per hour. They will be manufacturing mesh and canvas bags for U.S. retail outlets.

Washington State offenders began working for Pioneer Industries on August 20, 1990. The Notice of Designation indicates that the project is located in Seattle, Washington, and employs approximately 10 inmate workers at a wage rate of between \$5.25 and \$5.70 per hour. They are manufacturing a variety of sub-assemblies for aircraft and other manufacturing components. The private sector partner is a subcontractor manufacturing concern for the Air Transport Industries.

Mr. Tony Ellis, Director of Prison Industries for South Carolina, forwarded a Notice of Designation for the Golden State Picture Frames located at the Dutchman Correctional Institution at Enoree, South Carolina. They intend to employ approximately 60 inmate workers at a wage rate of \$3.80 per hour. They will be producing picture frames to be sold nationwide. Mr. Ellis also provided a Notice of Designation for the Escod Industries, Inc., located at the Evans Correctional Institution, Bennettsville, South Carolina. They intend to employ approximately 60 workers at the minimum wage rate, producing electronic cables on a nationwide basis.

Howard Skolnik, Project Director for Nevada Correctional Industries, has forwarded a Notice of Undesignation for the Joint Venture Industries at Indian Springs, Nevada. Oklahoma has also submitted a Notice of Undesignation for Security Enterprises, Inc. and the California Department of Youth Authority has provided Notices of Undesignation for the A-D-S Management Services, Inc. located at Chino, California.

An updated Summary Performance Report and revised list of certified Private Sector/Prison Enhancement Programs has been prepared and distributed to all program managers, along with other individuals designated by BJA.

#### Planned

ACA staff will develop the next quarterly performance report for the period ending September 30, 1990. ACA staff will continue agency applications reviews as they are received.

#### TASK D -- Preparation of Original Documentation

Mr. Fred Mills, Administrator of the Free Venture Program in California, submitted a proposal to incorporate some changes to our videotape on the PIE certification program. Mr. Mills had asked a member of their Advisory Board to review the tape and give suggestions on how we might reduce the running time of the video. The proposed revisions are meaningful, and we hope to be able to incorporate the changes in our next revision of the video.

##### Planned

ACA staff will respond to any request from BJA regarding the preparation of original documentation.

#### TASK E -- Training

No activity planned.

##### Planned

There are no training workshops planned during the ensuing quarter.

#### TASK F -- Special and/or Ad Hoc Assignments and Evaluations

Mr. Howard Skolnik of Nevada Prison Industry forwarded a letter requesting a more formal determination from the Justice Department regarding utilization of room and board deductions to assist in prison industries' future expansion. Copies of Mr. Skolnik's letter, dated September 11, 1990, were forwarded to Mr. John Wilson on October 9, 1990, for his review and final disposition.

If the proposed legislation to increase the number of pilot projects is passed, a great deal of credit must go to the Commissioners of Corrections throughout the United States who actively solicited support for the legislation from their congressional representatives. Mr. Travisono personally contacted each states' Director.

In response to the pending legislation, ACA staff was contacted by Mr. John Zalusky of the AFL-CIO in Washington, D.C. Mr. Zalusky requested and was forwarded information concerning the PIE project.

Mr. Jim Waite, Project Director for Oklahoma's PIE program, telephoned regarding the interference of PRIDE, INC. (A correctional industry based in Florida) into their eyeglass market without the benefit of certification. Mr. Waite was informed that ACA staff could not be involved in any dispute

between correctional agencies, and that if he had any concerns regarding their interference, they needed to contact PRIDE staff.

Planned

ACA staff will continue to respond to requests from BJA staff.





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1. GRANTEE American Correctional Association		2. AGENCY GRANT NUMBER 89-DD-DX-K018	3. REPORT NO. 7
4. IMPLEMENTING SUBGRANTEE None		5. REPORTING PERIOD (Dates) FROM: 10/1/90 TO: 12/31/90	
6. SHORT TITLE OF PROJECT Project Prison Industry/Certification TA	7. GRANT AMOUNT \$279,933	8. TYPE OF REPORT <input checked="" type="checkbox"/> REGULAR <input type="checkbox"/> SPECIAL REQUEST <input type="checkbox"/> FINAL REPORT	
9. NAME AND TITLE OF PROJECT DIRECTOR Hardy Rauch, Director Standards & Accreditation	10. SIGNATURE OF PROJECT DIRECTOR <i>Hardy Rauch</i>	11. DATE OF REPORT January 31, 1991	

12. COMMENCE REPORT HERE (Continue on plain paper)

### CATEGORICAL GRANT PROGRESS REPORT

During the reporting period of October 1, 1990 through December 31, 1990, the following activities were conducted:

#### TASK A -- PROVISION OF CONSULTATION AND ADVICE ASSISTANCE

The status of pending certification was the subject of several telephone conversations between Mr. Wade Merry, Director of Prison Industries, South Dakota Department of Corrections and ACA staff. Mr. Merry was informed that their PIE application would be expedited whenever legislation was enacted to increase number of pilot projects. Mr. Merry also forwarded copies of their PIE policies and procedures that were needed to complete the application process.

Ms. Mary Drummond, Correctional Industries, Arizona Department of Corrections also made inquiry regarding the status of their application. Ms. Drummond was informed that an expedited review of their application was in progress.

Mr. Phil Marston, Correctional Planning Analyst and PIE program manager, submitted a written request for authorization to designate cost centers under Maine's Department of Corrections certification even though the cost centers would be operating under the jurisdiction of County detention facilities. Mr. Marston indicated that he had received interim verbal authorization from Ms. Louise Lucas for the initial county application. Mr. Marston's request was forwarded to Mr. John Wilson, Office of General Counsel for his review.

13. CERTIFICATION OF RECEIPT BY GRANTEE CRIMINAL JUSTICE COUNCIL (Official signature)

14. DATE

ACA staff responded to several inquiries regarding the PIE program from within and outside the correctional community including:

Dr. Edward Holland, University of District of Columbia,  
Washington, D. C.  
Ms. Charlene Stuewer, Badger State Industries, Madison,  
Wisconsin  
Ms. Suzanne Wilson, California State University, Burbank,  
California  
Mr. Bobby Jackson, California Department of Corrections

A written request for PIE technical assistance was received from Mr. Samuel Giles of Kentucky Correctional Industries. Mr. Giles was contacted telephonically and he advised that their correctional industries was interested in applying for certification and desired assistance. Mr. Verdeyen scheduled a meeting with Mr. Giles in Louisville, Kentucky during January, 1991 in conjunction with ACA's winter conference.

In an effort to improve financial reporting, all PS/PIE Directors were reminded of the target dates for submission of quarterly reports.

ACA staff prepared an article summarizing PIE activities for inclusion in the CI-NET Newsletter.

#### Planned

Initiate followup correspondence with correctional organizations who have previously expressed interest in the PIE program. We will continue to respond to written and telephonic communications.

#### TASK B --- Monitoring

During October 1990, Mr. Verdeyen made an on-site visit to Hearts Design, Inc., a designated project operating within the Lansing Correctional Facility (formerly known as the Kansas State Penitentiary), Lansing, Kansas.

#### Planned

An on-site visit to the designated project at Stillwater, Minnesota will be conducted during the month of March 1991.

TASK C --- Review, Evaluate and Dissemination of Documentation

An analysis of financial reports ending September 30, 1990, revealed that Minnesota's Correctional Industries were paying wages that were less than the federal minimum. Telephonic contact with Mr. Dick Christ confirmed that "trainee" wages were being paid at a rate of 50% of the federal minimum, as approved by Mr. Tom Tubbs, former Director, Program Management Division, Office of Justice Assistance, Research and Statistics. Mr. Christ forwarded documentation which appeared to support payment rates of less than minimum wage. After discussion with BJA staff, all related documents were forwarded to BJA for review and further action.

Notices of designation and certification of compliance were received from the following projects:

<u>Project</u>	<u>Cost Center designated</u>	<u>Product line</u>
Maine	Cumberland Correctional Industries	bulk mailing
Missouri	PJC Industries, Inc.	drafting

Efforts to increase the number of pilot projects proved to be successful with approving legislation signed by the President on November 19, 1990.

ACA staff completed application reviews and provided BJA with recommendations for certification of the Arizona, Tennessee and South Dakota Department of Corrections.

An updated Summary Performance Report and revised list of certified Private Sector/Prison Industry enhancement programs was prepared and distributed to all individuals designated by BJA.

Planned

ACA staff will develop and disseminate the quarterly performance report for the period ending March 31, 1991. Agency application reviews will be conducted upon receipt.



Page four

TASK D --- Preparation of Original Documentation

None.

Planned

ACA staff will respond to any request from BJA regarding the preparation of original documentation.

TASK E --- Training

None.

Planned

None.

TASK F --- Special and/or Ad Hoc Assignments and Evaluations

During late December, Mr. Verdeyen met with Ms. Louise Lucas, BJA, and Mr. John Wilson, OJP, to discuss several issues including the new congressional reporting requirement for the PIE program.

Planned

ACA staff will continue to respond to any requests from BJA staff.





**U. S. DEPARTMENT OF JUSTICE**  
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9. NAME AND TITLE OF PROJECT DIRECTOR Hardy Rauch, Director Standards and Accreditation	10. SIGNATURE OF PROJECT DIRECTOR <i>Hardy Rauch</i>	11. DATE OF REPORT April 30, 1991	

12. COMMENCE REPORT HERE (Continue on plain paper)

### CATEGORICAL GRANT PROGRESS REPORT

During the reporting period of January 1, 1991 through March 31, 1991, the following activities were conducted:

#### TASK A -- PROVISION OF CONSULTATION AND ADVICE ASSISTANCE

Inquiries concerning the PIE program numbered well in excess of twenty different jurisdictions during this period. Included among those who were seeking additional information regarding the program included the following:

- The Wachenhut Corrections Corporation
- Private Prisons of America
- Correctional Concepts of Texas
- The Rhode Island Department of Corrections
- The Alabama Department of Corrections
- The Tulsa County Sheriff's Office, Tulsa, Oklahoma
- The Board of Charities and Reform, Cheyenne, Wyoming
- Badger State Industries, Madison, Wisconsin
- The King County Department of Adult Detention, Seattle, Washington
- The Indiana Department of Corrections

Considerable communications transpired between members of the Arizona Correctional Industry (ACI) and staff of ACA regarding the PIE application for ACI. Ms. Marilyn Wilkens, Assistant Director of ACI, and Ms. Mary Drummond had asked for and received an expedited review of their application. Certification was awarded on March 6, 1991.

13. CERTIFICATION OF RECEIPT BY GRANTEE CRIMINAL JUSTICE COUNCIL (Official signature)

14. DATE

As an adjunct to the application review process, Ms. Drummond forwarded a policy regarding inmate wage deductions for our review. ACA staff determined that the proposed policy was acceptable and advised Ms. Drummond that the policy was approved for implementation.

Implementing policies and procedures for the Prison Industry Enhancement Program was received from the Tennessee Department of Corrections. Mr. Mathis, Director of Correctional Enterprises, expressed appreciation for the assistance that he has received regarding their application, and welcomed the opportunity to develop joint ventures with private sector partners.

Ms. Christine Pacanowski, Associate Project Coordinator, prepared an article for inclusion in the CI-NET Newsletter. The theme of the article focused on the process used in securing private sector partners. We also provided a reminder in the article that the Federal Minimum Wage was scheduled to be increased to \$4.25 per hour, effective April 1, 1991.

At the behest of Mr. Steven Shiloh, Acting General Manager of State-Use Industries, Mr. Verdeyen was invited to appear before both Houses of the Maryland Legislature to give testimony concerning the participation of Maryland State-Use Industries in the PIE program. Both Houses reacted favorably to the legislation with the Governor approving the measure during the closing days of this session. A letter of appreciation was received by ACA from Mr. Shiloh expressing appreciation for our participation.

Other inquiries concerning the PIE program were received from the North Carolina State Attorney's office who are in the process of drafting legislation concerning their involvement in the PIE program. Florida representative, Ken Pruitt, also initiated contact with ACA staff regarding an appearance before their state legislature to testify on a proposed bill that would enable their Department of Corrections to contract with private industry. The proposed Bill #PCB CPP 90-4 is an identical proposal to one that was introduced during the 1990 legislative session but failed to clear committee.

An inquiry was received from Mr. Skolnik, Assistant Director of Nevada's Correctional Industries, regarding the application of the comparable wage principle to piecework earnings. Written clarification was forwarded to Mr. Skolnik.

The University of the District of Columbia has awarded a grant to Mr. Tom Petersik for the purpose of assisting the District of Columbia Department of Correction in applying for certification under the PIE program. Mr. Verdeyen, ACA staff, recently met with Mr. Wilbert Brown, Jr., Acting Assistant Director for the D.C. Department of Corrections Industrial Service, and Mr. Petersik, a Consultant to the D.C. Government, to discuss the application process for the PIE program.

### Planned

Continue with followup correspondence with correctional organizations who have previously expressed interest in the PIE program. We will also continue to respond to written and telephonic communications from prospective applicants and certified program managers.

### TASK B -- MONITORING

At the request of Mr. Richard Christ, Industry Director for Minnesota Correctional Industries, Mr. Verdeyen made an on-site visit to the correctional industries at Stillwater to review the wage rate policies. Details of the trip and recommendations for improvement have been provided to Mr. Christ and to BJA staff.

### Planned

ACA staff will develop a proposed on-site compliance schedule that will be submitted to the BJA Project Monitor for approval. Our proposed plan will include at least one on-site visit during the coming quarter.

### TASK C -- REVIEW, EVALUATE AND DISSEMINATION OF DOCUMENTATION

Notices of designation and certification of compliance were received from several projects. The Nevada Correctional Industries has designated the Silver State Industries Metal Shop at the Northern Nevada Correctional Center in Carson City, Nevada. The product line will include limousine parts and miscellaneous metal products employing three to five workers at an average wage rate of \$3.80 per hour. The South Carolina Division of Industries has designated the Wellington Synthetic Fibers, Incorporated at Broad River Correctional Center as a project to manufacture patriotic bows. They intend to employ approximately 50 inmate workers at a wage rate of \$5.50 per hour. Mr. Tony Ellis has also designated Infinite Creations, located in Columbia and Bennettsville, South Carolina. They will be manufacturing military items for Operation Desert Storm in the Middle East, employing approximately 55 workers at an approved wage rate of \$5.50 per hour.

Mr. Marston of Maine's Department of Corrections has designated the Cumberland Correctional Industries located in Portland, Maine. They will be providing labor intensive job shopwork in bulk mailings and mailing lists. They intend to employ approximately five inmate workers at a wage rate of \$5.00 per hour. Other designations include the Chesapeake Cap Company, Inc. located in the Connecticut Correction Institution at Somers, Connecticut. They will be employing 20 workers at a wage rate of \$4.25 per hour.

The product line will be baseball caps and the proposed market will be nationwide. There have been two projects undesignated that include the Olympia Tool and Equipment Company located in the Herman G. Stark Youth Training School in Chino, California and the Rock Cutting Shop at the Idaho State Correctional Institution in Boise, Idaho.

ACA staff was contacted by Ms. Ortega of the New Mexico Corrections Department inquiring as to why one of their projects was omitted from the financial report ending December 31, 1990. It appears as if the State of New Mexico has been operating a project titled Uni-Base Products, a data entry program, since 1988 and had believed that project to be a part of the PIE Certification Program. ACA staff provided Ms. Ortega with the appropriate notices of designations and certification of compliance.

ACA staff prepared and distributed the Quarterly Financial Performance Reports as directed by the BJA Project Manager.

#### Planned

To consolidate and distribute the Quarterly Performance Report for the period ending March 31, 1991 and to continue the review process on all pending applications.

#### TASK D -- PREPARATION OF ORIGINAL DOCUMENTATION

None.

#### Planned

ACA staff will respond to any request from BJA regarding the preparation of original documentation.

#### TASK E -- TRAINING

None

#### Planned.

None

#### TASK F -- SPECIAL AND/OR AD HOC ASSIGNMENTS AND EVALUATIONS

During mid-January, 1991, and at the request of the Project Manager, Mr. Verdeyen attended a meeting that included Mr. Wilson, Assistant General Counsel, OJP, and Mr. Richard Brennan, Special Assistant to the Assistant Secretary for Employment Standards, Department of Labor. The purpose of the meeting was to discuss ways that BJA and ACA staff could assist the Department of Labor in meeting their reporting requirements for the PIE program as outlined in the Crime Control Act of 1990 (P.L. 101-647). A summary of the meeting was recorded and provided to BJA staff. Following the meeting, Mr. Verdeyen had several telephonic and written communications with Mr. Brennan regarding the PIE program.

At the request of BJA staff, Mr. Verdeyen attended a meeting with administrators of the California Youth and Adult Corrections Agency to discuss a prison inmate labor initiative of 1990 that was recently enacted by the voters of California. The purpose of the meeting was to formulate a strategy for the implementation of designated projects within the adult inmate population in the State of California. The meeting was extremely positive, and it is anticipated that a significant growth in the number of designated projects will occur in a very short time period.

#### Planned

ACA staff will continue to respond to any request from BJA staff.





REPORT OF THE SECRETARY OF LABOR

TO THE U.S. CONGRESS ON

COMPLIANCE BY STATE PRISON INDUSTRY ENHANCEMENT PROJECTS WITH

SECTION 1761(c) OF TITLE 18 OF THE UNITED STATES CODE

AS REQUIRED BY SECTION 2908 OF THE CRIME CONTROL ACT OF 1990

MARCH 1991

## I) INTRODUCTION

On November 29, 1990, the United States Congress passed the Crime Control Act of 1990 (P.L. 101-647). The Act continues and expands limited exemptions, through state certifications with the U.S. Department of Justice, to Federal laws that prohibit the manufacture and sale of prisoner-made goods in interstate commerce and sales to the Federal Government. Besides increasing the number of certified private sector/prison industry enhancement projects, the new law requires the Secretary of Labor to submit annual reports to Congress that "describe in detail the extent and manner of compliance by State Prison Industry Enhancement Certification programs with the requirements set forth in 18 U.S.C. 1761(c)." The first report is due on March 1, 1991 (legislative excerpts are included in Attachment 1; Tabs A-D).

This report discusses the efforts of the State Prison Industry Enhancement Certification programs to comply with the statutory requirements in 18 U.S.C. 1761(c). It examines the Bureau of Justice Assistance's (BJA), of the U.S. Department of Justice, requirements for project certification and satisfactory determination of the prevailing wage in the localities of the prison industry projects. The report also discusses the projects' quarterly reports to BJA, and on-site inspections conducted by BJA.

The data used in this report has been furnished by the Bureau of Justice Assistance, U.S. Department of Justice.

## II) BACKGROUND

Advocates of prison-based industries at the state and county level have traditionally argued that inmate labor benefits both private businesses who use such labor and the inmates who work in these industries. Advocates point out that prison-based industries reduce inmate idleness and genuinely rehabilitate prisoners by giving them job-skills training. Not only does this work reduce the recidivism rate of participating prisoners, but these projects also enable inmates to pay taxes, thereby reducing the costs of incarceration to states and taxpayers.

The private sector became much more involved in prison industries when Congress enacted the Justice System Improvement Act of 1979 (Public Law 96-157; 93 Stat. 1215). This act allowed private businesses to become extensively involved in prison-based industries in various aspects, including financing, planning, managing within the correctional institution, employing inmates, and purchasing a major portion of the inmate goods and services.<sup>1/</sup> The original act authorized 7 pilot projects in

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<sup>1/</sup> House Report No. 101-681(I), September 5, 1990 (To accompany H.R. 5269), p. 202, (see Section 2213, "Expansion of the Private Sector/Prison Industry Enhancement Certification Program).

the Prison Industry Enhancement Certification Program (§827), which allowed a conditional exemption from Federal constraints against the movement of prisoner-made goods (Sumner-Ashurst Act 18 U.S.C. 1761(a) of 1948) in interstate commerce, and the sale of such goods to the Federal Government. (41 U.S.C. 35(d); §1(d) of the Walsh-Healey Act of 1936.) The seven pilot projects were designated by the former Law Enforcement Assistance Administration (now the Bureau of Justice Assistance).

Since 1979, Congress has twice increased the number of allowable private-sector/prison-industry projects. In October 1984, President Reagan signed the Justice Assistance Act (§609K(a) (1), Public Law 98-473; 98 Stat. 2102)), which authorized 13 more prison industry projects, bringing the total to 20 such programs. Because of the substantial demand for certification by state and local governments, the United States Congress enacted section 2906 of the 1990 Crime Control Act, expanding the number of certified projects from 20 to 50.

Since the inception of the Private Sector/Prison Industry Enhancement Program, an applicant cannot be granted certification from the Department of Justice unless --

- 1) representatives of local union central bodies or similar labor organizations are consulted before initiation of a qualifying project; and

2) there is adequate assurance from the projects that inmate labor will be paid prevailing wages, and that paid inmate employment will not displace employed workers or be applied in skills, crafts, or trades in which there is a local surplus of available, gainful labor, or impair existing contracts for services. (18 U.S.C. 1761)

All states (including the District of Columbia, Commonwealth of Puerto Rico, and the Virgin Islands) and units of local government authorized by law to administer correctional industry work programs are eligible to apply to BJA for certification. Non-federal prison industries may be certified when their operations have been determined to meet the legislative and administrative guidelines.

The total earnings of the Private Sector/Prison Industry Enhancement Program have been substantial. Products range from wooden tool boxes to children's clothing to limousines. Accumulated earnings from the Program's inception in 1979 through September 1990, total \$16,714,581. Contributions to Federal and state taxes in that time period exceed \$1,700,000, and room and board payments total more than \$2,600,000. In addition, family support payments total more than \$2,000,000, and contributions to victims' compensation and assistance programs exceed \$900,000 (see Attachment 3).

III) CERTIFICATION REQUIREMENTS

The application process set forth in the Application Kit for Private Sector/Prison Industry Enhancement Certification Program, (PS/PIECP) in our view adequately requires applicants, in writing, to certify their compliance with the requirements set forth in 18 U.S.C. 1761(c) (see Attachment 2). Inmate workers must be allowed to participate voluntarily and receive wages not less than those paid for similar work in the locality.

Participating inmates must also agree in advance to deductions that do not exceed 80% of their gross income (including Federal, State, and local taxes, room and board, allocations for family support, and crime victim compensation contributions, between 5 and 20%). Although inmates cannot qualify for unemployment compensation while incarcerated, they do have the right to receive employer-related benefits, such as workers' compensation.

