

Why GAO Did This Study

FPI is a government owned corporation that, as a national reentry program, manages, trains, and rehabilitates inmates through employment. FPI sells inmate-produced goods and services primarily to federal government agencies. The First Step Act of 2018 authorized FPI to sell its products to new markets.

A provision in the First Step Act of 2018 required GAO to review various aspects of FPI. This report addresses (1) the potential size and scope of the additional markets made available to FPI under the First Step Act; (2) the similarities and differences in selected requirements and business practices of FPI and private sector sellers of products and services; (3) customers' satisfaction with FPI regarding quality, price, and timely delivery of its products and services; and (4) the extent to which BOP has evaluated the effectiveness of FPI and other vocational programs in reducing recidivism and the results. GAO examined recidivism studies and data, analyzed performance data, conducted fieldwork at four FPI facilities selected based on security level and type of products produced, met with industry associations, and interviewed agency officials and employed inmates.

What GAO Recommends

GAO is making two recommendations: (1) BOP should update its evaluation plan for FPI by setting a new timeline for evaluation and (2) BOP should set a goal to reduce recidivism. DOJ concurred with the recommendations.

View [GAO-20-505](#). For more information, contact Gretta L. Goodwin at goodwing@gao.gov or 202-512-8777, or William T. Woods at woodsw@gao.gov or 202-512-4841.

FEDERAL PRISON INDUSTRIES

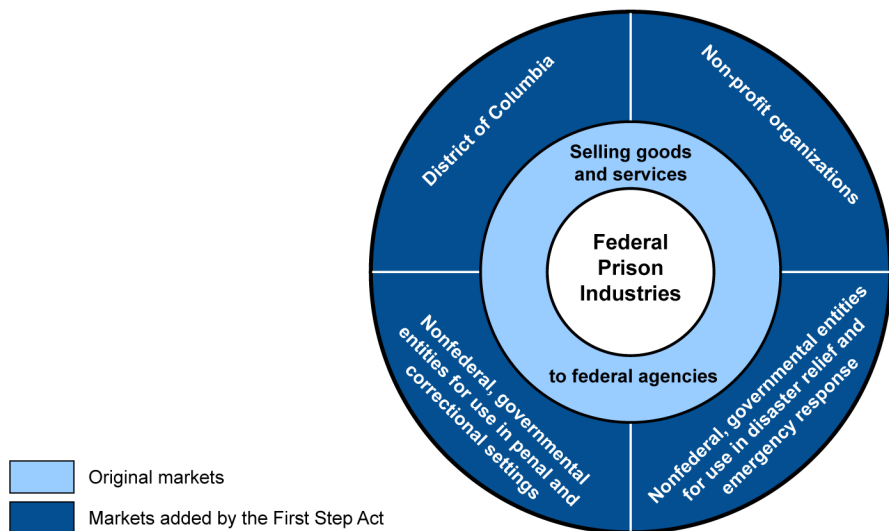
Actions Needed to Evaluate Program Effectiveness

What GAO Found

The First Step Act of 2018 made new, nonfederal markets and potential buyers available to Federal Prison Industries (FPI), a government corporation organized within the Bureau of Prisons (BOP); however, various challenges could limit FPI's ability to sell to customers in these markets. FPI makes apparel, personal protective equipment, and furniture, among other products. FPI may now sell to the District of Columbia government, including, for example, to its firefighters; nonfederal, governmental entities for use in correctional settings or in response to a disaster or emergency, such as local jails and first responders; and nonprofit organizations, such as universities. However, a lack of information makes it difficult to estimate the dollar value of these new markets.

The following figure depicts the new markets made available to FPI.

New Markets for Federal Prison Industries' Products under the First Step Act



Source: GAO analysis of First Step Act. | GAO-20-505

Data on the size of most of the new markets are very limited. For example, GAO found no existing national information to help estimate the size and scope of relevant spending by nonfederal entities on disaster relief and emergencies. Also, challenges related to state and local government operations, for example, could limit FPI's ability to sell products in the new markets made available under the First Step Act. Specifically, state-level prison industries and in-state vendors often have preferential access to many of the procurement markets now available to FPI.

FPI and the private sector share some similar operating requirements, such as those related to keeping workers safe. They also face different requirements and business practices, such as those related to the legal framework, security, and costs.

Available data indicate that buyers are generally satisfied with the delivery and quality of FPI products. GAO analyzed 231 performance reports on FPI in the federal government's database for