The BJA appears to evaluate each application in accordance with four basic criteria: 1) compliance with the PS/PIEC's statutory and guideline requirements; 2) feasibility of the project or comprehensive plan; 3) likelihood of project success; and 4) scope of private sector involvement.<sup>2/</sup>

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<sup>2/</sup> p.1, "Application Kit for Private Sector/Prison Industry Enhancement Certification Program," Bureau of Justice Assistance, April 1989.

BJA certifies an eligible prison-industry project only after reviewing an application for certification and determining that the proposed project meets all statutory and BJA guideline requirements. Two classes of projects are eligible for certification: 1) Individual Project Certification, for a single, prison-based cost accounting center; and 2) Department Certification, for a State or local Comprehensive Private Sector/Prison Industry that designates, administers, and manages one or more prison-based accounting centers.

The application for certification is comprehensive. It contains four main sections: 1) Applicant Data, 2) Mandatory Program Criteria, 3) Comprehensive Plan Criteria, and 4) Administrative and Reporting Criteria.

The "Applicant Data" section asks for the applicant's contact persons, addresses, telephone numbers, and agency name.

The "Mandatory Program Criteria" section requires each applicant to have, in writing, the statutory authority to meet the objective of the program. Each applicant agency must have the authority to collect and provide financial contributions to a crime victim compensation program. Before the use of inmate workers, each applicant agency is also required to have procedures to consult with representatives of both local labor and business potentially affected by prison industries. In

addition, each project must have a policy providing that inmate participation is voluntary. Also, the State Department of Employment Security must provide written assurances that inmates are receiving the prevailing wage in the locality where the work is performed.

The "Comprehensive Plan Criteria" section requires applicants to outline the plans for their locality's prison industries for the next ten years. In three different time periods (current, 2-5 years, and 5-10 years in the future), the applicant agencies must project the total dollar amount that the inmates will produce in sales and profits. Agencies must also estimate the total dollars that prisoners will contribute to crime victim programs; room and board; inmate family support; and Federal, state, and local taxes. Applicants must also describe how the program certification will help achieve their goals. In addition, the applicant must describe in detail its plan for implementing the PS/PIECP.

The "Administrative and Reporting Criteria" section requires the applicant to name the parties responsible for implementing management functions. These functions include: program management, analysis and planning, monitoring, and performance reporting. (This last component is described in greater detail in Section VI.)



The application kit also contains several attachments, including excerpts from legislation that affects the movement of prisoner made goods and instructions for completing the application. In addition, it contains a copy of the Federal Register notice concerning the Justice Assistance Act of 1984, and forms that program agencies use for performance reporting (which will be described in greater detail in Section VI).

#### IV) CURRENT STATUS

The private sector can become involved in these programs in a variety of ways. It can: 1) employ inmate workers either at the prison or at a mutually agreeable site, 2) invest in a prison-based business that is owned by the State, 3) purchase a significant portion of the output of prison-based businesses, 4) manage a prison-based business that is owned by a State, or 5) agree to some other proposed method of substantial private involvement approved by BJA. Most of the programs currently operate under an employer model, two of the projects operate under a customer model.

At the end of fiscal year 1990, BJA had 20 certified programs fully in effect involving 59 projects and 857 employed inmates. By the end of January 1991, BJA had granted two additional state certifications to South Dakota and Tennessee. Seven additional applications for certification are pending: the Arizona

Department of Corrections; Aroostock County, Maine; Delaware Department of Corrections; Illinois Department of Corrections; Massachusetts Department of Corrections; Vermont Department of Corrections; and Wood County, Ohio.

A review of the projects up to October 1, 1990 (see Attachment 4), indicates that out of the 20 active projects, 14 employed inmates. The Nebraska Department of Correctional Services, which was certified in October 1987, had the highest number of employed inmates. In that state, 196 inmates worked in three different occupations for 8 different companies. The Minnesota Department of Corrections, certified in November 1985, had 122 inmates employed in metal fabrication and the manufacture of pontoon boats. The Nevada Department of Prisons, certified in August 1985, had 101 inmates employed in three different manufacturing companies. The California Department of the Youth Authority, certified in August 1985, had 99 inmates employed. Besides manufacturing, inmates in this program worked in the reservation service of a major international airline and microfilming and data entry for a management service. The Washington Department of Corrections had 82 inmates involved in various manufacturing entitles and a livestock grazing operation.

Most of the other certified programs also employed several prisoners. The Alaska Department of Corrections had 4 inmates employed in a leather goods products company. The Connecticut

Department of Corrections had 6 inmates producing micrographics for a corporation affiliated with a large insurance company. The Kansas Department of Corrections had a total of 30 inmates working in metal fabrication, drafting work, and children's clothing. The New Hampshire-Belknap County Department of Corrections had 4 prisoners employed in a crutch manufacturing company. The New Hampshire-Strafford County Jail Industries had 12 prisoners in assembling operations. The Oklahoma Department of Corrections had 65 inmates involved in telemarketing and lens grinding for eyewear. The Oregon Department of Corrections had 50 prisoners in wood manufacturing. In South Carolina, the state's Department of Corrections had 58 prisoners employed in the draperies industry and women's clothing. The Utah Department of Corrections had 28 prisoners employed in connection with road sign manufacturing and tropical fish supplies.

Certified agencies that either did not have active projects or had not employed prisoners as of October 1, 1990, include the following: The Colorado Department of Corrections, Idaho Department of Corrections, Iowa Department of Corrections, Maine Department of Corrections, Missouri Department of Corrections, and the New Mexico Department of Corrections.

V) PREVAILING WAGE REQUIREMENTS

As mentioned previously, an applicant must demonstrate, in writing, that its program has authority to pay prevailing wages to inmates for the locality where the work was performed.<sup>3/</sup>

The applicant must have a procedure and written assurances from the State Department of Employment Security (or similar agency) that the compensation paid to inmate workers is comparable to wages paid for similar work in the local area (or the Federal minimum wage, whichever is higher).

According to the available data, program managers determine the prevailing wage rate range for the projects after consultation with the State Department of Employment Security (or similar agency). In many cases, a program manager describes the type of equipment that prisoners will use and the type of work they will perform to the State Department of Employment Security. The agency then initiates an automated search through the Dictionary of Occupational Titles for a match with the occupation and skills required for the project. In addition, the agency examines previous applications within the locale and determines the number of companies and employees involved. Upon completion of the

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<sup>3/</sup> p.3, "Application Kit for Private Sector/Prison Industry Enhancement Certification Program."

research, the agency then identifies wage rates and gives the results to the requesting organization.<sup>4/</sup>

According to the quarterly reports for the period from July 1 1990, through September 30, 1990, several programs paid the prisoners a significantly higher amount than the minimum wage (Attachment 4). Prisoners in programs with the Kansas Department of Corrections received between \$3.80 and \$12.50 an hour. Prisoners received a high average wage range in the Strafford County Jail Industries, where participating prisoners received wages between \$6.50 and \$7.00. Prisoners affiliated with the Connecticut Department of Corrections earned \$6.50 an hour. In the Belknap County Department of Corrections, prisoners received between \$4.40 and \$7.20 per hour. The company working with the Alaska Department of Corrections paid its prison employees an average of \$5.00 an hour. The prisoners working in the California Department of Youth Authority projects received between \$4.25 and \$5.67 an hour, and the prisoners in the Washington State Department of Corrections made between \$4.25 and \$5.70 per hour.

Although the reports suggest that prisoners in programs affiliated with the Minnesota Department of Corrections were paid wages ranging from \$1.50 to \$4.50 per hour, a check with BJA and

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<sup>4/</sup> R.J. Verdeyen, Project Coordinator, American Correctional Association, January 30, 1991.

the American Correctional Association (ACA) revealed that BJA had regarded amounts less than the Federal minimum (\$3.80 per hour) to be deficient. BJA then required wage adjustments in the programs to increase those earnings to the full Federal minimum.

The remaining inmate employees received amounts between \$3.80 and \$5.00 an hour. The prisoners in the Nevada Department of Prisons were paid between \$3.80 and \$4.00 an hour. Employed inmates in the Oklahoma Department of Corrections earned \$3.80 an hour.<sup>5/</sup> In Oregon, the employed prisoners affiliated with the Oregon Department of Corrections earned between \$3.80 and \$4.25 an hour. The prisoners in the South Carolina Department of Corrections received \$3.80 an hour. Employed inmates in the Utah Correctional Industries earned between \$3.80 and \$4.45 per hour.

One program did not have computed hourly wage ranges in its quarterly reports. At the Nebraska Department of Corrections, employed prisoners worked an average of 6.5 hours per day and earned an average of \$220.47 per month.

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<sup>5/</sup> As noted above, BJA has followed up with all PS/PIECs reporting amounts less than the Federal minimum of \$3.80 per hour during the period (e.g. Oklahoma and Oregon Departments of Corrections). BJA required adjustments to be made as necessary to increase minimum earnings to no less than \$3.80 per hour.

VI) PERFORMANCE REPORTS

Once an applicant program receives certification, the certified project must submit several reports, on a periodic basis, to BJA (see attachments D-G in Attachment 2 to see the following reports in more detail):

1) Notice of Designation and Certification of Compliance, to designate that a cost accounting center has achieved statutory and guideline requirements to qualify for exempt status under the program, which enables the program to sell products in interstate commerce and to the Federal Government (under 18 U.S.C. 1761).

2) Notice of Undesignation, for which a designated cost accounting center is terminated or ceases to operate.

3) Quarterly Report, to describe the activities of each designated cost accounting center (Attachment 5 has all of the quarterly performance reports from July 1, 1990 through September 30, 1990). These reports include data on inmate wages, deductions, and contributions to crime victim compensation and assistance funds. BJA utilizes these reports to monitor continuing compliance with statutory and guideline requirements.

4) Special Notification, to describe significant changes as they occur in the status of designated cost accounting centers.

According to officials from BJA, all of the certified PS/PIECPs submit these reports in a timely fashion. To maintain the success rate, BJA has provided for technical assistance in a contract with ACA, which assists in the collection and compilation of information from the above-mentioned reports.

#### VII) ON-SITE INSPECTIONS

BJA conducts on-site inspections for the certified programs, through the American Correctional Association, to monitor compliance with the program's certification requirements. BJA conducted on-site compliance visits at 12 PIE program sites during the period from April 1, 1989, through December 31, 1990, as follows: Third Quarter FY 1989: Camarillo, Chino, and Stockton, California; Fourth Quarter FY 1989: Strafford County, New Hampshire, and Boise, Idaho; First Quarter FY 1990: Lexington, Oklahoma, Draper, Utah, and Indian Springs and Reno, Nevada; Third Quarter FY 1990: Omaha, Nebraska; Fourth Quarter FY 1990: Juneau, Alaska; First Quarter FY 1991: Lansing, Kansas. In addition, BJA has planned for on-site inspections during FY 1991 at all projects in operation as of January 1, 1991.



Attachment 6 contains an example of the "On-Site Consultation Trip Report", dated December 4-5, 1989, for Silver State Industries in Reno and Las Vegas, Nevada. By examining the Report, it is apparent that the inspectors gather information to confirm reported information and verify compliance similar to the periodic reports (Attachment 2 and Attachment 5). The Report consists of three main parts: 1) Certification, 2) Financial Reporting, and 3) Comprehensive Plan.

#### VIII) CONCLUSIONS

This report has been written to fulfill the requirement in section 2908 of the Crime Control Act of 1990 for the Secretary of Labor to submit an annual report to Congress which describes compliance by State Prison Industry Enhancement Certification Programs with 18 U.S.C. 1761(c). Based upon an examination of the data provided to the Department of Labor from the Bureau of Justice Assistance, the Private Sector/Prison Industry Enhancement Certification Program, as administered by BJA, has developed adequate mechanisms to promote satisfactory compliance with the statutory requirements of 18 U.S.C. 1761(c) as amended by the Crime Control Act of 1990 (Public Law 101-647). The data in the attachments indicate, in the judgment of the Department of Labor, that BJA has fulfilled these obligations in the application for certification, the requirement of periodic reports, and the on-site inspection program.

# ATTACHMENT 1

Public Law 101-647  
101st Congress

An Act

To control crime.

Nov. 29, 1990

[S. 3266]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE.

Crime Control  
Act of 1990.  
18 USC 1 note.

This Act may be cited as the "Crime Control Act of 1990".

## TITLE I—INTERNATIONAL MONEY LAUNDERING

SEC. 101. REPORTS ON USES MADE OF CURRENCY TRANSACTION RE-  
PORTS.

31 USC 5311  
note.

Not later than 180 days after the effective date of this section, and every 2 years for 4 years, the Secretary of the Treasury shall report to the Congress the following:

(1) the number of each type of report filed pursuant to subchapter II of chapter 53 of title 31, United States Code (or regulations promulgated thereunder) in the previous fiscal year;

(2) the number of reports filed pursuant to section 6050I of the Internal Revenue Code of 1986 (regarding transactions involving currency) in the previous fiscal year;

(3) an estimate of the rate of compliance with the reporting requirements by persons required to file the reports referred to in paragraphs (1) and (2);

(4) the manner in which the Department of the Treasury and other agencies of the United States collect, organize, analyze and use the reports referred to in paragraphs (1) and (2) to support investigations and prosecutions of (A) violations of the criminal laws of the United States, (B) violations of the laws of foreign countries, and (C) civil enforcement of the laws of the United States including the provisions regarding asset forfeiture;

(5) a summary of sanctions imposed in the previous fiscal year against persons who failed to comply with the reporting requirements referred to in paragraphs (1) and (2), and other steps taken to ensure maximum compliance;

(6) a summary of criminal indictments filed in the previous fiscal year which resulted, in large part, from investigations initiated by analysis of the reports referred to in paragraphs (1) and (2); and

(7) a summary of criminal indictments filed in the previous fiscal year which resulted, in large part, from investigations initiated by information regarding suspicious financial transactions provided voluntarily by financial institutions.

"(3) As used in this section, the term 'functional literacy' means—

"(A) an eighth grade equivalence in reading and mathematics on a nationally recognized standardized test;

"(B) functional competency or literacy on a nationally recognized criterion-referenced test; or

"(C) a combination of subparagraphs (A) and (B).

"(4) Non-English speaking inmates shall be required to participate in an English-As-A-Second-Language program until they function at the equivalence of the eighth grade on a nationally recognized educational achievement test.

"(5) The Chief Executive Officer of each institution shall have authority to grant waivers for good cause as determined and documented on an individual basis.

Reports.

"(6) A report shall be provided to Congress on an annual basis summarizing the results of this program, including the number of inmate participants, the number successfully completing the program, the number who do not successfully complete the program, and the reasons for failure to successfully complete the program."

18 USC 4121  
note.

#### SEC. 2905. MANDATORY WORK REQUIREMENT FOR ALL PRISONERS.

(a) IN GENERAL.—(1) It is the policy of the Federal Government that convicted inmates confined in Federal prisons, jails, and other detention facilities shall work. The type of work in which they will be involved shall be dictated by appropriate security considerations and by the health of the prisoner involved.

(2) A Federal prisoner may be excused from the requirement to work only as necessitated by—

(A) security considerations;

(B) disciplinary action;

(C) medical certification of disability such as would make it impracticable for prison officials to arrange useful work for the prisoner to perform; or

(D) a need for the prisoner to work less than a full work schedule in order to participate in literacy training, drug rehabilitation, or similar programs in addition to the work program.

#### SEC. 2906. EXPANSION OF THE PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM.

Section 1761(c) of title 18, United States Code, is amended—

(1) by redesignating paragraphs (1), (2), and (3) as paragraphs (2), (3), and (4), respectively;

(2) by striking the matter preceding paragraph (2), as redesignated by paragraph (1) of this section, and inserting the following:

"(c) In addition to the exceptions set forth in subsection (b) of this section, this chapter shall not apply to goods, wares, or merchandise manufactured, produced, or mined by convicts or prisoners who—

"(1) are participating in—one of not more than 50 non-Federal prison work pilot projects designated by the Director of the Bureau of Justice Assistance; and"; and

(3) in paragraph (2), as redesignated by paragraph (1) of this section, by amending subparagraph (B) to read as follows:

“(B) reasonable charges for room and board, as determined by regulations issued by the chief State correctional officer, in the case of a State prisoner.”.

SEC. 2907. COST SAVING MEASURES.

18 USC 4042  
note.

The Director of the Federal Bureau of Prisons (referred to as the “Director”) shall, to the extent practicable, take such measures as are appropriate to cut costs of construction. Such measures may include reducing expenditures for amenities including, for example, color television or pool tables.

SEC. 2908. REPORT BY SECRETARY OF LABOR.

18 USC 1761  
note.

The Secretary of Labor shall submit to the Congress not later than March 1, 1991, and not less often than annually thereafter, reports which describe in detail the extent and manner of compliance by State Prison Industry Enhancement Certification programs with the requirements set forth in 18 U.S.C. 1761(c).

## TITLE XXX—SHOCK INCARCERATION

SEC. 3001. SHOCK INCARCERATION PROGRAM.

(a) IN GENERAL.—Chapter 303 of title 18, United States Code, is amended by adding at the end the following:

“§ 4046. Shock incarceration program

“(a) The Bureau of Prisons may place in a shock incarceration program any person who is sentenced to a term of imprisonment of more than 12, but not more than 30, months, if such person consents to that placement.

“(b) For such initial portion of the term of imprisonment as the Bureau of Prisons may determine, not to exceed 6 months, an inmate in the shock incarceration program shall be required to—

“(1) adhere to a highly regimented schedule that provides the strict discipline, physical training, hard labor, drill, and ceremony characteristic of military basic training; and

“(2) participate in appropriate job training and educational programs (including literacy programs) and drug, alcohol, and other counseling programs.

“(c) An inmate who in the judgment of the Director of the Bureau of Prisons has successfully completed the required period of shock incarceration shall remain in the custody of the Bureau for such period (not to exceed the remainder of the prison term otherwise required by law to be served by that inmate), and under such conditions, as the Bureau deems appropriate.”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 303 of title 18, United States Code, is amended by adding at the end the following:

“4046. Shock incarceration program.”.

SEC. 3002. AUTHORIZATION OF APPROPRIATIONS.

18 USC 4046  
note.

There are authorized to be appropriated for fiscal year 1990 and each fiscal year thereafter such sums as may be necessary to carry out the shock incarceration program established under the amendments made by this Act.

# CRIME CONTROL ACT OF 1990

*P.L. 101-647, see page 104 Stat. 4789*

## DATES OF CONSIDERATION AND PASSAGE

*Senate: October 23, 27, 1990*

*House: October 15, 27, 1990*

House Report (Judiciary Committee) No. 101-681(I), Sept. 5, 1990  
[To accompany H.R. 5269]

House Report (Ways and Means Committee) No. 101-681(II),  
Sept. 10, 1990  
[To accompany H.R. 5269]

Cong. Record Vol. 136 (1990)

## RELATED REPORTS

House Report (Banking, Finance and Urban Affairs Committee)  
No. 101-446, Apr. 3, 1990  
[To accompany H.R. 3848]

Senate Report (Banking, Housing, and Urban Affairs Committee)  
No. 101-460, Sept. 12, 1990  
[To accompany S. 3037]

Senate Report (Judiciary Committee) No. 101-433, Aug. 30, 1990  
[To accompany S. 1829]

House Report (Judiciary Committee) No. 101-541, June 14, 1990  
[To accompany H.R. 3446]

Senate Report (Judiciary Committee) No. 101-434, Aug. 30, 1990  
[To accompany S. 1931]

House Report (Judiciary Committee) No. 101-736, Sept. 21, 1990  
[To accompany H.R. 5640]

*(Note: Portions of H.R. 5269 interpreted in this Report have not been adopted in Public Law 101-647. For the legislative history of title XXXI of Public Law 101-647, see the legislative history to accompany Public Law 101-581.)*

*No Senate Report was submitted with this legislation. The House Report (Parts I and II) is set out below and two Related Reports follow.*

HOUSE REPORT NO. 101-681(I)

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CRIME CONTROL ACT OF 1990

P.L. 101-647

[page 1]

The Committee on the Judiciary, to whom was referred the bill (H.R. 5269) to control crime, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

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EXPLANATION OF AMENDMENT

Inasmuch as H.R. 5269 was ordered reported with a single amendment in the nature of a substitute, the contents of this report constitute an explanation of that amendment.

SUMMARY AND PURPOSE

H.R. 5269, the "Comprehensive Crime Control Act of 1990," is intended to provide a legislative response to various aspects of the problem of crime in the United States. The damage inflicted by criminals—whether it be physical, emotional, or monetary—takes a heavy toll on our society. Ultimately, each of our citizens is a victim of such activity.

The most obvious type of crime that must be addressed is that which endangers the physical safety or health of our fellow citizens. As President Bush stated last year in transmitting to Congress his legislative proposal to combat violent crime:

Dealing with crime is not a novel problem, nor is it one with which we can ever expect fully to succeed. Nevertheless, assuring the physical safety of our citizens and inhabitants is among the very highest responsibilities of government. . . .

Society also pays a heavy price for the activities of "white-collar" criminals. No more vivid or current example of this price can be found than in the unfolding savings and loan scandal, in which executives of thrift institutions and others associated with them enriched themselves by fraudulently diverting immense amounts of funds from those institutions. It is estimated that the ultimate cost of this scandal may be as much as \$500 billion—as amount that might otherwise be put to useful purposes in our society.

H.R. 5269 addresses both violent and "white collar" criminal activity from the perspective of the Federal government's interests and concerns. While the bulk of day-to-day criminal law enforcement is primarily the responsibility of State and local governments, the Federal Government must play a vital leadership role, and it has an immediate state in effective justice in the case of crimes involving Federal entities. The "Comprehensive Crime Control Act of 1990" is intended to provide this leadership and assert this governmental interest. The Act includes provisions ranging from expanding the number of crimes for which a Federal death penalty may be imposed, to providing the Justice Department addi-

LEGISLATIVE HISTORY  
HOUSE REPORT NO. 101-681(I)

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may apply in other contexts, they do not apply to the claims of race bias described above.

This section does not, of course, preclude petitioners from raising race claims under other appropriate provisions of law.

Section 2212 was offered as an amendment during Committee consideration of H.R. 5269 by Representative Howard Berman. With a quorum being present, the Committee adopted the amendment on July 23, 1990 by a roll call vote of 25-11.

*Section 2213. Expansion of the Private Sector/Prison Industry Enhancement Certification Program*

For years, prison industries at the state and county levels have been working to encourage the manufacture of products and the delivery of services through the use of inmate labor. These industries have been successful in reducing inmate idleness and lowering the recidivism rate by providing meaningful work experience. Such activity also enables inmates to contribute to costs of their rehabilitation, which, in turn, reduces the costs to states and taxpayers.

A major development in state and county prison industries in the last 10 years is the Private Sector/Prison Industry Enhancement Certification Program (PS/PIECP) which is the subject of this amendment.

PS/PIECP involves the private sector in prison-based industries in various aspects of the business including financing, planning, managing within the correctional institution, employing inmates, and purchasing a major portion of the inmate goods and services. Private sector involvement gives an inmate the opportunity to work in a "real world" environment while learning a marketable skill which offers a greater chance for meaningful employment upon release.

Originally authorized within the Justice System Improvement Act of 1979, the PS/PIECP was expanded by the Justice Assistance Act of 1984. A key provision of PS/PIECP for certified agencies is exemption from Federal constraints placed on inmate goods (Walsh-Healy Act (41 U.S.C. sec. 35)) and Sumners-Ashurst Act (18 U.S.C. sec. 17651)) by permitting the sale of such goods in interstate commerce and to the Federal Government.

Also of importance to the PS/PIECP is the payment of prevailing wages. With the earned wages, offenders can make a substantial contribution to society. Permissible deductions include room and board payments, Federal and state taxes, Social Security and family support. Between five and 20 percent of the inmates' gross wages is mandatorily paid to victims' compensation programs.

Section 2213 would raise the number of potential pilot projects which the Director of Bureau of Justice Assistance may certify under 18 U.S.C. 1761 from 20 to 50. Currently there are 18 states and two counties certified, and there is a waiting list of states and counties which want to participate.

The Committee believes the demand for certification by state and local governments indicates a need for this amendment which will enable the program to expand and allow other jurisdictions to apply.

Presently, there are 805 offenders employed within certified programs. Products range from wood tool boxes to children's clothing



## CRIME CONTROL ACT OF 1990

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to limousines. Total accumulated earnings since the beginning of the program exceed \$14,500,000, with contributions to Federal and state taxes in excess of \$4,450,000. Room and board payments total more than \$2,220,000; family support payments exceed \$2,000,000, and contributions to victims' compensation and assistance programs are in excess of \$750,000.

The benefits of this program are numerous, with the reduction of the cost of incarceration being the most notable. It is also an effective way of occupying the growing prison population and reducing idleness, while at the same time expanding the available supply of goods and services. For the victims of crime, it is a means of partial reparation. For the inmates, the program provides them with a marketable skill, offering a chance of rehabilitation, as well as a way of meeting financial obligations while incarcerated.

### COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 2(1)(3)(A) of rule XI of the Rules of the House of Representatives, the Committee reports that the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

### COMMITTEE ON GOVERNMENT OPERATIONS OVERSIGHT FINDINGS

No findings or recommendations of the Committee on Government Operations were received as referred to in clause 2(1)(3)(D) of rule XI of the Rules of the House of Representatives.

### NEW BUDGET AUTHORITY AND TAX EXPENDITURES

Clause 2(1)(3)(B) of House rule XI is inapplicable because this legislation does not provide new budgetary authority or increased tax expenditures.

### CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

In compliance with clause 2(1)(C)(3) of rule XI of the Rules of the House of Representatives the Committee sets forth, with respect to the bill H.R. 5269, the following estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of the Congressional Budget Act of 1974:

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
Washington, DC, August 2, 1990.

Hon. JACK BROOKS,  
Chairman, Committee on the Judiciary,  
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate for H.R. 5269, the Comprehensive Crime Control Act of 1990.

LEGISLATIVE HISTORY  
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If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

ROBERT D. REISCHAUER,  
*Director.*

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: H.R. 5269.
2. Bill title: The Comprehensive Crime Control Act of 1990.
3. Bill status: As ordered reported by the House Committee on the Judiciary, July 23, 1990.
4. Bill purpose: H.R. 5269 would make many changes and additions to federal laws related to crime and punishment. Among the affected statutes would be those related to the death penalty, writs of habeas corpus, child abuse, and control substances.

The bill also would establish or revise several existing federal programs.

Title I of the bill would authorize new grants under the Office of Justice Programs (OJP) for states to develop alternatives modes of incarceration.

Title III would add anabolic steroids to the list of controlled substances.

Title VI would authorize the OJP to issue grants for a law enforcement scholarship program.

Title XIV would require the Bureau of Prisons (BoP) to make appropriate substance abuse treatment available to federal prisoners.

Title XVI would authorize the BoP to place certain prisoners in shock incarceration programs.

Title XVII would expand the Public Safety Officers Death Benefits Program (PSODB), which is under the OJP, to provide benefits to officers permanently and totally disabled in the line of duty.

Title XX would establish grant programs for child abuse investigations and to develop special procedures for child witnesses.

Title XXI would authorize appropriations for investigation and prosecution of crimes related to financial institutions.

Additionally, Title XXII would ban state-sponsored sports-related lotteries and would authorize the payment of humanitarian expenses for Drug Enforcement Administration and Federal Bureau of Investigation employees.

5. Estimated cost to the Federal Government:

(By fiscal year, in millions of dollars)

	1991	1992	1993	1994	1995
Direct Spending					
Title XVII					
Budget authority	5	5	5	5	5
Estimated outlays	0	5	5	5	5
Authorizations of Appropriations					
Title I					
Estimated authorization level	355	311			
Estimated outlays	76	232	240	103	15

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# CRIME CONTROL ACT OF 1990

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(By fiscal year, in millions of dollars)

	1991	1992	1993	1994	1995
<b>Title VI:</b>					
Authorization level.....	30	30	30	30	30
Estimated outlays.....	7	20	29	30	30
<b>Title XX:</b>					
Estimated authorization level.....	31	32	34		
Estimated outlays.....	6	22	30	26	11
<b>Title XXI:</b>					
Authorization level.....	178	181	181		
Estimated outlays.....	150	172	179	31	8
<b>Other titles:</b>					
Estimated authorization level.....	1	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Estimated outlays.....	1	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
<b>Subtotal, authorizations of appropriations:</b>					
Estimated authorization level.....	605	556	245	30	30
Estimated outlays.....	242	446	478	190	63
<b>Total, H.R. 5269:</b>					
Budget authority/authorizations.....	610	561	250	35	35
Estimated outlays.....	242	451	483	195	68

<sup>1</sup> Less than \$500,000.

The costs of this bill would be in budget function 750.

In addition to the amounts shown in the above table, H.R. 5269 would mandate the increased availability of appropriate substance abuse programs for federal prisoners. While the bill does not specify the nature of those programs, CBO estimates that they might cost in the range of \$25 million to \$50 million a year.

## BASIS OF ESTIMATE

**Direct spending.**—Under Title XVII, the PSODB program would be extended to include officers permanently and totally disabled in the line of duty, but total payments for disability benefits would be limited to \$5 million annually. The benefit payable would be equal to the death benefit, roughly \$110,000, unless total claims exceed \$5 million, in which case the individual benefits would be pro-rated. CBO expects that the number of officers eligible for benefits under this provision would be sufficient to necessitate spending of the full \$5 million annually. This spending is considered mandatory.

**Authorizations of appropriations.**—For the authorizations of appropriations, we have assumed that the full amounts authorized would be appropriated for each fiscal year and that outlays would reflect historical spending patterns. Whenever the bill would authorize a specific amount for one year and indefinite amounts for following years, we have shown the specific amount plus inflation adjustments in the table above.

Title I would authorize \$300 million for 1991 and such sums as may be necessary for 1992 to the OJP for "correctional options" grants to state governments. Title I also would change the 1991 authorization for drug-abuse grants from \$400 million to such sums as may be necessary. The 1990 appropriation for this program is \$447 million. We have included \$65 million—the difference between the 1990 appropriation, adjusted for inflation, and the \$400 million—in the estimated authorization level in the table above.

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CHAPTER 85—PRISON-MADE GOODS

Sec.

1761. Transportation or importation.

1762. Marking packages.

§ 1761. Transportation or importation

(a) Whoever knowingly transports in interstate commerce or from any foreign country into the United States any goods, wares, or merchandise manufactured, produced, or mined, wholly or in part by convicts or prisoners, except convicts or prisoners on parole or probation, or in any penal or reformatory institution, shall be fined not more than \$1,000 or imprisoned not more than one year, or both.

(b) This chapter shall not apply to agricultural commodities or parts for the repair of farm machinery, nor to commodities manufactured in a Federal, District of Columbia, or State institution for use by the Federal Government, or by the District of Columbia, or by any State or Political subdivision of a State.

(c) In addition to the exceptions set forth in subsection (b) of this section, this chapter shall also not apply to goods, wares, or merchandise manufactured, produced, or mined by convicts or prisoners participating in a program of not more than seven pilot projects designated by the Administrator of the Law Enforcement Assistance Administration and who—

(1) have, in connection with such work, received wages at a rate which is not less than that paid for work of a similar nature in the locality in which the work was performed, except that such wages may be subject to deductions which shall not, in the aggregate, exceed 80 per centum of gross wages, and shall be limited as follows:

(A) taxes (Federal, State, local);

(B) reasonable charges for room and board as determined by regulations which shall be issued by the Chief State correctional officer;

(C) allocations for support of family pursuant to State statute, court order, or agreement by the offender;

(D) contributions to any fund established by law to compensate the victims of crime of not more than 20 per centum but not less than 5 per centum of gross wages;

(2) have not solely by their status as offenders, been deprived of the right to participate in benefits made available by the Federal or State Government to other individuals on the basis of their employment, such as workmen's compensation. However, such convicts or prisoners shall not be qualified to receive any payments for unemployment compensation while incarcerated, notwithstanding any other provision of the law to the contrary;

(3) have participated in such employment voluntarily and have agreed in advance to the specific deductions made from gross wages

pursuant to this section, and all other financial arrangements as a result of participation in such employment.

(June 25, 1948, c. 645, 62 Stat. 785; June 19, 1968, Pub.L. 90-351, Title I, § 827(a), as added Dec. 27, 1979, Pub.L. 96-157, § 2, 93 Stat. 1215.)

#### Historical and Revision Notes

**Reviser's Note.** Based on Title 18, U.S.C., 1940 ed., §§ 396a, 396b (July 24, 1935, c. 412, § 1, 49 Stat. 494; Oct. 14, 1940, c. 872, 54 Stat. 1134; July 9, 1941, c. 283, 55 Stat. 581).

Section consolidates sections 396a and 396b of Title 18, U.S.C., 1940 ed. Each section related to the same subject matter and defined the same offense. Section 396a of Title 18, U.S.C., 1940 ed., was enacted later and superseded section 396b of Title 18, U.S.C., 1940 ed.

Reference to persons aiding, causing or assisting was omitted. Such persons are principals under section 2 of this title.

Reference to states, territories, specific places, etc., were omitted. This was made possible by insertion of words "interstate commerce or from any foreign country into the United States," and by definitive section 10 of this title.

Subsection (b) was rewritten to eliminate ambiguity and uncertainty by expressly making the exceptive language apply to the entire chapter and by permitting State institutions to manufacture goods for the Federal Government and the District of Columbia and vice versa. In such subsections, the words "penal and correctional" and "penal or correctional," preceding "institutions" and

"institution," respectively, were omitted as surplusage.

Changes of phraseology were also made.

1979 Amendment. Subsec. (c). Pub.L. 90-351 added subsec. (c).

**Exemptions to Federal Restrictions on Marketability of Prison Made Goods.** Pub.L. 90-351, Title I, § 827(c), as added Pub.L. 96-157, § 2, Dec. 27, 1979, 93 Stat. 1215, provided that:

"The provisions of this section [amending this section and section 35 of Title 41, Public Contracts] creating exemptions to Federal restrictions on marketability of prison made goods shall not apply unless—

"(1) representatives of local union central bodies or similar labor union organizations have been consulted prior to the initiation of any project qualifying of any exemption created by this section; and

"(2) such paid inmate employment will not result in the displacement of employed workers, or be applied in skills, crafts, or trades in which there is a surplus of available gainful labor in the locality, or impair existing contracts for services."

**Legislative History.** For legislative history and purpose of Pub.L. 96-157, see 1979 U.S. Code Cong. and Adm. News, p. 2471.

#### Cross References

Applicability of this section to Canal Zone, see section 14 of this title.

Convict labor employed under conditions of this section, exception to general prohibition, see section 35 of Title 41, Public Contracts.

Divesting prison-made goods of interstate character, see section 11507 of Title 49, Transportation.

Forfeiture of goods, see section 1762 of this title.

Jurisdiction and venue of offenses begun in one district and completed in another, see section 3237 of this title.

#### West's Federal Forms

Sentence and fine, see § 7531 et seq.

#### Notes of Decisions

Constitutionality 1  
Construction with other laws 2  
Executive orders 4  
Government purchases 5

Private right of action 6  
Purpose 3

#### 1. Constitutionality

Act July 24, 1935, c. [now this section and title], was valid exercise interstate commerce, and of due process, and police powers of the state that Act was adopted to valid state laws. *Kent Co. v. Illinois Cent. R.* 277, 299 U.S. 334, 81 L.

#### 2. Construction with other laws

Section 35 of Title 41 of a provision in contracts that no convict employed by the contract contracts for war materials are exempted under Secretary of Labor date 1942, 40 Op.Atty.Gen. 2

#### 3. Purpose

This section and section dealing with the interstate labeling of goods made to embody congressional intent and were designed to prevent from competition from

#### § 1762. Marking

(a) All packages tured, produced, or convicts or prisoner institution, when shall be plainly and shipper, the name and the name and produced wholly or the outside of such

(b) Whoever violates any goods, wares, or section 1761 of this seized and condemn seizure and forfeiture to law.

(June 25, 1948, c. 645

**Reviser's Note.** Based 1940 ed., §§ 396c, 396d, c. 412, §§ 2, 3, 4, 49 Stat. Section consolidates sections 396c and 396d of Title 18, U.S.C.

## § 1716C. Forged agricultural certifications

Whoever forges or counterfeits any certification authorized under any rules or regulations prescribed under section 3014(c) of title 39 with intent to make it appear that such is a genuine certification, or makes or knowingly uses or sells, or possesses with intent to use or sell, any forged or counterfeited certification so authorized, or device for imprinting any such certification, shall be fined under this title, or imprisoned not more than one year, or both.

(Added Pub.L. 100-574, § 2(a), Oct. 31, 1988, 102 Stat. 2893.)

### Historical and Statutory Notes

**Effective Date.** Section effective on the earlier of the 366th day after Oct. 31, 1988, or the first date as of which all required rules and regulations have been first published in the Federal Register.

## § 1726. Postage collected unlawfully

### Notes of Decisions

Private right of action 5

#### 5. Private right of action

Federal criminal statute, 18 U.S.C.A. § 1726, proscribing the unlawful collection of postage, did

not secure rights to state prisoner; thus, prisoner could not sue directly under that statute nor use that statute as a predicate for an action under 42 U.S.C.A. § 1983. *Dugar v. Coughlin*, D.C.N.Y. 1985, 613 F.Supp. 849.

**Legislative History.** For legislative history and purpose of Pub.L. 100-574, see 1988 U.S. Code Cong. and Adm. News, p. 3808.

not secure rights to state prisoner; thus, prisoner could not sue directly under that statute nor use that statute as a predicate for an action under 42 U.S.C.A. § 1983. *Dugar v. Coughlin*, D.C.N.Y. 1985, 613 F.Supp. 849.

## CHAPTER 84—PRESIDENTIAL AND PRESIDENTIAL STAFF ASSASSINATION, KIDNAPING AND ASSAULT

## § 1761. Presidential and Presidential staff assassination, kidnaping, and assault; penalties

### Federal Jury Practice and Instructions

Essential elements of offense, see Devitt and Blackmar § 66.03 Notes.

## § 1752. Temporary residences and offices of the President and others

[See main volume for text of (a) to (e)]

(f) As used in this section, the term "other person protected by the Secret Service" means any person whom the United States Secret Service is authorized to protect under section 3056 of this title when such person has not declined such protection.

(As amended Pub.L. 98-587, § 3(b), Oct. 30, 1984, 98 Stat. 3112.)

### Historical and Statutory Notes

1984 Amendment. Subsec. (f). Pub.L. 98-587 substituted "any person whom the United States Secret Service is authorized to protect under section 3056 of this title when such person has not declined such protection" for "any person authorized by section 3056 of this title or by Public Law 90-331, as amended, to receive the protection of the United States Secret Service when such person has not declined such protection pursuant to section 3056 of this title or pursuant to Public Law 90-331, as amended".

**Legislative History.** For legislative history and purpose of Pub.L. 98-587, see 1984 U.S. Code Cong. and Adm. News, p. 5403.

### Cross References

Penalty for obstructing, resisting, or interfering with Federal law enforcement agents engaged in the performance of protective functions authorized by this section, see section 3056(d) of this title.

## CHAPTER 85—PRISON-MADE GOODS

Provisions of Pub.L. 98-473, Title II, § 11, Oct. 12, 1984, 98 Stat. 2093, 2096, provided that:

## § 1761. Transportation or importation

(a) Whoever knowingly transports in interstate commerce or from any foreign country into the United States any goods, wares, or merchandise manufactured, produced, or mined, wholly or in part by convicts or prisoners, except convicts or prisoners on parole, supervised release, or probation, or in any penal or reformatory institution, shall be fined not more than \$1,000 or imprisoned not more than one year, or both.

[See main volume for text of (b) and (c)]

[ (d) Repealed. Pub.L. 100-17, Title 1, § 112(b)(3), Apr. 2, 1987, 101 Stat. 149 ]

(As amended June 19, 1968, Pub.L. 90-351, Title 1, § 819(n), formerly § 827(a), as added Dec. 27, 1979, Pub.L. 96-157, § 2, 93 Stat. 1215, and renumbered Oct. 12, 1984, Pub.L. 98-473, Title II, § 609B(f), 98 Stat. 2093; Oct. 12, 1984, Pub.L. 98-473, Title II, §§ 223(c), 609K, 98 Stat. 2028, 2102; Apr. 2, 1987, Pub.L. 100-17, Title 1, § 112(b)(3), 101 Stat. 149.)

### Subsec. (a) of this Section Applicable to Offenses Committed Prior to Nov. 1, 1987

Subsec. (a) of this section as in effect prior to amendment by Pub.L. 98-473, § 223(c), read as follows:

(a) Whoever knowingly transports in interstate commerce or from any foreign country into the United States any goods, wares, or merchandise manufactured, produced, or mined, wholly or in part by convicts or prisoners, except convicts or

prisoners on parole or probation, or in any penal or reformatory institution, shall be fined not more than \$1,000 or imprisoned not more than one year, or both.

For applicability of sentencing provisions to offenses, see Effective Date and Savings Provisions, etc., note, section 235 of Pub.L. 98-473, as amended, set out under section 3551 of this title.

1987 Amendment. Subsec. (d). Pub.L. 100-17 struck out subsec. (d), which related to materials produced by convict labor for use in construction of highways or portions thereof located on Federal-aid systems.

1984 Amendment. Subsec. (a). Pub.L. 98-473, § 223(c), added reference to supervised release.

Subsec. (c). Pub.L. 98-473, § 609K(a)(1), substituted "twenty" for "seven".

Pub.L. 98-473, § 609K(a)(2), substituted "Director of the Bureau of Justice Assistance" for "Administrator of the Law Enforcement Assistance Administration".

Subsec. (d). Pub.L. 98-473, § 609K(b), added subsec. (d).

**Effective Date and Savings Provisions of 1984 Amendment.** Amendment by Pub.L. 98-473 effective on the first day of first calendar month beginning thirty six months after Oct. 12, 1984, applicable only to offenses committed after taking effect of sections 211 to 239 of Pub.L. 98-473, and except as otherwise provided for therein, see section 235 of Pub.L. 98-473, as amended, set out as a note under section 3551 of this title.

**Exemptions to Federal Restrictions on Marketability of Prison Made Goods.** Pub.L. 90-351, Title 1, § 819(c), formerly § 827(c), as added Pub.L. 96-157, § 2, Dec. 27, 1979, 93 Stat. 1215, and renumbered and amended Pub.L. 98-473, Title II, § 609B(f), (g), Oct. 12, 1984, 98 Stat. 2093, 2096, provided that:

"The provisions of section 1761 of title 18, United States Code, and of the first section of the Act of June 19, 1968 (49 Stat. 2036; 41 U.S.C. 35), common known as the Walsh-Healey Act, creating exemptions to Federal restrictions on marketability of prison-made goods, as amended

"(1) representatives of local union central bodies or similar labor union organizations have been consulted prior to the initiation of any project qualifying of any exemption created by this section; and

"(2) such paid inmate employment will not result in the displacement of employed workers, or be applied in skills, crafts, or trades in which there is a surplus of available gainful labor in the locality, or impair existing contracts for services."

**Legislative History.** For legislative history and purpose of Pub.L. 98-473, see 1984 U.S. Code Cong. and Adm. News, p. 3182. See, also, Pub.L. 99-570, 1986 U.S. Code Cong. and Adm. News, p. 5393; Pub.L. 100-17, 1987 U.S. Code Cong. and Adm. News, p. 66.

### Notes of Decisions

#### 2. Construction with other laws

Allegation that handling of goods prohibited under statute [18 U.S.C.A. § 1761] governing transportation or importation of prison-made goods may subject union to criminal prosecution did not confer constitutional standing upon union to challenge agency's refusal to deny importation of goods. Commissioner of Customs found may have been produced in forced labor in Soviet Union and ineligible for importation pursuant to 19 U.S.C.A. § 1307, where 18 U.S.C.A. § 1761 imposed penalties only for persons who knowingly transport convict or prison-made goods. Secretary of Treasury, International Trade Commission, and Central Intelligence Agency had found there was insufficient information to determine that Soviet products were produced by forced labor and prosecution would be in face of Commerce Court's

"PART K—CRIMINAL PENALTIES

- "Sec. 1101. Misuse of Federal assistance.
- "Sec. 1102. Falsification or concealment of facts.
- "Sec. 1103. Conspiracy to commit offense against United States.

"PART L—PUBLIC SAFETY OFFICERS' DEATH BENEFITS

- "Sec. 1201. Payments.
- "Sec. 1202. Limitations.
- "Sec. 1203. Definitions.
- "Sec. 1204. Administrative provisions.

"PART M—TRANSITION—EFFECTIVE DATE—REPEALER

- "Sec. 1301. Continuation of rules, authorities, and proceedings."

REFERENCES IN OTHER LAWS

42 USC 3711  
note.

42 USC 3701  
note.

SEC. 609I. (a) Any reference to the Law Enforcement Assistance Administration, or to the Administrator of the Law Enforcement Assistance Administration, in any law other than this Act and the Omnibus Crime Control and Safe Streets Act of 1968, applicable to activities, functions, powers, and duties that after the date of the enactment of this Act are carried out by the Bureau of Justice Assistance shall be deemed to be a reference to the Bureau of Justice Assistance, or to the Director of the Bureau of Justice Assistance, as the case may be.

(b) Any reference to the Office of Justice Assistance, Research, and Statistics, or to the Director of the Office of Justice Assistance, Research, and Statistics, in any law other than this Act and the Omnibus Crime Control and Safe Streets Act of 1968, applicable to activities, functions, powers, and duties that after the date of the enactment of this Act are carried out by the Office of Justice Programs, the Bureau of Justice Assistance, the Bureau of Justice Statistics, the National Institute of Justice, or the Office of Juvenile Justice Delinquency Prevention shall be deemed to be a reference to the Office of Justice Programs, the Bureau of Justice Assistance, the Bureau of Justice Statistics, National Institute of Justice, or Office of Juvenile Justice Delinquency Prevention, or to the Director of the Office of Justice Programs, the Director of the Bureau of Justice Assistance, the Director of the Bureau of Justice Statistics, the Director of the National Institute of Justice, or the Administrator of the Office of Juvenile Justice and Delinquency Prevention, as the case may be.

TECHNICAL AMENDMENTS TO OTHER LAWS

SEC. 609J. (a) Section 5314 of title 5, United States Code, is amended by striking out "Director, Office of Justice Assistance, Research, and Statistics."

(b) Section 5315 of title 5, United States Code, is amended by striking out "Administrator of Law Enforcement Assistance."

OFFENSES INVOLVING PRISON-MADE GOODS

SEC. 609K. (a) Section 1761(c) of title 18, United States Code, is amended—

(1) by striking out "seven" and inserting in lieu thereof "twenty", and

(2) by striking out "Administrator of the Law Enforcement Assistance Administration" and inserting in lieu thereof "Director of the Bureau of Justice Assistance".



(b) Section 1761 of title 18, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) Notwithstanding any law to the contrary, materials produced by convict labor may be used in the construction of any highways or portion of highways located on Federal-aid systems, as described in section 103 of title 23, United States Code."

Highways.

FRAUD AND RELATED ACTIVITY IN CONNECTION WITH IDENTIFICATION DOCUMENTS

SEC. 609L. (a) For purposes of section 1028 of title 18, United States Code, to the maximum extent feasible, personal descriptors or identifiers utilized in identification documents, as defined in such section, shall utilize common descriptive terms and formats designed to—

18 USC 1028  
note.

(1) reduce the redundancy and duplication of identification systems by providing information which can be utilized by the maximum number of authorities, and

(2) facilitate positive identification of bona fide holders of identification documents.

(b) The President shall, no later than 3 years after the date of enactment of this Act, and after consultation with Federal, State, local, and international issuing authorities, and concerned groups make recommendations to the Congress for the enactment of comprehensive legislation on Federal identification systems. Such legislation shall—

President of U.S.

(1) give due consideration to protecting the privacy of persons who are the subject of any identification system,

(2) recommend appropriate civil and criminal sanctions for the misuse or unauthorized disclosure of personal identification information, and

(3) make recommendations providing for the exchange of personal identification information as authorized by Federal or State law or Executive order of the President or the chief executive officer of any of the several States.

Subtitle B—Emergency Federal Law Enforcement Assistance Application

SEC. 609M. (a) In the event that a law enforcement emergency exists throughout a State or a part of a State, a State (on behalf of itself or another appropriate unit of government) may submit an application under this section for Federal law enforcement assistance.

42 USC 10501

(b) An application for assistance under this section shall be submitted in writing by the chief executive officer of a State to the Attorney General, in a form prescribed by rules issued by the Attorney General. The Attorney General shall, after consultation with the Director of the Office of Justice Assistance and appropriate members of the Federal law enforcement community, approve or disapprove such application not later than 10 days after receiving such application.

(c) Federal law enforcement assistance may be provided if such assistance is necessary to provide an adequate response to a law enforcement emergency. In determining whether to approve or disapprove an application for assistance under this section, the Attorney General shall consider—



the basis for the appeal, if substantiated, would not establish a basis for awarding or continuing of the grant involved. Under such circumstances, a more detailed statement of reasons for the agency action should be made available, upon request, to the applicant.

"(c) If the applicant involved is dissatisfied with the findings and determinations of the Bureau of Justice Assistance, the National Institute of Justice, or the Bureau of Justice Statistics following notice and hearing provided for in subsection (a) of this section, a request may be made for rehearing, under such regulations and procedure as the Bureau of Justice Assistance, the National Institute of Justice, or the Bureau of Justice Statistics may establish, and such applicant shall be afforded an opportunity to present such additional information as may be deemed appropriate and pertinent to the matter involved."

(c) Section 804 of part H of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3784) is amended by striking out "Law Enforcement Assistance Administration" and inserting in lieu thereof "Bureau of Justice Assistance".

*Infra.*

(d) Section 805 of part H of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3785) is amended—

*Infra.*

(1) by striking out "Office of Justice Assistance, Research, and Statistics, the Law Enforcement Assistance Administration," each place it appears and inserting in lieu thereof "Office of Justice Programs, Bureau of Justice Assistance,"

(2) by inserting "the Office of Juvenile Justice and Delinquency Prevention," before "or the National Institute of Justice" each place it appears,

(3) in subsection (a) by striking out "section 803, 804, or 815(c)(2)(G)" and inserting in lieu thereof "section 802, 803, or 809(c)(2)(G)", and

(4) in subsection (b) by inserting "the Office of Juvenile Justice and Delinquency Prevention" before "or the Bureau of Justice Statistics".

(e) Part H of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3781 et seq.) is amended by striking out sections 806, 807, 808, 809, 810, 811, 812, 813, 814, 819, and 826.

(f) Part H of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3781-3789o) is amended by redesignating sections 804, 805, 815, 816, 817, 818, 820, 821, 822, 823, 824, 825, and 827 as sections 803, 804, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, and 819, respectively.

(g) Part H of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3781-3789o) is amended by inserting after section 804, as so redesignated, the following new sections:

Repeals.

42 USC  
3786-3789c,  
3789h, 3789o.  
18 USC 1761 and  
note; 41 USC 35;  
post, p. 2103.  
42 USC 3784,  
3785, 3789d-  
3789g, 3789i-  
3789n.

42 USC  
3781-3789o.

#### "DELEGATION OF FUNCTIONS

"SEC. 805. The Attorney General, the Assistant Attorney General, the Director of the National Institute of Justice, the Director of the Bureau of Justice Statistics, the Administrator of the Office of Juvenile Justice and Delinquency Prevention, and the Director of the Bureau of Justice Assistance may delegate to any of their respective officers or employees such functions under this title as they deem appropriate.

42 USC 3786.

"REPORT TO PRESIDENT AND CONGRESS

"SEC. 810. Not later than April 1 of each year, the Assistant Attorney General, the Director of the Bureau of Justice Assistance, the Director of the Bureau of Justice Statistics, and the Director of the National Institute of Justice shall each submit a report to the President and to the Speaker of the House of Representatives and the President of the Senate, on their activities under this title during the fiscal year next preceding such date."

*Ante*, p. 2093.

(j) Section 811, as so redesignated, of part H of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3789f) is amended—

(1) by striking out "Office of Justice Assistance, Research, and Statistics" each place it appears and inserting in lieu thereof "Office of Justice Programs",

(2) by striking out subsection (d), and

(3) by redesignating subsections (e) and (f) as subsections (d) and (e), respectively.

*Ante*, p. 2093.

(k) Section 812, as so redesignated, of part H of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3789g) is amended by striking out "Office of Justice Assistance, Research, and Statistics" each place it appears and inserting in lieu thereof "Office of Justice Programs".

Repeal.  
42 USC  
3781-3789o.  
42 USC 3789h

(l) Part H of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3781-3789o) is amended by striking out section 819.

*Ante*, p. 2093.

(m) Section 813, as so redesignated, of part H of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3789i) is amended—

(1) by striking out subsection (a), and

(2) in subsection (b) by striking out "(b)".

42 USC 3789f.

(n) Section 816, as so redesignated, of part H of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3789j) is amended by striking out "Administration" and inserting in lieu thereof "Assistant Attorney General".

*Ante*, p. 2093

(o) Section 819(c), as so redesignated, of part H of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (18 U.S.C. 1761 note) is amended—

(1) by striking out "this section" and inserting in lieu thereof "section 1761 of title 18, United States Code, and of the first section of the Act of June 30, 1936 (49 Stat. 2036; 41 U.S.C. 35), commonly known as the Walsh-Healey Act.", and

(2) by inserting ", as amended from time to time," after "goods".

DEFINITIONS

Sec. 609C. (a) Section 901 of part I of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3791) is amended by striking out "Administration" each place it appears and inserting in lieu thereof "Office".

(b) Section 901(a) of part I of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3791(a)) is amended—

(1) in paragraph (2)—

(A) by inserting "and" after "Puerto Rico," and

(B) by striking out ", Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands".

PUBLIC LAW 96-157 [S. 241]: December 27, 1979

## JUSTICE SYSTEM IMPROVEMENT ACT OF 1979

*For Legislative History of Act, see p. 2471*

An Act to restructure the Federal Law Enforcement Assistance Administration, to assist State and local governments in improving the quality of their justice systems, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Justice System Improvement Act of 1979".*

Sec. 2. Title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended to read as follows:

Justice System  
Improvement  
Act of 1979.  
42 USC 3701  
note.

### "TITLE I—JUSTICE SYSTEM IMPROVEMENT

#### "TABLE OF CONTENTS

"Declaration and purpose.

#### "PART A—LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

- "Sec. 101. Establishment of Law Enforcement Assistance Administration.
- "Sec. 102. Duties and functions of Administrator.
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#### "PART B—NATIONAL INSTITUTE OF JUSTICE

- "Sec. 201. National Institute of Justice.
- "Sec. 202. Establishment, duties, and functions.
- "Sec. 203. Authority for 100 per centum grants.
- "Sec. 204. National Institute of Justice Advisory Board.

#### "PART C—BUREAU OF JUSTICE STATISTICS

- "Sec. 301. Bureau of Justice Statistics.
- "Sec. 302. Establishment, duties, and functions.
- "Sec. 303. Authority for 100 per centum grants.
- "Sec. 304. Bureau of Justice Statistics Advisory Board.
- "Sec. 305. Use of data.

#### "PART D—FORMULA GRANTS

- "Sec. 401. Description of program.
- "Sec. 402. Eligibility.
- "Sec. 403. Applications.
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- "Sec. 405. Allocation and distribution of funds.

#### "PART E—NATIONAL PRIORITY GRANTS

- "Sec. 501. Purpose.
- "Sec. 502. Percentage of appropriation for national priority grant program.
- "Sec. 503. Procedure for designating national priority programs.
- "Sec. 504. Application requirements.
- "Sec. 505. Criteria for award.

#### "PART F—DISCRETIONARY GRANTS

- "Sec. 601. Purpose.
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- "Sec. 603. Procedure for establishing discretionary programs.
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- "Sec. 703. Training State and local criminal justice personnel.
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- "Sec. 807. Subpena power; authority to hold hearings.
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- "Sec. 816. Report to President and Congress.
- "Sec. 817. Recordkeeping requirement.
- "Sec. 818. Confidentiality of information.
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- "Sec. 820. Administration of juvenile delinquency programs.
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- "Sec. 822. Prohibition on use of CIA services.
- "Sec. 823. Indian liability waiver.
- "Sec. 824. District of Columbia matching fund source.
- "Sec. 825. Limitation on civil justice matters.
- "Sec. 826. Reimbursement for unused equipment.
- "Sec. 827. Prison industry enhancement.

#### "PART I—DEFINITIONS

- "Sec. 901. Definitions.

#### "PART J—FUNDING

- "Sec. 1001. Authorization of appropriations.
- "Sec. 1002. Maintenance of effort.
- "Sec. 1003. Authorization of appropriations for Office of Anti-Crime Programs.

#### "PART K—CRIMINAL PENALTIES

- "Sec. 1101. Misuse of Federal assistance.
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- "Sec. 1201. Payments.
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#### "PART M—TRANSITION—EFFECTIVE DATE—REPEALER

- "Sec. 1301. Continuation of rules, authorities, and proceedings.

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# JUSTICE SYSTEM IMPROVEMENT

P.L. 96-157

MS

## "PRISON INDUSTRY ENHANCEMENT

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"SEC. 827. (a) Section 1761 of title 18, United States Code, is amended by adding thereto a new subsection (c) as follows—

"(c) In addition to the exceptions set forth in subsection (b) of this section, this chapter shall also not apply to goods, wares, or merchandise manufactured, produced, or mined by convicts or prisoners participating in a program of not more than seven pilot projects designated by the Administrator of the Law Enforcement Assistance Administration and who—

"(1) have, in connection with such work, received wages at a rate which is not less than that paid for work of a similar nature in the locality in which the work was performed, except that such wages may be subject to deductions which shall not, in the aggregate, exceed 80 per centum of gross wages, and shall be limited as follows:

"(A) taxes (Federal, State, local);

"(B) reasonable charges for room and board as determined by regulations which shall be issued by the Chief State correctional officer;

"(C) allocations for support of family pursuant to State statute, court order, or agreement by the offender;

"(D) contributions to any fund established by law to compensate the victims of crime of not more than 20 per centum but not less than 5 per centum of gross wages;

"(2) have not solely by their status as offenders, been deprived of the right to participate in benefits made available by the Federal or State Government to other individuals on the basis of their employment, such as workmen's compensation. However, such convicts or prisoners shall not be qualified to receive any payments for unemployment compensation while incarcerated, notwithstanding any other provision of the law to the contrary;

"(3) have participated in such employment voluntarily and have agreed in advance to the specific deductions made from gross wages pursuant to this section, and all other financial arrangements as a result of participation in such employment."

"(b) The first section of the Act entitled 'An Act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes', approved June 30, 1936 (49 Stat. 2036; 41 U.S.C. 35), commonly known as the Walsh-Healey Act, is amended by adding to the end of subsection (d) thereof, before 'and', the following: 'except that this section, or any other law or Executive order containing similar prohibitions against purchase of goods by the Federal Government, shall not apply to convict labor which satisfies the conditions of section 1761(c) of title 18, United States Code'.

"(c) The provisions of this section creating exemptions to Federal restrictions on marketability of prison made goods shall not apply unless—

"(1) representatives of local union central bodies or similar labor union organizations have been consulted prior to the initiation of any project qualifying of any exemption created by this section; and

"(2) such paid inmate employment will not result in the displacement of employed workers, or be applied in skills, crafts, or trades in which there is a surplus of available gainful labor in the locality, or impair existing contracts for services.

18 USC 1761  
note.

Labor unions.  
consultation.

Effect on labor  
market.

## JUSTICE SYSTEM IMPROVEMENT

P.L. 96-157

The conference substitute adopts the House position.

The House bill prohibited use of funds for lobbying State legislatures regarding any legislation or appropriation.

The Senate bill did not contain a similar provision.

The conference substitute adopts the Senate position.

The House bill prohibited any involvement with civil justice by any agency or entity established by Title I.

The Senate bill did not have a similar provision.

The conference substitute permits involvement in civil matters to the extent that the matter in question bears directly upon criminal justice matters or is necessarily intertwined with criminal justice matters.

The conferees recognized that there are instances where civil and criminal justice improvement programs cannot be easily severed. Civil and criminal matters frequently do not involve two clearly separate systems with identifiable boundaries, rather there are common overlapping elements with research findings in the civil area frequently having applicability in the criminal area. The areas of dispute resolution, domestic violence, white collar violations, and court delay, all can impact on the criminal justice system in the manner required under this Section, and to the extent they and other similar activities do, are eligible program activities. In addition, general court improvements can be funded when they will lead to improvement in handling criminal matters and have the potential for freeing up resources to more effectively deal with criminal case loads.

The Senate bill requires NIC to coordinate activities with NIJ, BJS, and LEAA and prohibits the duplication of their efforts.

The House bill does not contain a similar provision.

The conference substitute adopts the House position.

[page 80]

The House bill authorized LEAA to require grantees to make reimbursement for equipment costing over \$100,000 not put into use within one year.

The Senate bill did not contain a similar provision.

The conference substitute adopts the House provision.

The Senate bill would establish seven pilot projects for prison industries.

The House bill did not contain a similar provision.

The conference substitute adopts the Senate position.

### PART I—DEFINITIONS

The Senate bill definitions of "criminal justice," "comprehensive," and "combination," differed from the House bill definitions. In addition, the Senate bill contains definitions of "proven effectiveness," "record of proven success," and "high probability of improving the criminal and juvenile justice system."

The House bill did not contain these definitions but did define "white-collar crime."

The conference substitute adopts the House definitions of "criminal justice" (to include juvenile justice) and "comprehensive", the Senate definition of "combination", and includes the additional definitions in both the Senate and House bills.

# ATTACHMENT 2

**APPLICATION KIT FOR  
PRIVATE SECTOR/PRISON INDUSTRY  
ENHANCEMENT CERTIFICATION PROGRAM**

April 1989



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## FOREWORD

The Private Sector/Prison Industry Enhancement Certification (PS/PIEC) Program, part of the Justice Assistance Act of 1984, continues the Prison Industry Enhancement Certification Program originally authorized under the Justice System Improvement Act of 1979. The PS/PIEC Program provides exemption from federal constraints on the marketability of prison-made goods by permitting the sale of these products in interstate commerce and to the federal government. (Refer to Attachment A.)

All states (including the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands) and units of local government authorized by law to administer prison industry programs and projects are eligible to apply to the Bureau of Justice Assistance (BJA) for certification. Up to 20 prison industry projects may be certified by BJA.

The Bureau of Justice Assistance evaluates each application on the basis of: compliance with the PS/PIEC Program's statutory and guideline requirements; the feasibility of the project or comprehensive plan; the likelihood of project success; and the scope of private sector involvement.

An agency's compliance with the statutory and guideline requirements must be documented by the completed Application for Certification, including copies of pertinent statutes, administrative regulations, and written policies and procedures.

This application kit consists of:

- The Application for Certification, Sections I through IV;
- The Instructions for completing the Application, Attachment B;
- The Private Sector/Prison Industry Enhancement Certification Guideline, Attachment C;
- The Notice of Designation and Certification of Compliance, a form that is filed with the Bureau of Justice Assistance prior to the start-up of each individual cost accounting center, Attachment D;
- The Notice of Undesignation, a form that is forwarded to the Bureau of Justice Assistance when a cost accounting center is terminated or when it ceases to comply with the PS/PIEC program statutory and guideline criteria, Attachment E; and
- The Quarterly Performance Report, a form that is completed and forwarded to the Bureau of Justice Assistance within 30 days after the end of each calendar quarter, Attachment F.

Applicants in need of additional materials, further information, or assistance may contact the Special Programs Division, Bureau of Justice Assistance, 633 Indiana Avenue, NW, Washington, DC 20531, telephone (202) 724-8428.

## SECTION I. APPLICANT DATA

1. Name of Applicant Agency

2. Mailing Address

Building Name, if applicable:

Street Name/P.O. Box:

City, State, Zip Code:

3. Contact Person

Name:

Title:

Telephone Number, including area code:

4. Title of Prison Industry Management Organization:

5. Name, title, unit, and telephone number of person designated to manage the Private Sector/Prison Industry Enhancement Certification Program:

Name:

Telephone Number:

Title:

Unit:

6. Statement: To the best of my knowledge, the information submitted in this application and its attachments is correct. I am duly authorized to submit this application on behalf of

---

(Agency)

---

(Signature)

---

(Title)

---

(Date)

## SECTION II. MANDATORY PROGRAM CRITERIA

### STATEMENT OF CERTIFICATION

The \_\_\_\_\_ certifies that it has, in place,  
(Name of Agency)  
the appropriate statutory or administrative authority to meet the following  
mandatory program criteria:

1. Authority permitting the applicant to collect and provide financial contributions to a crime victim compensation program or crime victim assistance program.
2. Authority enabling a crime victim compensation program or crime victim assistance program to accept financial contributions from the applicant agency.
3. Written policy and procedures requiring consultation with representatives of local union central bodies or similar labor organizations prior to the use of inmate workers in the production of goods for sale in interstate commerce or to the federal government.
4. Authority to substantially involve the private sector as (check as many as apply):
  - ( ) a. An employer of inmate workers;
  - ( ) b. An investor in a prison-based business owned by the state;
  - ( ) c. A customer purchasing a significant portion of the output of prison-based business;
  - ( ) d. A manager of a prison-based business owned by the state; or
  - ( ) e. Other. (Please describe and provide as an addendum to this application.)
5. Written policy and procedure requiring consultation with representatives of local businesses potentially affected by the production of inmate goods for sale in interstate commerce or to the federal government.
6. Authority to pay wages to inmate workers at a rate which is not less than that paid for work of a similar nature in the locality in which the work is to be performed.
7. Written policy and procedure for obtaining assurances from the State Department of Economic Security (or other appropriate state agency) that inmate worker compensation plans, including wages, bonuses, and piecework rates, are comparable to wages paid for work of a similar nature in the locality in which the work is performed.
8. Written policy and procedure for obtaining assurances from the State Department of Economic Security (or other appropriate state agency)

that paid inmate employment will not result in the displacement of employed workers; be applied in skills, crafts, or trades in which there is a surplus of available gainful labor in the locality; or impair existing contracts for services.

9. Authority establishing inmate worker entitlement to benefits and compensation as a result of injuries sustained in the course of their work.
10. Written policy and procedures for assuring that inmate participation is voluntary and that inmate workers have agreed in advance to the specific deductions made from gross wages and all other financial arrangements.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Typed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

### SECTION III. COMPREHENSIVE PLAN CRITERIA

A. Systems Description: The applicant is to provide a general description of the traditional prison industries currently in operation, their goals, product line, and the number of inmate employees.

In addition, the applicant is to provide the information requested by items 1 through 11 directly on the following form. Current information should come from applicant records and reports; short- (2 to 5 years) and long-range (5 to 10 years) projections may be based upon formal or informal planning efforts.

Items 2 and 5 through 11 will be blank under the "current" column for most applicants.

	<u>Current</u>	<u>Short Range</u>	<u>Long Range</u>
1. Number of inmates working within traditional prison industries:			
2. Number of inmates participating in private sector prison industry projects:			
3. Total dollar value of sales:			
4. Total dollar value of sales to private or federal markets:			
5. Total dollar profit (loss) for those industries involved with private or federal markets:			
6. Total dollar contribution to crime victim assistance program resulting from the sale of prison industry products to private or federal markets:			
7. Total dollar contribution to crime victim compensation program from inmate worker wage deductions:			
8. Total dollar contribution to the cost of room and board from inmate worker wage deductions:			
9. Total verifiable dollar contribution by inmate workers for family support:			
10. Total federal, state, and local income taxes withheld:			

B. Certification Benefits: The applicant should prepare a list of existing and anticipated impediments to the goals listed under "A" above and then, for each, describe how certification will help to remove the impediment or decrease its adverse effects.

C. Implementation Plan: The applicant is to describe its plan for implementing the PS/PIEC program. In preparing this plan the applicant is to provide:

1. A project milestone chart that includes proposed tasks or activities, responsible persons, and time lines;
2. A description of the traditional prison industries, if any, that may be designated as cost accounting centers under the provisions of this program;
3. The identity of any new industry projects that are being considered for designation or are under negotiation, the number of inmates that will be employed, and the estimated wages or piece rate;
4. An estimate of when the first cost accounting center will be designated;
5. A description of the potential market for each potential designated industry; and
6. The policies and procedures the agency will use to designate specific cost accounting centers.

#### SECTION IV. ADMINISTRATIVE AND REPORTING CRITERIA

The applicant is to provide policies and procedures which describe each of the following management functions and identify the responsible agency office or party(ies.)

The applicant should provide the mailing addresses and telephone numbers (including area code) for each of the offices/persons listed below.

Item A: Program Management. The applicant is to identify the office or person(s) who will assume responsibility for the development, implementation, and revision of the applicant's comprehensive plan (Section III) and for liaison with the following agencies and organizations:

<u>Agency</u>	<u>Responsible Party</u>
1. Bureau of Justice Assistance	
2. State Department of Economic Security	
3. Local labor union central bodies or similar labor organizations	
4. Local business organizations or representatives; and	
5. Appropriate state or local crime victim compensation program or crime victim assistance program agency or representatives.	

Item B: Analysis and Planning. The applicant is to identify the office or person(s) responsible for the regular review and revision of policy and procedure governing the Private Sector/Prison Industry Enhancement Certification Program. For the purposes of this program, analysis and planning includes the revision of program goals, objectives, and procedures guiding the administration of this program as well as an evaluation of program results.

Responsible Party:

Telephone Number:



Item C: Monitoring. The applicant is to identify the office or person(s) responsible for ensuring continued compliance with the program's statutory and guideline criteria. At a minimum, the monitoring activities required under this program include the annual updating of inmate wage plans.

Responsible Party:

Telephone Number:

Item D: Performance Reporting. After certification, the applicant is required to provide, to the Bureau of Justice Assistance, the following data and information, for each designated cost accounting center:

1. Special report(s) detailing changes as they occur in prevailing wage plans and positions of support by either organized labor or local businesses;
2. A completed Notice of Designation and Certification of Compliance prior to the designation of each cost accounting center (See Attachment D.);
3. A completed Notice of Undesignation upon the termination of a cost accounting center (See Attachment E.); and
4. Quarterly reports for each designated cost accounting center and a consolidated summary for all accounting centers (See Attachment F.).

## ATTACHMENT A

### FEDERAL PROHIBITIONS AFFECTING THE MOVEMENT OF STATE-PRISONER-MADE GOODS

#### **THE SUMNERS-ASHURST ACT** (18 U.S.C. 1761, 1948)

It is a federal offense to transport prison-made goods in interstate commerce, and state law permitting the transportation of prison-made goods for private use is preempted.

(a) Whoever knowingly transports in interstate commerce or from any foreign country into the United States any goods, wares, or merchandise manufactured, produced, or mined, wholly or in part by convicts or prisoners, except convicts or prisoners on parole\* or probation, or in any penal or reformatory institution, shall be fined not more than \$1,000 or imprisoned not more than one year, or both.

(b) This chapter [USCS §§ 1761, 1762] shall not apply to agricultural commodities or parts for the repair of farm machinery, nor to commodities manufactured in a Federal, District of Columbia, or State institution for use by the Federal Government, or by the District of Columbia, or by any State or Political subdivision of a State.

(June 23, 1948, ch 645, § 1, 62 Stat. 785.)

#### **THE WALSH-HEALEY ACT** (41 U.S.C. 35-45, 1936)

Prison labor cannot be used to fulfill federal government contracts which exceed \$10,000.

In any contract made and entered into by any executive department, independent establishment, or other agency or instrumentality of the United States, or by the District of Columbia, or by any corporation all the stock of which is beneficially owned by the United States (all the foregoing being hereinafter designated as agencies of the United States), for the manufacture or furnishing of materials, supplies, articles, and equipment in any amount exceeding \$10,000, there shall be included the following representations and stipulations:

(d) That no male person under sixteen years of age and no female person under eighteen years of age and no convict labor will be employed by the contractor in the manufacture or production or furnishing of any of the materials, supplies, articles, or equipment included in such contract; and

\*The clause "supervised release" was added and became effective November 1987.

## ATTACHMENT B

### INSTRUCTIONS FOR COMPLETING THE APPLICATION FOR CERTIFICATION

The applicant should mail an original and three copies of the completed application, including supporting documentation, to the Special Programs Division, Bureau of Justice Assistance, 633 Indiana Avenue, NW, Washington, DC 20531. Failure to submit all required materials will delay the review of this application.

#### I. SECTION I - APPLICANT DATA

This page serves as the face sheet for the application. The person specified as the "contact person" (item 3) should be familiar with the application and the supporting materials appended to it. The contact person should be prepared to answer questions about the information contained in the application and appendices. In addition, applicants will want to ensure that this form is signed by a duly authorized official (item 6).

#### II. SECTION II - MANDATORY PROGRAM CRITERIA

General Information: Section II is the Statement of Certification. The same duly authorized official that signed the application's face sheet (Section I) should sign this "Statement." The applicant must provide copies of the pertinent statutes, administrative regulations, and written policies and procedures to document this statement at the time the application is submitted to BJA.

Applicants are encouraged to maintain a file of correspondence, memoranda, regulations, and any other materials that will verify adherence to the written policies and procedures developed in support of this application. From time to time, Bureau of Justice Assistance staff and/or representatives will review the files of certified agencies to ensure continued compliance with statutory and guideline requirements.

Item 1: This criterion requires the presence of authority enabling the applicant to collect and to provide financial contributions to crime victim assistance programs or crime victim compensation programs. The authority "to collect" may be in the form of either state law or administrative rule. The authority "to collect" may provide for: a deduction from inmate wages; a "cost" item of production (overhead); a distribution from the cost accounting center's gross earnings; or any other means authorized.

If the authority "to collect" takes the form of deductions from inmate wages, federal statute specifies that these deductions must be not less than 5% nor more than 20% of gross earnings.

The state law or administrative rule describing authority "to provide" should explicitly identify the crime victim program or agency recipient and authorize the transfer of collected funds to the recipient.

Deductions from inmate wages for victims assistance programs are not permitted. Consequently, contributions to victims assistance programs must be taken from other sources, such as project income. (Refer to Attachment G.)

Item 2: This criterion requires the presence of authority enabling a crime victim compensation or crime victim assistance program or agency to accept the financial contributions collected and provided by the applicant.

The authority "to accept" should be contained in the state law or administrative rule establishing and governing the administration of the state crime victim compensation or crime victim assistance program or agency, or the state program or agency established to meet the eligibility criteria of the Victims of Crime Act of 1984, Pub. Law 98-473, Title II, Chapter XIV.

✓ Item 3: This criterion stipulates the presence of written policies and procedures requiring the applicant to consult with representatives of labor unions or organizations prior to using inmate labor in the production of goods for sale in interstate commerce or to the federal government.

Consultation may be achieved through correspondence and/or through direct contact with business representatives through avenues such as advisory board meetings, public hearings, and so forth. The policy and procedure should be in a form compatible with existing applicant administrative rules or regulations.

Item 4: This criterion requires the presence of authority--statutory or administrative--enabling the applicant to involve the private sector in prison-based business. This involvement may take any authorized form. Applicants should place a check mark beside each model of private sector involvement they are proposing to establish. If the category of "other" is checked, append a description of the proposed model to the application.

Item 5: This criterion stipulates the presence of written policies and procedures requiring the applicant to consult with representatives of local businesses potentially affected by the proposed industry project(s).

Again, consultation may be achieved through correspondence and/or through direct contact with business representatives through avenues such as advisory board meetings, public hearings, and so forth. The policy and procedure should be in a form compatible with existing applicant administrative rules or regulations.

Item 6: This criterion requires the presence of authority--statutory or administrative--enabling the applicant to pay wages to inmate workers at a rate which is not less than that paid for work of a similar nature in the locality in which the work is to be performed. This concept is sometimes referred to as paying "prevailing wages."

This requirement applies only to inmates who work in industry projects designated by certified agencies as "cost accounting centers" pursuant to the PS/PIEC program guidelines.

Item 7: This criterion requires the applicant to have written policy and procedure for obtaining written assurances from the State Department of Economic Security (or the appropriate state agency) that inmate worker compensation plans, including wages, bonuses, and piecework rates are comparable to wages paid for work of a similar nature in the locality in which the work is performed. The policy and procedure should be in a form compatible with existing applicant administrative rules or regulations.

In the absence of work of a similar nature, inmate compensation from wages or piece rates may not be less than the federal minimum wage.

The meaning of "locality" is a matter for definition by the appropriate state agency which normally determines wages rates (usually the State Department of Economic Security). In practice, however, locality has usually meant the county or city where the designated project is or will be located.

Item 8: This criterion requires the applicant to have written policy and procedure for obtaining written assurances from the State Department of Economic Security (or the appropriate state agency) stipulating that paid inmate employment will not:

1. result in the displacement of employed workers;
2. be applied in skills, crafts, or trades in which there is a surplus of available gainful labor in the locality; or
3. impair existing contracts for services.

The policy and procedure should be in a form compatible with existing applicant administrative rules or regulations.

Item 9: This criterion requires the presence of authority--statutory or administrative--that ensures that inmates who work in certified projects are covered by workmen's compensation insurance or its equivalent.

Certified applicants have met this criterion in three different ways: (1) the contract between the applicant and the private sector company requires that the company provide workmen's compensation insurance for inmate workers; (2) the agency purchases workmen's compensation insurance for inmates working in certified projects; and (3) inmates working in certified projects are statutorily covered by a state's self-insurance fund.

Item 10: This criterion requires the presence of written policy and procedure that assures that inmate participation in the certified project is voluntary and that the inmate workers have agreed, in advance and in writing, to the specific deductions made from gross wages and to all other financial arrangements.

The legislation enabling the PS/PIEC program limits deductions from inmate wages to: contributions to a fund established to compensate victims of crime; room and board; taxes; and family support, which may include forced savings (provided the inmate owns and has a right to the funds whether immediately or at some future time). The total of all deductions may not exceed 80% of gross

wages. It is helpful if the applicant incorporates these limitations, on the type and amount of deductions, into the applicable policies and procedures.

### III. SECTION III - COMPREHENSIVE PLAN CRITERIA

This section asks the applicant to describe its current prison industry system and the system's goals over the next 5 to 10 years. It also provides a format for listing obstacles and problems and for identifying strategies and actions to achieve the projected short- and long-range goals. The applicant is also asked to describe how certification will benefit the agency, specifically how it will address the obstacles and problems identified. The applicant is required to provide an implementation plan that will serve as a road map for operation start-up.

The instructions for completing this section of the application are incorporated into Section III of this application kit.

### IV. SECTION V - ADMINISTRATIVE AND REPORTING CRITERIA

This element of the application requests information that describes how the applicant plans to manage the certification program and meet BJA's reporting requirements. At a minimum, the management plan must provide for four reports to the Bureau of Justice Assistance.

First, a Notice of Designation and Certification of Compliance must be submitted when the certified agency designates a cost accounting center as having achieved the statutory and guideline requirements enabling the sale of its products in interstate commerce and to the federal government. See Attachment D.

Second, a Notice of Undesignation must be submitted when, for any reason, the designated cost accounting center is terminated or ceases to operate. See Attachment E.

Third, a quarterly report is required to provide information and data describing the activities of each designated cost accounting center. This report is due by the 30th of the month following the end of each quarter for activities undertaken during that quarter. See Attachment F.

And fourth, special notification is required describing significant changes as they occur in the status of designated cost accounting centers.

The instructions for completing this section of the application are incorporated into Section IV of the enclosed application kit.

### VI. TECHNICAL ASSISTANCE PROGRAM

The Bureau of Justice Assistance has provided for technical assistance to help applicants successfully implement their Private Sector/Prison Industry Enhancement Certification Program. To help the Bureau plan its use of limited technical assistance resources and make maximum use of these resources,

applicants are requested to indicate below any projected needs for technical assistance. To the extent possible, applicants should provide information on the type of assistance needed and a time frame for its provision. All requests for technical assistance must be directed to the Bureau of Justice Assistance, Special Programs Division, at (202) 724-8428.

Pennsylvania. The complaint sought penalties for past violations, and injunctive relief to bring Penntech papers into compliance with the Clean Water Act. The consent decree provides that Penntech Papers will cease discharging any pollutant without a valid NPDES permit, and will pay a civil penalty for past violations.

The Department of Justice will receive a period of thirty (30) days from the date of this publication comments relating to the proposed consent decree. Comments should be addressed to the Assistant Attorney General of the Land and Natural Resources Division, Department of Justice, Washington, D.C. 20530, and should refer to *United States Penntech Papers, Inc.*, D.J. Ref. No. 15-1-1-1438.

The proposed consent decree may be examined at the office of the United States Attorney, 137 U.S. Courthouse, Philadelphia, Pennsylvania and at the Region III Office of the Environmental Protection Agency, Curtis Building, 6th and Walnut Streets, Philadelphia, Pennsylvania. Copies of the consent decree may be examined at the Environmental Enforcement Section, Land and Natural Resources Division of the Department of Justice, Room 1710, Ninth Street and Pennsylvania Avenue, NW., Washington, D.C. 20530. A copy of the proposed consent decree may be obtained in person or by mail from the Environmental Enforcement Section, Land and Natural Resources Division of the Department of Justice.

Henry Habicht II,  
Assistant Attorney General, Land and  
Natural Resources Division.  
Doc. 85-7369 Filed 3-23-85; 8:45 am  
JLM:G CDE 410-014

#### Bureau of Justice Assistance

Private Sector/Prison Industry  
Enhancement Certification Program;  
Issuance of Final Guideline

#### NOTICE: Issuance of Final Guideline.

**SUMMARY:** Pursuant to Section 819 of the Justice Assistance Act of 1984 (Pub. L. 98-473), the Bureau of Justice Assistance is issuing the final revision to its *Private Sector/Prison Industry Enhancement Certification Program Guideline*, 48 FR 4748 (May 1, 1983). Certification allows prison made goods to be placed in interstate commerce and sold to Federal agencies. Such activities are normally restricted under 18 U.S.C. 1781 and 41 U.S.C. 25, respectively.

**EFFECTIVE DATE:** This guideline is effective March 23, 1985.

**FOR FURTHER INFORMATION CONTACT:**  
H.T. Tubbs, Corrections Program  
Supervisor, Bureau of Justice  
Assistance, 633 Indiana Avenue, NW.,  
Room 603 G, Washington, DC 20531.  
Telephone (202) 724-5961.

**SUPPLEMENTARY INFORMATION:** Draft guidelines were originally published in the Federal Register on August 6, 1984 for public comment. Written comments from public and private organizations and agencies were received. All comments have been considered by the Bureau of Justice Assistance in this publication. These guidelines are final.

**Discussion of comments:** The following is a summary of substantive comments and the response of the Bureau of Justice Assistance.

#### 1. Payment of Wages

**Comments—**The program's wage rate should be calculated to include transportation costs to rural areas, reduced production levels due to rapid turnover, and added expenses of training and start-up.

Program wage requirements should provide exemption for U.S. firms who contract with prison industries in lieu of contracting with a foreign country.

The term "locality" as used in the statement "not less than that paid for work of a similar nature in the locality in which the work is performed" should be defined.

**Response—**The Justice Assistance Act (Pub. L. 98-473, Title II, Chapter 6) section 609K, which amends section 819 of the Omnibus Crime Control and Safe Streets Act of 1968, is the program's underlying legislation. Section 819 specifically states that wages must be paid at a rate which is "not less than that paid for work of a similar nature in the locality in which the work is performed." BJA cannot therefore adjust wage rates to include unusual costs of doing business in the prison environment, however meritorious such adjustments might be. If the project is located in a rural area, wage rates will presumably reflect that reality. Formal, fixed time training may be done at the Federal minimum wage level.

Section 819 makes no allowance for manufacturers who establish prison-based businesses in lieu of overseas relocation. BJA cannot declare such an exemption given the lack of legislative basis. The meaning of "locality," as used in the calculation of program wage rates, is a matter for definition by the appropriate state agency which normally determines wage rates (usually the State Department of Economic Security).

Accordingly, no change was made in the wage payment provisions of the proposed guideline.

#### 2. Deductions from Wages

**Comments—**The guideline goes inappropriately beyond the legislation in the detailed requirements for wage deductions.

Victim compensation should not be singled out—noting it as one of four possible deductions should be adequate.

Victim compensation should not be confused with restitution.

**Response—**Section 819 is explicit in providing an opportunity to achieve a balance of benefits among the interests of prison industries, the public, offenders and their families, and innocent victims of crime. Prison industries may benefit from expanded market opportunity; the public may benefit when room and board payments and profits are used to reduce the level of public support of prison industries; offenders and their families may benefit from wages available to provide family support and to provide support of offender costs incurred immediately following release from prison; and innocent victims of crime may benefit from funds in support of victim compensation programs, victim assistance programs or victim restitution.

Accordingly, a change was made in the proposed guideline to accurately reflect the policy of the Bureau of Justice Assistance that support of crime victim compensation or crime victim assistance programs is a prerequisite to participation in the certification program. The Federal government has made substantial sums of money available to states for construction of prisons, and the education and rehabilitation of state prisoners who have committed state crimes. Justice and equity support the Federal government in requiring aid to citizens victimized by those state prisoners employed within prison industries assisted by the certification program.

#### 3. Compensated Training

**Comments—**The regulation permitting less than minimum wage to be paid for training is insufficiently explained.

The guideline should allow informal on-the-job training to permit adjustment in the prevailing wage rate using the Federal minimum wage as a floor.

The inference that vocational training may be a screening criterion for certification is overly intrusive.

The training period, during which lower wages may be paid, should be that accepted by the State Department



of Labor, as well as that generally accepted by the industry in question.

**Response**—BJA's position is that the Federal minimum wage must be a floor for all program wage payments, since the Fair Labor Standards Act sets the Federal minimum wage as a floor for any training which results in its products being sold. The single exception to this rule, then, is pre-entry or vestibule training for new workers subject to the regulations and requirements set by State Fair Labor Standards, or Federal Fair Labor Standards legislation and procedures. Informal, intermittent on-the-job training, at minimum wages, is not permissible given the high potential for worker exploitation and the impossibility of regulating time limits on such practices.

Accordingly, no change was made in the training compensation provisions of the proposed guideline.

#### 4. Certification Process

**Comments**—Do not restrict the definition of "prison industry" to industries operated solely in "prison."

Applicants should apply with a mix of products and programs—not just a single industry—to best utilize the limited number of certification slots. That is, a state-wide certification should be made available.

Under a state-wide certification, additional industries should be reported with sufficient information to allow compliance with guidelines.

Certification should permit private sector employment of inmates on and off prison property.

Certification should go mainly to states rather than counties due to the longer length of stay and the severity of program needs in state institutions. Priority should go to the direct employment and subcontract employment projects.

The requirement as to the minimum allowable number of inmate employees handicaps smaller institutions.

The requirement that a minimum of 25% of produced goods must go into interstate commerce of the Federal agencies is an unnecessary restriction.

A 60-day (rather than a 30-day) notice for decertification would be more equitable.

**Response**—The certification process, as outlined in the proposed guideline, elicited the largest number of comments, and, as a result, is the area which in the final guideline has undergone the most change. The guideline now allows for two separate types of certification—the individual project certification and the department certification. Procedures for certification differ significantly

depending upon the applicant's choice of certification type. All states (including the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands) and units of local government authorized by law to administer prison industry programs and projects are eligible to apply for certification. Projects may be located on or off prison property. All certified agencies will be required to report to BJA sufficient information to assure compliance with the guideline.

BJA will make no attempt to favor one model over another, nor one unit of government over another. A purpose of this program is to encourage experimentation on the state and county levels. Certification will be awarded solely on the basis of the applicant's demonstrated ability to meet all guideline criteria.

No restrictions as to the minimum allowable number of inmate employees in a certified project or the minimum percentage of goods for sale through interstate commerce or to the Federal government will be imposed. A 60-day notice for decertification has been included in the final guideline.

#### 5. Coordination with Private Sector

**Comments**—The guideline includes no allocation for certain expenses commonly found in the private sector such as corporate taxes, utilities, property taxes, insurance, interest expenses, legal audit and other fees, pensions, profit sharing, etc. Therefore, prison industries arrive at lower bid costs than are possible in the real world. We urge that normal costs and expenses incurred by local private businesses be factored into the selling price of all prison products.

We urge affected local businesses be permitted to bid for subcontract for direct employment of inmates in a competitive, open, and public process, including provision for public hearing.

The Program name should be changed to the "Private Sector/Prison Industries Enhancement Program." This change will indicate clearly that the Program is a departure from traditional state and Federal prison industry programs. These "autonomous" programs compete unfairly with the private sector by using taxpayers' monies to subsidize the sale of prison industry goods and services to state/Federal government agencies at the expense of for-profit taxpaying private businesses.

The Department of Corrections should seek local industry comment when reviewing an application for certification, by publishing notice of the application in a local newspaper with

general circulation, and inviting local industry comment.

Furthermore, in a manner similar to consultations with representatives of local labor union central bodies, the Department of Corrections should specifically ask for comment on the application from a local chamber of commerce, private industry council, or local, state, or national trade association representing businesses that may be affected. Ideally, an industry representative should be included in the selection process.

**Response**—Policies and procedures established by state legislative or administrative requirement govern the determination of product prices for items produced within prison industry operations. Depending upon the form of private sector involvement chosen by the participating state corrections agency, "normal" costs and expenses incurred by local private businesses do impact product price. It is beyond the scope of BJA's authority to dictate pricing policies to state or local prison industries.

Policy and procedure guiding local business access to participation in this program are established by state legislative and administrative requirements. BJA's policy is to encourage substantial open involvement of the private sector in order to expand the range and options available to prison based businesses.

The requirement that organized labor be consulted is a condition of certification established in Section 819. BJA concurs with the suggestion that consultation with representatives of local businesses potentially affected by certification occur as a requirement of certification.

To indicate clearly that the goals and objective of this program are a distinct departure from traditional state prison industry programs, the name of this program is changed as recommended.

This announcement does not constitute a "major rule" as defined by Executive Order 12291, because it does not result in: (a) An effect on the economy of \$100 million or more; (b) a major increase in costs or prices; or (c) adverse effects on competition, employment, investment, productivity, or innovation among American enterprises.

As a result of public review and comment, the final "Private Sector/Prison Industry Enhancement Certification" guideline is revised to read as follows:

## Private Sector/Prison Industry Enhancement Certification Guideline

### Scope of Program Announcement

#### A. General Provisions

1. Statutory Authority
2. Submission Date
3. Definitions

#### B. Mandatory Requirements

1. Eligibility
2. Crime Victim Compensation Program Or Crime Victim Assistance Program
3. Consultation with Organized Labor
4. Consultation with Local Private Industry
5. Payment of Prevailing Wages
6. Free Worker Displacement
7. Voluntary Participation
8. Workers Compensation
9. Private Sector Involvement

#### C. Purposes of Project Certification

1. General
2. Project Purposes
3. Project Objectives

#### D. Eligible Projects

1. Individual Project Certification
2. Department Certification

#### E. Application Content

1. General
2. Purpose of Application
3. Application Kit

#### F. Selection Process

1. General
2. Review Criteria

#### G. Performance Reports

#### H. Conditions of Certification Suspension/Termination

#### I. Transition

#### A. General Provisions

1. **Statutory Authority:** Up to 20 projects may be exempted from Federal restrictions on the marketability of prison made goods, as certified by the Director, Bureau of Justice Assistance, as provided by sections 609 B(o) and 609 K of the Justice Assistance Act of 1984, Pub. L. 98-473, Title II, Chapter VI. Section 609 B(o) amends section 819 of the Omnibus Crime Control and Safe Streets Act of 1968, 42 U.S.C. 3701, as amended, and section 609 K amends 18 U.S.C. 176(c).

2. **Submission Date:** Applications will be reviewed and certifications issued on an as-received basis until the twenty (20) pilot projects have been selected in accordance with the selection criteria enumerated in this guideline.

3. **Definitions:** a. *Individual Project Certification* means acknowledgment by the BJA that a single state or local

Department of Corrections' prison-based business cost accounting center has met the Federal legislative and administrative requirements to permit sale of prisoner made goods to the Federal government and in interstate commerce.

b. *Department Certification* means acknowledgment by the BJA that a state or local Department of Corrections' Comprehensive Private Sector/Prison Industry Enhancement Plan has met the Federal legislative and administrative requirements to designate, administer, and manage one or more prison-based cost accounting centers for the production and sale of prisoner made goods to the Federal government and in interstate commerce.

c. *Comprehensive* means that the Private Sector/Prison Industry Enhancement Plan must be an integrated analysis of the present industry system which determines problems and defines solutions to achieve agreed upon short range and long range goals.

d. *Cost Accounting Center* means one distinct production operation unit of the industries system which is managed as a cost center or separate accounting entity.

e. *Crime victim compensation program* means a state administered program providing compensation to victims of crime and survivors of victims of crime.

f. *Crime victim assistance program* means a program meeting the eligibility criteria of the Victims of Crime Act of 1984, Pub. L. 98-473, Title II, Chapter XIV.

#### B. Mandatory Requirements

1. **Eligibility:** All states (including the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands) and units of local government authorized by law to administer prison industry programs and projects are eligible to apply for project certification.

2. **Crime Victim Compensation Program Or Crime Victim Assistance Program:** Applicants must, by state legislation or rule, be able to collect and provide for financial support to a crime victim compensation program, or crime victim assistance program. Applicants must provide for the transfer of funds to a state crime victim compensation program, or to a state agency designated by the Governor to administer victim assistance grants under the Victims of Crime Act for the purpose of awarding such funds to eligible crime victim assistance programs under the Act. The recipient agency must, by state legislation or rule, be able to accept

financial support from the applicant. Applicants shall ensure that these financial contributions for victim compensation are equivalent to not less than 5 percent nor more than 20 percent of gross wages paid inmate workers. Because the statute does not permit deductions from inmate wages for victims assistance programs, contributions to those programs must be taken from project income.

3. **Consultation with Organized Labor:** Applicants must consult with representatives of local union central bodies, or similar labor organizations prior to the submission of the application for project certification.

4. **Consultation with Local Private Industry:** Applicants must consult with representatives of local business that may be affected prior to the submission of the application for project certification.

5. **Payment of Prevailing Wages:** Applicants must have verified by the appropriate State agency which normally determines wage rates (usually the Department of Economic Security) that proposed wage plans are comparable to wages paid for work of a similar nature in the locality in which the project is located.

6. **Free Worker Displacement:** Applicants must have verified by the State Department of Economic Security (or other appropriate state agency) that paid inmate employment will not result in the displacement of employed workers, or be applied in skills, crafts, or trades in which there is a surplus of available gainful labor in the locality, or impair existing contracts for services.

7. **Voluntary Participation:** Applicants must assure that inmate participation is voluntary and that inmate workers have agreed in advance to the specific deductions made from their gross wages and all other financial arrangements.

8. **Workers Compensation:** Applicants must provide for inmate worker entitlement to benefits and compensation as a result of injuries sustained in the course of employment related to project certification.

9. **Private Sector Involvement:** Applicants must provide for substantial involvement of the private sector. The purpose is to obtain private sector expertise, skill, and capital to expand the range and options of prison industry operations, not simply to apply an overlay on traditional, limited market, intrastate activities. There are four basic types of private sector involvement

- An employer of inmate workers
- an investor in a prison-based business owned by the state

- a customer purchasing a significant portion of the output of a prison-based business; and
- a manager of a prison-based business owned by the State.

### C. Purpose of Project Certification

1. *General:* This section sets forth the required purposes and objectives for all projects for which certification is requested.

2. *Project Purposes:* Projects certified will have the dual purpose of: (a) increasing benefits to the public including crime victims; and (b) providing purposeful work for inmates as a means of reducing tensions caused by overcrowding while increasing job skills, and opportunities for rehabilitation.

3. *Project Objectives:* The objectives of projects certified are: (a) to develop and establish new models for prison-based businesses which create jobs approximating the conditions of private sector employment; (b) to experiment with methods which draw upon the economic base of certified operations for the purpose of compensating crime victim programs; (c) to experiment with one or more models for prison-based businesses including an examination of the program's impact on correctional policies and practices; and (d) to substantially involve private sector capital, management skills and business expertise in the design, development, and operation of certified prison-based businesses.

### Eligible Projects

1. *Individual Project Certification:* A single prison-based business cost accounting center, as defined in this guideline, is eligible for an individual project certification.

2. *Department Certification:* A state or local Comprehensive Private Sector/Prison Industry plan, for the designation, administration, and management of one or more prison-based cost accounting centers, is eligible for department certification.

### E. Application Content

1. *General:* This section describes the required content of applications for individual project certification and department certification.

2. *Purpose of Application:* State or local Departments of Corrections must submit for approval an application presenting information and documentation necessary for determining project compliance with the Act and guideline.

3. *Application Kit:* The Bureau of Justice Assistance will provide application kits to each interested state or local Department of Corrections describing the form and contents for individual project certification and department certification applications.

### F. Process

1. *General:* Projects will be certified by the Director, Bureau of Justice Assistance, upon review and recommendation by an internal agency review panel.

2. *Review Criteria:* Applications will be judged on the basis of demonstrating compliance with the statutory, guideline and application kit form and content criteria: feasibility of project or comprehensive plan; likelihood of success; and the scope of private sector involvement.

### G. Performance Reports

Each project certified is required to submit a performance report to the Bureau of Justice Assistance by the 30th of the month following the end of each calendar quarter for the activities undertaken during the prior quarter. Performance reports must provide the following information and data:

- Title of Certified Cost Accounting Center;
- Dates of Reporting Period;
- Average Workforce Number;
- Average hours worked per day;
- Hourly wage range;
- Average days worked per week;
- Average monthly wage;
- Gross wages paid;
- Contribution to crime victim compensation program;
- Contribution to crime victim assistance program;
- Deductions for Federal income tax;
- Deductions for State income tax;
- Deductions for room and board;
- Deductions for family support;
- Deductions for restitution (court ordered); and
- Other deductions (savings, Social Security, etc).

### H. Conditions of Certification Suspension/Termination

Certification will set forth the certified corrections agency, the certified private sector/prison industry project, the terms and conditions of certification, and the effective date of certification. Provisional certification may be issued in special circumstances subject to completion of designated actions within

specified periods of time. The Director, Bureau of Justice Assistance, may, for cause, following a 60-day written notice to the certified state or unit of local government, suspend or terminate a certification.

### I. Transition

Prison Industry Enhancement projects certified prior to December 31, 1984 under the authority of Section 827, Pub. L. 96-157, the Justice Improvement Act of 1979, shall continue in effect according to their terms until January 1, 1987, at which time they must demonstrate compliance with the requirements of this guideline. Failure to comply will result in the suspension or termination of certification.

Richard B. Abell

Deputy Assistant Attorney General.

[FR Doc. 85-7547 Filed 3-29-85; 8:45 am]

BILLING CODE 4410-10-4

## DEPARTMENT OF LABOR

### Employment and Training Administration

#### Investigations Regarding Certifications of Eligibility To Apply for Worker Adjustment Assistance

Petitions have been filed with the Secretary of Labor under Section 221 (a) of the Trade Act of 1974 ("the Act") and are identified in the Appendix to this notice. Upon receipt of these petitions, the Director of the Office of Trade Adjustment Assistance, Employment and Training Administration, has instituted investigations pursuant to Section 221 (a) of the Act.

The purpose of each of the investigations is to determine whether the workers are eligible to apply for adjustment assistance under Title II, Chapter 2, of the Act. The investigations will further relate, as appropriate, to the determination of the date on which total or partial separations began or threatened to begin and the subdivision of the firm involved.

The petitioners or any other persons showing a substantial interest in the subject matter of the investigations may request a public hearing, provided such request is filed in writing with the Director, Office of Trade Adjustment Assistance, at the address shown below, not later than April 8, 1985.

Interested persons are invited to submit written comments regarding the subject matter of the investigations to

ATTACHMENT D

NOTICE OF DESIGNATION AND CERTIFICATION OF COMPLIANCE

A. Description of Project

Project Name: \_\_\_\_\_

Location: \_\_\_\_\_

Number of Workers: \_\_\_\_\_ Approved Wage or Piece Rate: \_\_\_\_\_

Product Line: \_\_\_\_\_

Proposed Market: \_\_\_\_\_

B. Certification of Compliance

I certify the above-named cost accounting center complies with the following Private Sector/Prison Industry Enhancement statutory and guideline criteria:

1. Contributions resulting from the operation of the cost accounting center will be collected and provided to:

- a. State crime victim compensation program or agency,

\_\_\_\_\_  
(Please specify.)

OR

- b. State crime victim assistance program or agency,

\_\_\_\_\_  
(Please specify.)

2. The preceding state crime victim program(s) or agency(ies) is authorized to accept the financial contributions resulting from the operation of the cost accounting center identified above.
3. Appropriate local or state labor union central bodies or similar labor organization representatives have been consulted prior to the designation of the above cost accounting center.

4. Authority to substantially involve the private sector as (check all that apply):

- ( ) An employer of inmate workers;
- ( ) An investor in a prison-based business owned by the state;
- ( ) A customer purchasing a significant portion of the output of a prison-based business;
- ( ) A manager of a prison-based business owned by the state; or
- ( ) Other (describe).

5. Appropriate local business representatives have been consulted prior to the designation of the above cost accounting center.

6. The State Department of Economic Security (or other appropriate state agency) has provided written assurance that the payment of wages, bonuses, and piecework rate compensation to inmates working within this cost accounting center is comparable to wages paid for work of a similar nature in the locality in which the work is to be performed or the federal minimum wage, whichever is higher.

7. The State Department of Economic Security (or other appropriate state agency) has provided written assurance that the labor of inmate workers within the above cost accounting center will not: result in the displacement of employed workers; be applied in skills, crafts, or trades in which there is a surplus of available gainful labor in the locality in which the work is to be performed; or impair existing contracts for services.

8. Inmates working within the above cost accounting center are entitled to benefits and compensation as a result of injuries sustained in the course of their work.

9. Inmates have signed, in advance, a written agreement that specifies their work in the cost accounting center identified above is voluntary; and that they have agreed to the specific deductions to be taken from gross wages and to all other financial arrangements.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Typed Title

ATTACHMENT E

NOTICE OF UNDESIGNATION

A. Description of Designated Cost Accounting Center

Project Name: \_\_\_\_\_

Project Location: \_\_\_\_\_

B. Reasons for Undesignating Center

Please explain why this designated cost accounting center is being undesignated:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Typed Title

ATTACHMENT F

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT  
CERTIFICATION PROGRAM

STATISTICAL REPORT

Title and Location  
of Designated Project: \_\_\_\_\_

Period covered: \_\_\_\_\_

Agency Reporting: \_\_\_\_\_

1. Total manhours worked this quarter. \_\_\_\_\_

(Manhours is total number of hours worked  
during the quarter by all employed offenders)

2. Average daily offender employment during quarter \_\_\_\_\_

(Daily count of employed offenders divided by  
number of working days in quarter)

3. Total Gross Wages paid during the quarter. \$ \_\_\_\_\_

4. Approved hourly rate range for production  
workers. \$ \_\_\_\_\_

(This is amount reported by the your Depart-  
ment of Economic Security or its' equivalent)

5. Approved piecework rate range for production  
workers. \$ \_\_\_\_\_

(Same explanation as item #4 above)

6. Average monthly wage this quarter. \$ \_\_\_\_\_

(Item #3 divided by item #2 divided by 3)

7. Average number of hours worked per day. \_\_\_\_\_

(Item #1 divided by number of workdays in  
quarter divided by item #2)

DEDUCTIONS

8. Total quarterly contributions to victim's program \$ \_\_\_\_\_

9. Taxes withheld this quarter:

Federal: \$ \_\_\_\_\_

State: \$ \_\_\_\_\_

Other: (Social Security, etc.) \$ \_\_\_\_\_

Total: \$ \_\_\_\_\_

10. Total room and board deducted this quarter. \$ \_\_\_\_\_

11. Total family support paid this quarter. \$ \_\_\_\_\_

12. Sub-total deductions \$ \_\_\_\_\_

13. Percentage rate of deductions \_\_\_\_\_ %

(Item #12. divided by item #3--result cannot  
be in excess of 80%)

14. Other (Describe other deductions withheld during  
quarter) \$ \_\_\_\_\_

CERTIFIED CORRECT:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date



PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM  
QUARTERLY PERFORMANCE REPORT

PROGRAM STATUS REPORT

1. Do you expect any of the figures provided for any designated cost accounting center to change appreciably next quarter? If so, please identify the applicable cost accounting center and explain:

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2. Please describe any private sector "opportunities" you are currently exploring (this information will be treated confidentially):

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3. Do you believe that you will be designating a cost accounting center next quarter? \_\_\_\_\_ If yes, please complete the following:

Project Name: \_\_\_\_\_

Location: \_\_\_\_\_

Estimated Number of Workers: \_\_\_\_\_ Proposed Wage or Piece Rate: \_\_\_\_\_

Product Line: \_\_\_\_\_

Proposed Market: \_\_\_\_\_

\_\_\_\_\_

4. Please summarize any problems you are having with any aspect of the enhancement certification program:

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5. Could the T/A contractor assist you in resolving any of the problems listed above? \_\_\_\_\_

## ATTACHMENT G

### ALLOWABLE DEDUCTIONS FROM GROSS WAGES

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1. ~~Taxes~~
2. Room & Board
3. Family Support
4. Contribution to Victims Compensation Fund = 5-20% of Gross Wages.

Gross Total of 1-4 Cannot Exceed 80% of Gross.

### BJA POLICY

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- Can Use Victims Assistance Fund Payments In Lieu Of Victims Compensation. But Payments Must Equate To At Least 5% Of Total Inmate Gross Wages.
- Because Victim's Assistance Payments Cannot Be Deducted From Gross Wages They Must Come From Operating Funds Or Indirect Costs Or Profits.
- Victim Restitution Payments Or Other Lawful Claims On Prisoner Wages Can Be Paid From Net Wages (Outside PIE Program Rules).

### DOC CAN REGULATE DISPOSITION OF NET

---

- Pay Legal Obligations (Restitution/Garnishment)
- Deposit To Savings
- Disposable Income

# ATTACHMENT 3

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Agency Summary

CUMULATIVE

December 1979 - September 30, 1990

	Gross Wages Paid \$	Victim's Programs \$	Room and Board \$	Family Support \$	Taxes \$
AKDOC	9,165	458	3,391	0	1,651
BCDOC	41,334	2,096	14,183	0	6,632
CADYA	2,277,971	303,740	375,119	397,944	373,269
CTDOC	9,415	471	1,884	268	1,207
IDDOC	151,935	22,790	45,581	0	647
KSDOC	1,769,427	34,959	449,414	132,488	294,525
MNDOC	4,586,375	183,791	0	802,375	209,605
NEDOC	2,197,202	109,556	529,636	218,293	273,538
NVDOC	2,563,626	123,000	561,977	332,000	359,943
OKDOC	297,608	14,691	112,909	0	36,075
ORDOC	129,784	6,489	64,858	6,489	15,116
SCDOC	214,816	11,407	35,793	21,647	39,759
SCNH	184,934	9,224	100,951	0	0
UTDOC	1,262,276	28,145	202,190	136,245	38,226
WADOC	1,018,713	59,606	156,663	28,081	105,930
Totals:	\$16,714,581	\$910,423	\$2,654,549	\$2,075,830	\$1,756,123

Code	Agency	Date Certified
AKDOC	Alaska Department of Corrections	May 1989
BCDOC	Belknap County Department of Corrections, NH	October 1988
CADYA	California Department of the Youth Authority	August 1985
CTDOC	Connecticut Department of Corrections	January 1989
IDDOC	Idaho Department of Corrections	July 1986
KSDOC	Kansas Department of Corrections	July 1986
MNDOC	Minnesota Department of Corrections	November 1985
NEDOC	Nebraska Department of Correctional Services	October 1987
NVDOC	Nevada Department of Prisons	August 1985
OKDOC	Oklahoma Department of Corrections	July 1987
ORDOC	Oregon Department of Corrections	March 1989
SCDOC	South Carolina Department of Corrections	December 1987
SCNH	Strafford County Department of Corrections, NH	June 1988
UTDOC	Utah Department of Corrections	December 1985
WADOC	Washington Department of Corrections	March 1987

**PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM**

**Agency Summary**

**Quarterly Report**

**July 1, 1990 – September 30, 1990**

	Average Monthly Wage \$	Gross Wages Paid \$	Victim's Programs \$	Room and Board \$	Family Support \$	Taxes \$
AKDOC	458	9,165	458	3,391	0	1,651
BCDOC	460	5,520	276	1,728	0	1,075
CADYA	546	169,055	25,369	27,906	0	29,631
CTDOC	376	6,768	339	1,354	181	861
IDDOC	N/A	N/A	N/A	N/A	N/A	N/A
KSDOC	709	59,593	2,546	10,517	0	12,051
MNDOC	241	141,969	8,526	0	0	770
NEDOC	220	162,366	8,118	35,490	20,944	21,436
NVDOC	343	110,595	5,536	21,996	0	12,223
OKDOC	422	77,016	3,748	26,222	0	9,118
ORDOC	451	68,064	3,403	34,031	3,403	7,113
SCDOC	470	86,393	4,196	13,688	11,821	15,789
SCNH	275	10,069	504	5,045	0	0
UTDOC	673	56,709	2,835	8,507	0	1,891
WADOC	507	149,514	7,475	26,635	0	19,269
Totals:		\$1,103,631	\$72,871	\$213,119	\$36,349	\$131,227

Code	Agency	Number of active projects
AKDOC	Alaska Department of Corrections	1
BCDOC	Belknap County Department of Corrections, NH	1
CADYA	California Department of the Youth Authority	5
CTDOC	Connecticut Department of Corrections	1
IDDOC	Idaho Department of Corrections	0
KSDOC	Kansas Department of Corrections	3
MNDOC	Minnesota Department of Corrections	2
NEDOC	Nebraska Department of Correctional Services	6
NVDOC	Nevada Department of Prisons	6
OKDOC	Oklahoma Department of Corrections	4
ORDOC	Oregon Department of Corrections	2
SCDOC	South Carolina Department of Corrections	2
SCNH	Strafford County Department of Corrections, NH	2
UTDOC	Utah Department of Corrections	2
WADOC	Washington Department of Corrections	5

# ATTACHMENT 4

LISTING OF CERTIFIED  
PRIVATE SECTOR/ PRISON INDUSTRY  
ENHANCEMENT PROGRAMS  
PS/PIECP

As of October 1, 1990

Number of certifications granted:	20
Number of projects:	59
Number of inmates employed:	857



STATUS REPORT  
October 1, 1990

Agency/Project	Product	Number of inmates employed
----------------	---------	----------------------------

*Alaska Department of Corrections*  
(certified 5/89)

Wally Roman, Industries Manager  
Department of Corrections  
Box T  
Juneau, AK 99508  
(907) 465-3376

.Alaskans Leather Products Juneau, Alaska	Leather goods	4
	Total	4

*California Department of the Youth Authority*  
(certified 8/85)

Fred Mills, Administrator  
Free Venture Program  
4241 Williamsborough Drive, Suite 227  
Sacramento, CA 95823  
(916) 427-6682

.Trans World Airlines Camarillo, CA	Reservation service	64
.A-D-S Management Service Chino, CA	Microfilming and data entry	14
.Olympia Tool and Equipment Chino, CA	Wood tool boxes	
.Pine Grove Enterprises Stockton, CA	Electronic assembly	8
.Strang Mechanical, Inc. Chino, CA	Sheet metal assembly	8
.Gasline Corporation Chino, CA	Casted firelogs	5
	Total	99

Agency/Project	Product	Number of inmates employed
----------------	---------	----------------------------

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*Colorado Department of Corrections*

(certified 1/90)

W. Brent Brown  
Business Development Specialist  
Colorado Correctional Industries  
2862 South Circle Drive, Suite 400  
Colorado Springs, CO 80906  
(719) 579-9580

.No active projects

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*Connecticut Department of Corrections*

(certified 1/89)

Michael J. Wynne, Project Director  
Department of Corrections  
90 Brainard Road  
Hartford, CT 06114  
(203) 566-8527

.Aetna Corporation for Public  
Management  
Enfield, CT

Micrographics

6

Total

6

---

*Idaho Department of Corrections*

(certified 7/86)

Glenn O'Dell  
Idaho Correctional Industries  
2373 Old Penitentiary Road  
Boise, ID 83712  
(208) 334-5310

.The Rock Shop  
Boise, Idaho

Stone-cutting operation

Total

---

Agency/Project	Product	Number of inmates employed
----------------	---------	----------------------------

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*Iowa Department of Corrections*  
(certified 8/89)

Harry Cannon, Director  
Iowa Prison Industries  
Capitol Annex, 523 East 12th Street  
Des Moines, IA 50319  
(515) 281-4832

.No active projects

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*Kansas Department of Corrections*  
(certified 7/86)

Jerry Judy, Assistant Director, Marketing  
Kansas Correctional Industries  
4th and Kansas, P.O. Box 2  
Lansing, KS 66043

.Zephyr Products, Inc.  
Leavenworth, KS

Metal fabrication

15

.Jensen Engineering Co.  
Lansing, KS

Drafting work

5

.Hearts Design, Inc.  
Lansing, KS

Children's clothing

10

Total

30

---

*Maine Department of Corrections*  
(certified 10/88)

Philip R. Marston  
Director of Industrial Programs  
Department of Corrections  
State Office Building  
Augusta, ME 04333  
(207) 289-2711

.ElCounty Correctional Work Center  
Kennebec County, ME

Preparation, processing of bulk  
mailing and mailing lists

Total

---

Agency/Project	Product	Number of inmates employed
----------------	---------	----------------------------

---

*Minnesota Department of Corrections*

(certified 11/85)

Richard Christ, Industries Director  
Department of Corrections  
P.O. Box 55  
Stillwater, MN 55087  
(612) 779-2724

.Metal Products  
Stillwater, MN

Metal fabrication

121

.National Pontoon Boats, Inc.  
Stillwater, MN

Manufacture pontoon  
boats

1

Total

122

---

*Missouri Department of Corrections*

(certified 3/89)

David V. Kormann, Director  
Division of Administration  
Department of Corrections  
P.O. Box 236, 2729 Plaza Drive  
Jefferson City, MO 65102  
(314) 751-2389

.PJC Industries, Inc.-Drafting Services  
Cameron, MO

Drafting and computer-aided  
design services

Total

---

Agency/Project	Product	Number of inmates employed
----------------	---------	----------------------------

*Nebraska Department of Correctional Services*

(certified 10/87)

Brien Hendrickson, Project Manager

Cornhusker State Industries

P.O. Box 94661

Lincoln, NE 68509

(402) 479-5630

.La Pen, Inc.  
Lincoln, NE

Garment sewing

68

.T.G.S. Marketing, Inc.  
Omaha, NE

Telemarketing

48

.T.G.S. Marketing, Inc.  
York, NE

Telemarketing

10

.T.G.S. Marketing, Inc.  
Lincoln, NE

Telemarketing

47

.Irwin Wood Products  
Lincoln, NE

Manufacture wood products

.Third Coast Design, Inc.  
Omaha, NE

Manufacture wood products

.T.G.S. Marketing, Inc.  
Hastings, NE

Telemarketing

23

.Woods CSI  
Lincoln, NE

Manufacture wood products

.Van House  
Lincoln, NE

Manufacture wood van accessories

.Tel-E-Promotions  
Lincoln, NE

Telemarketing

.Fiberesin #33  
Lincoln, NE

Manufacture wood door panels

Total

196

Agency/Project	Product	Number of inmates employed
----------------	---------	----------------------------

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*Nevada Department of Prisons*  
(certified 8/85)

Howard Skolnik  
Assistant Director, Prison Industries  
Nevada Department of Prisons  
2770 South Maryland Parkway  
Las Vegas, NV 89158  
(702) 486-6491

.Vinyl Products Manufacturing Carson City, NV	Manufacture vinyl waterbeds	41
.Silver State Industries Indian Springs, NV	Manufacture wood products	13
.Silver State Industries Indian Springs, NV	Manufacture limousines	18
.Silver State Industries Indian Springs, NV	Household furniture	11
.Bently Nevada Corporation Reno, NV	Electric circuit board assembly	14
.Silver State Industries Jean, NV	Stained and etched glass	4
	Total	101

---

*New Hampshire-Belknap County*  
*Department of Corrections*  
(certified 10/88)

Jan Best, Program Director  
Belknap County Dept of Corrections  
Laconia, NH 03246  
(603) 524-4185

.Cally and Currier, Inc. Bristol, NH	Manufacture crutches	4
.NH Ball Bearing, Inc. Laconia, NH	Assemble plastic dividers	
	Total	4

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Agency/Project	Product	Number of inmates employed
----------------	---------	----------------------------

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*New Hampshire--Strafford County*

*Jail Industries*

(certified 6/88)

Marilyn Allen, Industries Developer  
Strafford County Jail and House  
of Correction  
Dover, NH 03820  
(603) 749-3289

.GFS Manufacturing, Inc.  
Dover, NH

Assemble output chokes

9

.Fornax  
Dover, NH

Assemble oil burner  
accessories

3

Total

12

---

*New Mexico Department of Corrections*

(certified 11/86)

James Leopold, Director  
Corrections Industry Division  
1422 Pasco de Peralta  
Sante Fe, NM 87501  
(505) 827-8558

.No active projects

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Agency/Project

Product

Number of inmates employed

*Oklahoma Department of Corrections*

(certified 7/87)

Jerry Johnson, Director  
Division of Programs and Services  
Department of Corrections  
3400 Martin Luther King Ave.  
Oklahoma City, OK 73111  
(405) 425-2500

.Correctional Vision Centers Lexington, OK	Lens grinding for eyewear	6
.Tele-Mark, Inc. Lexington, OK	Telemarketing	23
.Security Enterprises Lexington, OK	Telemarketing	19
.Sew Wright Apparel, Inc. Taft, OK	Garment manufacturing	
.Boyce Industries Lexington, OK	Battery-operated blenders	
.Enid Manufacturing, Inc. Helena, OK	Farm tractor attachments	
.Optronics, Inc. Taft, OK	Automotive accessories	
.Tele-Mark "B" Granite, OK	Telemarketing	17
	Total	65



Agency/Project	Product	Number of inmates employed
----------------	---------	----------------------------

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*Oregon Department of Corrections*

(certified 3/89)

Bart Carpenter  
Department of Corrections  
2585/2595 State Street  
Salem, OR 97301  
(503) 373-1850

.Manufacturing County Salem, OR	Manufacture wood pallets	26
.UNIGROUP Wood Products Shop Pendleton, OR	Wood stakes, industrial cutstock, wood remanufacturing	24
	Total	50

---

*South Carolina Department of Corrections*

(certified 12/87)

Tony Ellis, Director  
Division of Industries  
Department of Corrections  
4444 Broad River Road  
Columbia, SC 29221  
(803) 737-3688

.International Draperies Bennettsville, SC	Draperies, related window treatments	45
.Third Generation Columbia, SC	Women's clothing	13
.Third Generation Greenwood, SC	Women's clothing	
.Escod Industries, Inc. Bennettsville, SC	Electronic cables	
.Golden State Picture Frames Enoree, SC	Picture frames	
	Total	58

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Agency/Project	Product	Number of inmates employed
----------------	---------	----------------------------

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*Utah Department of Corrections*

(certified 12/85)

Richard A. Clasby, Director  
Industry Operations  
Utah State Prison  
P.O. Box 250  
Draper, UT 84020  
(801) 571-2300

.The Sign Shop Draper, UT	Manufacture road signs	15
.Aquaculture Project Draper, UT	Tropical fish	13
	Total	28

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*Washington Department of Corrections*

(certified 3/87)

Lynn Lodmell, Director  
Correctional Industries  
Department of Corrections  
P.O. Box 9699 FN 6-1  
Olympia, WA 98504  
(206) 586-5264

.Inside-Out, Inc. Gig Harbor, WA	Garment manufacturing	12
.Redwood Outdoors, Inc. Monroe, WA	Garment manufacturing	39
.Mahan Farms McNeil Island, WA	Grazing livestock	5
.Earth Ray, Inc. Walla Walla, WA	Mesh and canvas bags	18
.Pioneer Industries Seattle, WA	Sub-assemblies for aircraft; other manufactured components	8
	Total	82

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Grand Total

857

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PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT  
CERTIFICATION PROGRAM

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January 1, 1991

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*CERTIFIED AGENCIES*

- Alaska Department of Corrections
- California Department of the Youth Authority
- Colorado Department of Corrections
- Connecticut Department of Corrections
- Idaho Department of Corrections
- Iowa Department of Corrections
- Kansas Department of Corrections
- Maine Department of Corrections
- Minnesota Department of Corrections
- Missouri Department of Corrections
- Nebraska Department of Correctional Services
- Nevada Department of Prisons
- New Hampshire - Belknap County Department of Corrections
- New Hampshire - Strafford County Department of Corrections
- New Mexico Department of Corrections
- Oklahoma Department of Corrections
- Oregon Department of Corrections
- South Carolina Department of Corrections
- Utah Department of Corrections
- Washington Department of Corrections

## *APPLICATIONS PENDING*

- Arizona Department of Corrections
- Aroostock County, Maine
- Delaware Department of Corrections
- Illinois Department of Corrections
- Massachusetts Department of Corrections
- South Dakota Department of Corrections
- Tennessee Department of Correction
- Vermont Department of Corrections
- Wood County, Ohio

# ATTACHMENT 5

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: Alaska Department of Corrections  
Alaskans Leather Product Manufacturing  
Juneau, AK

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Wages and Disbursements

1. Total manhours worked:	
2. Average daily offender employment:	4
3. Average number of hours worked per day:	7.2
4. Average monthly wage:	\$458.25
5. Gross wages paid:	\$9,165.00
6. Hourly wage range:	\$5.00
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$458.26
9. Deduction for room and board:	\$3,391.06
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	\$894.47
12. Deduction for state income taxes withheld:	\$55.02
13. Other deductions: (Social Security, etc.)	\$701.12
14. Other:	0

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: Belknap County Department of Corrections  
Calley & Currier Co., Inc.  
Bristol, NH

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Wages and Disbursements

1. Total manhours worked:	1,090
2. Average daily offender employment:	4
3. Average number of hours worked per day:	4.19
4. Average monthly wage:	\$460.00
5. Gross wages paid:	\$5,520.00
6. Hourly wage range:	\$4.40-7.20
7. Piecework rate range:	44-72 units/hour @ .10 cents/unit
8. Contribution to crime victim compensation program:	\$276.00
9. Deduction for room and board:	\$1,728.47
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	\$652.37
12. Deduction for state income taxes withheld:	0
13. Other deductions: (Social Security, etc.)	\$422.30
14. Other:	0

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: Connecticut Department of Corrections  
Corporation for Public Management/Aetna  
Enfield, CT

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Wages and Disbursements

1. Total manhours worked:	1,041
2. Average daily offender employment:	6
3. Average number of hours worked per day:	3
4. Average monthly wage:	\$376.01
5. Gross wages paid:	\$6,768.13
6. Hourly wage range:	\$6.50
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$338.81
9. Deduction for room and board:	\$1,353.63
10. Deduction for family support:	\$181.45
11. Deduction for federal income taxes withheld:	\$343.25
12. Deduction for state income taxes withheld:	0
13. Other deductions: (Social Security, etc.)	\$517.88
14. Other:	0



PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

\*California Department of the Youth Authority\*

Consolidated Summary

July 1, 1990-September 30, 1990

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Wages and Disbursements

1. Total manhours worked:	35,252
2. Average daily offender employment:	19.75
3. Average number of hours worked per day:	5.4
4. Average monthly wage:	\$546.01
5. Gross wages paid:	\$169,054.57
6. Hourly wage range:	\$4.25-5.67
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$25,368.66
9. Deduction for room and board:	\$27,905.68
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	\$14,345.75
12. Deduction for state income taxes withheld:	\$939.54
13. Other deductions: (Social Security, etc.)	\$14,345.75
14. Other: Forced Savings	\$55,812.10
Ward Trust Account	\$30,445.85

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: California Department of the Youth Authority  
A-D-S Management Services, Inc.  
Chino, CA

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Wages and Disbursements

1. Total manhours worked:	3,361.75
2. Average daily offender employment:	14.25
3. Average number of hours worked per day:	5.6
4. Average monthly wage:	\$332.71
5. Gross wages paid:	\$14,223.62
6. Hourly wage range:	\$4.25
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$2,133.55
9. Deduction for room and board:	\$2,509.90
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	\$431.94
12. Deduction for state income taxes withheld:	\$226.43
13. Other deductions: (Social Security, etc.)	\$1,015.55
14. Other: Savings	\$5,190.88

\*This project was closed in August, there was no work done during September

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: California Department of the Youth Authority  
Trans World Airlines, Inc.  
Camarillo, CA

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Wages and Disbursements

1. Total manhours worked:	20,338.16
2. Average daily offender employment:	63.7
3. Average number of hours worked per day:	3.5
4. Average monthly wage:	\$611.45
5. Gross wages paid:	\$116,793.69
6. Hourly wage range:	\$5.67
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$17,518.30
9. Deduction for room and board:	\$19,301.73
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	\$9,875.92
12. Deduction for state income taxes withheld:	\$436.04
13. Other deductions: (Social Security, etc.)	\$9,968.33
14. Other: Savings	\$38,604.14

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: California Department of the Youth Authority  
Strang Mechanical, Inc.  
Chino, CA

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Wages and Disbursements

1. Total manhours worked:	2,513
2. Average daily offender employment:	7.83
3. Average number of hours worked per day:	5.09
4. Average monthly wage:	\$705.21
5. Gross wages paid:	\$16,565.51
6. Hourly wage range:	\$4.25
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$2,484.86
9. Deduction for room and board:	\$2,598.74
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	\$1,987.51
12. Deduction for state income taxes withheld:	\$167.86
13. Other deductions: (Social Security, etc.)	\$1,416.48
14. Other: Savings	\$5,197.44

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: California Department of the Youth Authority  
Pine Grove Enterprises  
Stockton, CA

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Wages and Disbursements

1. Total manhours worked:	3,170.98
2. Average daily offender employment:	7.71
3. Average number of hours worked per day:	6.5
4. Average monthly wage:	\$597.17
5. Gross wages paid:	\$13,812.61
6. Hourly wage range:	\$4.25
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$2,079.24
9. Deduction for room and board:	\$2,181.68
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	\$1,620.00
12. Deduction for state income taxes withheld:	\$103.10
13. Other deductions: (Social Security, etc.)	\$1,181.03
14. Other: Savings	\$4,363.39

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: California Department of the Youth Authority  
Gasline Corporation  
Chino, CA

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Wages and Disbursements

1. Total manhours worked:	1,711
2. Average daily offender employment:	5.28
3. Average number of hours worked per day:	6.48
4. Average monthly wage:	\$483.53
5. Gross wages paid:	\$7,659.14
6. Hourly wage range:	\$4.25
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$1,152.71
9. Deduction for room and board:	\$1,313.63
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	\$430.38
12. Deduction for state income taxes withheld:	\$6.11
13. Other deductions: (Social Security, etc.)	\$654.51
14. Other: Savings	\$2,627.25

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

\*Kansas Department of Corrections\*

Consolidated Summary

July 1, 1990-September 30, 1990

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Wages and Disbursements

1. Total manhours worked:	14,429.70
2. Average daily offender employment:	9.7
3. Average number of hours worked per day:	8.04
4. Average monthly wage:	\$708.94
5. Gross wages paid:	\$59,592.85
6. Hourly wage range:	\$3.80-\$12.50
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$2,546.46
9. Deduction for room and board:	\$10,516.88
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	\$6,194.32
12. Deduction for state income taxes withheld:	\$1,210.44
13. Other deductions: (Social Security, etc.)	\$4,646.37
14. Other: Savings	\$2,531.25

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: Kansas Department of Corrections  
Zephyr Products, Inc.  
Leavenworth, Kansas

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Wages and Disbursements

1. Total manhours worked:	7,697.5
2. Average daily offender employment:	14.6
3. Average number of hours worked per day:	8.37
4. Average monthly wage:	\$709.04
5. Gross wages paid:	\$31,056.84
6. Hourly wage range:	\$3.80+.25 bonus
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$1,372.91
9. Deduction for room and board:	\$5,731.96
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	\$3,047.68
12. Deduction for state income taxes withheld:	\$608.00
13. Other deductions: (Social Security, etc.)	\$2,375.80
14. Other: Savings	\$1,267.62



PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: Kansas Department of Corrections  
Jensen Engineering Co., Inc.  
Kansas State Penitentiary

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Wages and Disbursements

1. Total manhours worked:	2,236.50
2. Average daily offender employment:	4.5
3. Average number of hours worked per day:	7.75
4. Average monthly wage:	\$848.32
5. Gross wages paid:	\$11,452.35
6. Hourly wage range:	\$3.80-12.50
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$450.30
9. Deduction for room and board:	\$1,584.08
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	\$1,024.19
12. Deduction for state income taxes withheld:	\$216.44
13. Other deductions: (Social Security, etc.)	\$963.66
14. Other: Savings	\$531.59

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: Kansas Department of Corrections  
Hearts Designs, Inc.  
Kansas State Penitentiary

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Wages and Disbursements

1. Total manhours worked:	4,495.70
2. Average daily offender employment:	10
3. Average number of hours worked per day:	8
4. Average monthly wage:	\$569.45
5. Gross wages paid:	\$17,083.66
6. Hourly wage range:	\$3.80
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$723.25
9. Deduction for room and board:	\$3,200.84
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	\$2,122.45
12. Deduction for state income taxes withheld:	\$386.00
13. Other deductions: (Social Security, etc.)	\$1,306.91
14. Other: Savings	\$732.04

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

\*Minnesota Department of Corrections\*

Consolidated Summary

July 1, 1990-September 30, 1990

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Wages and Disbursements

1. Total manhours worked:	43,753.00
2. Average daily offender employment:	61
3. Average number of hours worked per day:	4.2
4. Average monthly wage:	\$241.41
5. Gross wages paid:	\$141,969.00
6. Hourly wage range:	\$1.50-\$4.50
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$8,526.15
9. Deduction for room and board:	0
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	\$542.28
12. Deduction for state income taxes withheld:	\$227.32
13. Other deductions: (Social Security, etc.)	0
14. Other: Savings	0

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: Minnesota Correctional Industries  
Metal Products  
Stillwater, Minnesota

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Wages and Disbursements

1. Total manhours worked:	43,524
2. Average daily offender employment:	121
3. Average number of hours worked per day:	5.7
4. Average monthly wage:	\$390.08
5. Gross wages paid:	\$141,599.00
6. Hourly wage range:	\$1.50-4.50
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$8,526.15
9. Deduction for room and board:	0
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	\$542.28
12. Deduction for state income taxes withheld:	\$227.32
13. Other deductions: (Social Security, etc.)	0
14. Other:	0

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: Minnesota Correctional Industries  
National Pontoon Boats, Inc.  
Stillwater, Minnesota

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Wages and Disbursements

1. Total manhours worked:	229
2. Average daily offender employment:	1
3. Average number of hours worked per day:	2.7
4. Average monthly wage:	\$92.73
5. Gross wages paid:	\$370.00
6. Hourly wage range:	\$1.50-3.85
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	0
9. Deduction for room and board:	0
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	0
12. Deduction for state income taxes withheld:	0
13. Other deductions: (Social Security, etc.)	0
14. Other:	0

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

\*Nebraska Department of Corrections\*

Consolidated Summary

July 1, 1990-September 30, 1990

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Wages and Disbursements

1. Total manhours worked:	35,488
2. Average daily offender employment:	32.73
3. Average number of hours worked per day:	6.5
4. Average monthly wage:	\$220.47
5. Gross wages paid:	\$162,366.30
6. Hourly wage range:	
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$8,118.34
9. Deduction for room and board:	\$35,489.50
10. Deduction for family support:	\$20,943.76
11. Deduction for federal income taxes withheld:	\$7,386.14
12. Deduction for state income taxes withheld:	\$1,630.66
13. Other deductions: (Social Security, etc.)	\$12,419.20
14. Other:	\$11.11

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: Nebraska Department of Corrections  
Irwin Wood Shop  
Nebraska State Penitentiary

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Wages and Disbursements

1. Total manhours worked:	0
2. Average daily offender employment:	0
3. Average number of hours worked per day:	0
4. Average monthly wage:	0
5. Gross wages paid:	\$22.28
6. Hourly wage range:	
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$11.11
9. Deduction for room and board:	0
10. Deduction for family support:	\$21.17
11. Deduction for federal income taxes withheld:	0
12. Deduction for state income taxes withheld:	0
13. Other deductions: (Social Security, etc.)	0
14. Other:	0

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: Nebraska Department of Corrections  
TGS Marketing, Inc.  
Omaha Correctional Center

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Wages and Disbursements

1. Total manhours worked:	13,055.60
2. Average daily offender employment:	48.3
3. Average number of hours worked per day:	6.5
4. Average monthly wage:	\$384.45
5. Gross wages paid:	\$55,707.13
6. Hourly wage range:	
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$2,785.33
9. Deduction for room and board:	\$13,057.50
10. Deduction for family support:	\$7,448.72
11. Deduction for federal income taxes withheld:	\$2,838.40
12. Deduction for state income taxes withheld:	\$646.76
13. Other deductions: (Social Security, etc.)	\$4,261.56
14. Other:	0



PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: Nebraska Department of Corrections  
TGS Marketing, Inc.  
Nebraska Center for Women, York

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Wages and Disbursements

1. Total manhours worked:	658.30
2. Average daily offender employment:	9.5
3. Average number of hours worked per day:	6.5
4. Average monthly wage:	\$104.61
5. Gross wages paid:	\$2,981.43
6. Hourly wage range:	
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$149.06
9. Deduction for room and board:	\$657.50
10. Deduction for family support:	\$186.61
11. Deduction for federal income taxes withheld:	\$15.83
12. Deduction for state income taxes withheld:	\$2.36
13. Other deductions: (Social Security, etc.)	\$228.06
14. Other:	0

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: Nebraska Department of Corrections  
TGS Marketing, Inc.  
Hastings Correctional Center

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Wages and Disbursements

1. Total manhours worked:	4,271.20
2. Average daily offender employment:	23.3
3. Average number of hours worked per day:	6.5
4. Average monthly wage:	\$289.87
5. Gross wages paid:	\$20,261.92
6. Hourly wage range:	
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$1,013.12
9. Deduction for room and board:	\$4,271.75
10. Deduction for family support:	\$1,378.36
11. Deduction for federal income taxes withheld:	\$1,159.68
12. Deduction for state income taxes withheld:	\$280.05
13. Other deductions: (Social Security, etc.)	\$1,550.00
14. Other:	0

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: Nebraska Department of Corrections  
LaPen, Inc.  
Nebraska State Penitentiary

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Wages and Disbursements

1. Total manhours worked:	4,398.4
2. Average daily offender employment:	68
3. Average number of hours worked per day:	6.5
4. Average monthly wage:	\$99.99
5. Gross wages paid:	\$20,399.53
6. Hourly wage range:	
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$1,019.98
9. Deduction for room and board:	\$4,397.25
10. Deduction for family support:	\$1,709.63
11. Deduction for federal income taxes withheld:	\$981.96
12. Deduction for state income taxes withheld:	\$188.86
13. Other deductions: (Social Security, etc.)	\$1,560.58
14. Other:	\$11.11

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: Nebraska Department of Corrections  
TGS Marketing, Inc.  
Lincoln Correctional Center

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Wages and Disbursements

1. Total manhours worked:	13,104.70
2. Average daily offender employment:	47.3
3. Average number of hours worked per day:	6.5
4. Average monthly wage:	\$443.93
5. Gross wages paid:	\$62,994.01
6. Hourly wage range:	
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$3,149.74
9. Deduction for room and board:	\$13,105.50
10. Deduction for family support:	\$10,199.27
11. Deduction for federal income taxes withheld:	\$2,390.27
12. Deduction for state income taxes withheld:	\$512.63
13. Other deductions: (Social Security, etc.)	\$4,819.00
14. Other:	0

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

\*Nevada Department of Prisons\*

Consolidated Summary

July 1, 1990-September 30, 1990

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Wages and Disbursements

1. Total manhours worked:	27,373.49
2. Average daily offender employment:	17
3. Average number of hours worked per day:	4.5
4. Average monthly wage:	\$342.53
5. Gross wages paid:	\$110,594.53
6. Hourly wage range:	\$3.80-4.00
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$5,535.83
9. Deduction for room and board:	\$21,996.32
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	\$6,116.72
12. Deduction for state income taxes withheld:	0
13. Other deductions: (Social Security, etc.)	\$6,106.26
14. Other:	0

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: Nevada Department of Prisons  
Vinyl Products Manufacturing  
Northern Nevada Correctional Center

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Wages and Disbursements

1. Total manhours worked:	14,281.00
2. Average daily offender employment:	41
3. Average number of hours worked per day:	5.53
4. Average monthly wage:	\$441.21
5. Gross wages paid:	\$54,269.42
6. Hourly wage range:	\$3.80
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$2,713.40
9. Deduction for room and board:	\$11,017.55
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	\$4,592.71
12. Deduction for state income taxes withheld:	0
13. Other deductions: (Social Security, etc.)	\$4,152.06
14. Other:	0

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: Nevada Department of Prisons  
Silver State Industries-Wood  
Southern Desert Correctional Center

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Wages and Disbursements

1. Total manhours worked:	3,986.85
2. Average daily offender employment:	12.62
3. Average number of hours worked per day:	5.74
4. Average monthly wage:	\$400.22
5. Gross wages paid:	\$15,150.03
6. Hourly wage range:	\$3.80
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$740.57
9. Deduction for room and board:	\$2,964.31
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	0
12. Deduction for state income taxes withheld:	0
13. Other deductions: (Social Security, etc.)	0
14. Other:	0

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: Nevada Department of Prisons  
Silver State Industries-Limousine  
Southern Desert Correctional Center

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Wages and Disbursements

1. Total manhours worked:	1,960.02
2. Average daily offender employment:	18
3. Average number of hours worked per day:	1.70
4. Average monthly wage:	\$192.28
5. Gross wages paid:	\$10,382.92
6. Hourly wage range:	\$3.80
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$519.58
9. Deduction for room and board:	\$1,906.81
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	0
12. Deduction for state income taxes withheld:	0
13. Other deductions: (Social Security, etc.)	0
14. Other:	0



PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: Nevada Department of Prisons  
Silver State Industries  
Bently Nevada Corporation

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Wages and Disbursements

1. Total manhours worked:	4,206.00
2. Average daily offender employment:	14
3. Average number of hours worked per day:	4.76
4. Average monthly wage:	\$400.58
5. Gross wages paid:	\$16,824.65
6. Hourly wage range:	\$4.00
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$840.32
9. Deduction for room and board:	\$3,597.18
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	\$1,524.01
12. Deduction for state income taxes withheld:	0
13. Other deductions: (Social Security, etc.)	\$1,954.20
14. Other:	0

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: Nevada Department of Prisons  
Silver State Industries  
Upholstery Shop  
Southern Desert Correctional Center

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Wages and Disbursements

1. Total manhours worked:	2,939.62
2. Average daily offender employment:	11
3. Average number of hours worked per day:	4.17
4. Average monthly wage:	\$395.99
5. Gross wages paid:	\$13,067.86
6. Hourly wage range:	\$3.80
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$679.47
9. Deduction for room and board:	\$2,377.98
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	0
12. Deduction for state income taxes withheld:	0
13. Other deductions: (Social Security, etc.)	0
14. Other:	0

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: Nevada Department of Prisons  
Silver State Industries-Art Glass  
Jean, Nevada

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Wages and Disbursements

1. Total manhours worked:	piecework
2. Average daily offender employment:	4
3. Average number of hours worked per day:	5
4. Average monthly wage:	\$224.91
5. Gross wages paid:	\$899.65
6. Hourly wage range:	\$3.80
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$42.49
9. Deduction for room and board:	\$142.49
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	0
12. Deduction for state income taxes withheld:	0
13. Other deductions: (Social Security, etc.)	0
14. Other:	0

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

\*Oklahoma Department of Corrections\*

Consolidated Summary

July 1, 1990-September 30, 1990

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Wages and Disbursements

1. Total manhours worked:	20,248
2. Average daily offender employment:	16.25
3. Average number of hours worked per day:	6.28
4. Average monthly wage:	\$422.04
5. Gross wages paid:	\$77,015.83
6. Hourly wage range:	\$3.80
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$3,748.01
9. Deduction for room and board:	\$26,222.43
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	\$2,083.80
12. Deduction for state income taxes withheld:	\$451.84
13. Other deductions: (Social Security, etc.)	\$6,582.21
14. Other:	0

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: Oklahoma Department of Corrections  
Tele-Mark, Inc.  
Joseph Harp Correctional Center

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Wages and Disbursements

1. Total manhours worked:	11,124
2. Average daily offender employment:	22.7
3. Average number of hours worked per day:	7.78
4. Average monthly wage:	\$619.61
5. Gross wages paid:	\$42,195.20
6. Hourly wage range:	\$3.80
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$2,109.77
9. Deduction for room and board:	\$14,352.81
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	\$1,761.62
12. Deduction for state income taxes withheld:	\$301.38
13. Other deductions: (Social Security, etc.)	\$4,098.46
14. Other:	0

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: Oklahoma Department of Corrections  
Tele-Mark B, Inc.  
Joseph Harp Correctional Center

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Wages and Disbursements

1. Total manhours worked:	7,178
2. Average daily offender employment:	17.3
3. Average number of hours worked per day:	6.6
4. Average monthly wage:	\$525.55
5. Gross wages paid:	\$27,276.40
6. Hourly wage range:	\$3.80
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$1,261.03
9. Deduction for room and board:	\$8,635.06
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	0
12. Deduction for state income taxes withheld:	\$112.60
13. Other deductions: (Social Security, etc.)	\$1,906.59
14. Other:	0

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: Oklahoma Department of Corrections  
Correctional Vision, Inc.  
Lexington Assessment and Reception Center

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Wages and Disbursements

1. Total manhours worked:	337
2. Average daily offender employment:	6
3. Average number of hours worked per day:	5.1
4. Average monthly wage:	\$213.34
5. Gross wages paid:	\$1,280.03
6. Hourly wage range:	\$3.35
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$64.00
9. Deduction for room and board:	\$591.06
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	0
12. Deduction for state income taxes withheld:	0
13. Other deductions: (Social Security, etc.)	\$97.92
14. Other:	0

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: Oklahoma Department of Corrections  
Security Enterprises  
Lexington Assessment and Reception Center

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Wages and Disbursements

1. Total manhours worked:	1,609
2. Average daily offender employment:	19
3. Average number of hours worked per day:	5.65
4. Average monthly wage:	\$329.69
5. Gross wages paid:	\$6,264.20
6. Hourly wage range:	\$3.80
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$313.21
9. Deduction for room and board:	\$2,643.50
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	\$322.18
12. Deduction for state income taxes withheld:	\$37.86
13. Other deductions: (Social Security, etc.)	\$479.24
14. Other:	0



PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

\*Oregon Department of Corrections\*

Consolidated Summary

July 1, 1990-September 30, 1990

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Wages and Disbursements

1. Total manhours worked:	
2. Average daily offender employment:	25
3. Average number of hours worked per day:	8
4. Average monthly wage:	\$450.87
5. Gross wages paid:	\$68,063.62
6. Hourly wage range:	\$3.35
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$3,403.19
9. Deduction for room and board:	\$34,031.49
10. Deduction for family support:	\$3,403.19
11. Deduction for federal income taxes withheld:	\$1,229.67
12. Deduction for state income taxes withheld:	\$676.00
13. Other deductions: (Social Security, etc.)	\$5,206.88
14. Other:	0

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: Oregon Department of Corrections  
Manufacturing Country  
Salem, Oregon

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Wages and Disbursements

1. Total manhours worked:	
2. Average daily offender employment:	26
3. Average number of hours worked per day:	8
4. Average monthly wage:	\$558.90
5. Gross wages paid:	\$43,035.53
6. Hourly wage range:	\$4.25
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$2,151.77
9. Deduction for room and board:	\$21,516.28
10. Deduction for family support:	\$2,151.77
11. Deduction for federal income taxes withheld:	\$989.29
12. Deduction for state income taxes withheld:	\$502.00
13. Other deductions: (Social Security, etc.)	\$3,292.19
14. Other:	0

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: Oregon Department of Corrections  
UNIGROUP Wood Products Shop  
Pendleton, OR

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Wages and Disbursements

1. Total manhours worked:
2. Average daily offender employment: 24
3. Average number of hours worked per day: 8
4. Average monthly wage: \$342.85
5. Gross wages paid: \$25,028.09
6. Hourly wage range: \$4.25
7. Piecework rate range:
8. Contribution to crime victim compensation program: \$1,251.42
9. Deduction for room and board: \$12,515.21
10. Deduction for family support: \$1,251.42
11. Deduction for federal income taxes withheld: \$240.38
12. Deduction for state income taxes withheld: \$174.00
13. Other deductions: (Social Security, etc.) \$1,914.69
14. Other: 0

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

\*South Carolina Department of Corrections\*

Consolidated Summary

July 1, 1990-September 30, 1990

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Wages and Disbursements

1. Total manhours worked:	22,583.00
2. Average daily offender employment:	29
3. Average number of hours worked per day:	6.9
4. Average monthly wage:	\$470.00
5. Gross wages paid:	\$86,393.00
6. Hourly wage range:	\$3.80
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$4,196.00
9. Deduction for room and board:	\$13,688.00
10. Deduction for family support:	\$11,821.00
11. Deduction for federal income taxes withheld:	\$7,156.00
12. Deduction for state income taxes withheld:	\$2,210.00
13. Other deductions: (Social Security, etc.)	\$6,423.00
14. Other: Special fund for emergencies	\$1,971.00

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: South Carolina Department of Corrections  
International Draperies  
Bennetttsville, SC

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Wages and Disbursements

1. Total manhours worked:	18,253
2. Average daily offender employment:	45
3. Average number of hours worked per day:	6.6
4. Average monthly wage:	\$518.00
5. Gross wages paid:	\$69,939.00
6. Hourly wage range:	\$3.80
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$3,768.00
9. Deduction for room and board:	\$12,284.00
10. Deduction for family support:	\$11,821.00
11. Deduction for federal income taxes withheld:	\$6,550.00
12. Deduction for state income taxes withheld:	\$2,010.00
13. Other deductions: (Social Security, etc.)	\$5,767.00
14. Other: Special request funds for emergencies:	\$1,971.00

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: South Carolina Department of Corrections  
Third Generation  
Columbia, SC

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Wages and Disbursements

1. Total manhours worked:	4,330
2. Average daily offender employment:	13
3. Average number of hours worked per day:	7.2
4. Average monthly wage:	\$422.00
5. Gross wages paid:	\$16,454.00
6. Hourly wage range:	\$3.80
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$428.00
9. Deduction for room and board:	\$1,404.00
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	\$606.00
12. Deduction for state income taxes withheld:	\$200.00
13. Other deductions: (Social Security, etc.)	\$656.00
14. Other:	

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

\*Strafford County Jail Industries\*

Consolidated Summary

July 1, 1990-September 30, 1990

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Wages and Disbursements

1. Total manhours worked:	2,550.00
2. Average daily offender employment:	6.1
3. Average number of hours worked per day:	4.6
4. Average monthly wage:	\$275.10
5. Gross wages paid:	\$10,069.31
6. Hourly wage range:	\$6.50-\$7.00
7. Piecework rate range:	.01-28.9
8. Contribution to crime victim compensation program:	\$504.00
9. Deduction for room and board:	\$5,045.00
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	0
12. Deduction for state income taxes withheld:	0
13. Other deductions: (Social Security, etc.)	0
14. Other:	0

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: Strafford County Jail Industries  
GFS Manufacturing Co., Inc.  
Dover, NH

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Wages and Disbursements

1. Total manhours worked:	2,519.00
2. Average daily offender employment:	8.8
3. Average number of hours worked per day:	4.7
4. Average monthly wage:	\$373.00
5. Gross wages paid:	\$9,852.00
6. Hourly wage range:	
7. Piecework rate range:	.01-28.9
8. Contribution to crime victim compensation program:	\$493.00
9. Deduction for room and board:	\$4,926.00
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	0
12. Deduction for state income taxes withheld:	0
13. Other deductions: (Social Security, etc.)	0
14. Other:	0



PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: Strafford County Jail Industries  
Fornax  
Dover, NH

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Wages and Disbursements

1. Total manhours worked:	31
2. Average daily offender employment:	3.4
3. Average number of hours worked per day:	4.5
4. Average monthly wage:	\$64.00
5. Gross wages paid:	\$217.00
6. Hourly wage range:	\$6.50-7.00
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$11.00
9. Deduction for room and board:	\$119.00
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	0
12. Deduction for state income taxes withheld:	0
13. Other deductions: (Social Security, etc.)	0
14. Other:	0

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

\*Utah Correctional Industries\*

Consolidated Summary

July 1, 1990-September 30, 1990

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Wages and Disbursements

1. Total manhours worked:	11,509.00
2. Average daily offender employment:	14
3. Average number of hours worked per day:	6.72
4. Average monthly wage:	\$672.99
5. Gross wages paid:	\$56,709.00
6. Hourly wage range:	\$3.80-\$4.45
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$2,835.00
9. Deduction for room and board:	\$8,507.00
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	\$1,579.05
12. Deduction for state income taxes withheld:	\$312.00
13. Other deductions: (Social Security, etc.)	0
14. Other:	0

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: Utah Correctional Industries  
Sign Shop  
Wasatch Correctional Facility

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Wages and Disbursements

1. Total manhours worked:	5,017
2. Average daily offender employment:	15
3. Average number of hours worked per day:	5.39
4. Average monthly wage:	\$702.60
5. Gross wages paid:	\$31,617.00
6. Hourly wage range:	\$3.80-4.45
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$1,580.00
9. Deduction for room and board:	\$4,743.00
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	\$838.00
12. Deduction for state income taxes withheld:	\$280.00
13. Other deductions: (Social Security, etc.)	0
14. Other:	0

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: Utah Correctional Industries  
UCI Aquaculture  
Draper, Utah

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Wages and Disbursements

1. Total manhours worked:	6,492
2. Average daily offender employment:	13
3. Average number of hours worked per day:	8.05
4. Average monthly wage:	\$643.38
5. Gross wages paid:	\$25,092.00
6. Hourly wage range:	\$3.80-4.00
7. Piecework rate range:	
8. Contribution to crime victim compensation program:	\$1,255.00
9. Deduction for room and board:	\$3,764.00
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	\$75.00
12. Deduction for state income taxes withheld:	\$32.00
13. Other deductions: (Social Security, etc.)	0
14. Other:	0

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

\*Washington State Department of Corrections\*

Consolidated Summary

July 1, 1990-September 30, 1990

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Wages and Disbursements

1. Total manhours worked:	32,446
2. Average daily offender employment:	16.5
3. Average number of hours worked per day:	5.6
4. Average monthly wage:	\$507.31
5. Gross wages paid:	\$149,514.00
6. Hourly wage range:	\$4.25-5.70
7. Piecework rate range:	\$4.25-5.70
8. Contribution to crime victim compensation program:	\$7,475.00
9. Deduction for room and board:	\$26,635.14
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	\$5,699.00
12. Deduction for state income taxes withheld:	0
13. Other deductions: (Social Security, etc.)	\$13,570.27
14. Other:	
Savings	\$13,444.89
Workers Compensation	\$2,706.58
Legal Financial Obligation	\$3,036.00
Transportation	\$2,501.00

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: Washington State Department of Corrections  
Inside-Out  
WCCW-Gig Harbor

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Wages and Disbursements

1. Total manhours worked:	5,253
2. Average daily offender employment:	12.13
3. Average number of hours worked per day:	7.10
4. Average monthly wage:	\$606.10
5. Gross wages paid:	\$22,056.00
6. Hourly wage range:	\$4.25
7. Piecework rate range:	\$4.25
8. Contribution to crime victim compensation program:	\$1,103.00
9. Deduction for room and board:	\$3,308.00
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	\$454.00
12. Deduction for state income taxes withheld:	0
13. Other deductions: (Social Security, etc.)	\$1,687.00
14. Other: Savings	\$1,902.00
Workers Compensation	\$435.88

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: Washington State Department of Corrections  
Redwood Outdoors  
Washington State Reformatory

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Wages and Disbursements

1. Total manhours worked:	17,447
2. Average daily offender employment:	39.4
3. Average number of hours worked per day:	7.02
4. Average monthly wage:	\$728.09
5. Gross wages paid:	\$86,060.00
6. Hourly wage range:	\$4.25
7. Piecework rate range:	\$4.25
8. Contribution to crime victim compensation program:	\$4,303.00
9. Deduction for room and board:	\$12,909.00
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	\$3,081.00
12. Deduction for state income taxes withheld:	0
13. Other deductions: (Social Security, etc.)	\$6,541.00
14. Other: Savings	\$5,498.00
Workers Compensation	\$1,188.00
Legal Financial Obligation	\$821.00

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: Washington State Department of Corrections  
Earth Ray  
Washington State Penitentiary

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Wages and Disbursements

1. Total manhours worked:	6,824
2. Average daily offender employment:	18.16
3. Average number of hours worked per day:	6.36
4. Average monthly wage:	\$490.11
5. Gross wages paid:	\$26,701.00
6. Hourly wage range:	\$4.25
7. Piecework rate range:	\$4.25
8. Contribution to crime victim compensation program:	\$1,334.00
9. Deduction for room and board:	\$4,002.00
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	\$902.00
12. Deduction for state income taxes withheld:	0
13. Other deductions: (Social Security, etc.)	\$2,072.00
14. Other: Savings	\$2,668.00
Workers Compensation	\$623.00
Legal Financial Obligation	\$2,225.00



PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: Washington State Department of Corrections  
Mahan Farms  
McNeil Island Correction Center

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Wages and Disbursements

1. Total manhours worked:	844
2. Average daily offender employment:	4.6
3. Average number of hours worked per day:	2.9
4. Average monthly wage:	\$260.22
5. Gross wages paid:	\$3,591.00
6. Hourly wage range:	\$4.25
7. Piecework rate range:	\$4.25
8. Contribution to crime victim compensation program:	\$180.00
9. Deduction for room and board:	\$539.00
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	0
12. Deduction for state income taxes withheld:	0
13. Other deductions: (Social Security, etc.)	\$273.00
14. Other: Savings	\$359.00

PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT CERTIFICATION PROGRAM

Project Summary

July 1, 1990-September 30, 1990

Agency Reporting: Washington State Department of Corrections  
Pioneer Industries  
Seattle, Washington

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Wages and Disbursements

1. Total manhours worked:	2,078
2. Average daily offender employment:	8.19
3. Average number of hours worked per day:	4.37
4. Average monthly wage:	\$452.01
5. Gross wages paid:	\$11,106.00
6. Hourly wage range:	\$5.25-5.70
7. Piecework rate range:	\$5.25-5.70
8. Contribution to crime victim compensation program:	\$555.00
9. Deduction for room and board:	\$1,666.00
10. Deduction for family support:	0
11. Deduction for federal income taxes withheld:	\$724.00
12. Deduction for state income taxes withheld:	0
13. Other deductions: (Social Security, etc.)	\$850.00
14. Other: Savings	\$1,110.00
Transportation	\$2,501.00

# ATTACHMENT 6

ON-SITE CONSULTATION  
TRIP REPORT

Project : Bently Nevada Corporation  
Silver State Industries

Location : Reno and Las Vegas, Nevada

Date(s) : December 4-5, 1989

I. Certification

A. Is Notice of Designation and Certification of Compliance form current?

Yes

B. Does the agency have written documentation from State Department of Economic Security for:

1. comparability of wages, bonuses & piecework rates?

Yes.

2. assurances that hiring of inmate workers will not:

a. result in displacement of employed workers?

Yes.

b. be applied in skills, crafts, or trades where surplus of workforce is available?

Yes.

c. impair existing contracts for services?

Yes.

page two  
trip report

- C. Does the agency have signed written agreement from inmates participating in program that stipulates to specific deduction? (Randomly select 10% of inmate workforce for verification)

Yes

- D. Has any project been undesignated for which an appropriate notice has NOT been filed?

No.

- E. Are there written Policies and Procedures for:

1. consultation with representatives of labor org.?

Yes.

2. substantial involvement with private sector?

Yes.

3. consultation with representatives of local businesses?

Yes.

4. obtaining assurances from Department of Economic Security for compensation plans? Displacement of workers?

Yes.

5. voluntary inmate participation with provision for signed agreement for specific deductions and all other financial arrangements?

Yes.

## II. Financial Reporting

A. Review source documents, if possible, and compare with submitted statistical report and randomly selected inmate participants for the following:

1. Is approved hourly rate range for production workers consistent with documents and results of interviews with participating offenders?

Interviews with participating offenders indicate that approved wages are being paid.

2. Have all required deductions been made? If not, explain.

Yes.

3. Are deductions consistent with policy (i.e. specific amounts/percentages withheld)? If not, cite differences.

Yes.

4. How many inmates are currently employed? Full-time? Part-time?

A total of 132 offenders are employed by Nevada Department of Prison, Correctional Industries on a full-time basis.

## III. Comprehensive Plan

A. Compare short/long range plans originally submitted with current operating experience (see items 1-11 Comprehensive Plan criteria guidelines).

1. How do they differ?

Comparisons were not completed.

2. Explain significant differences.

N/A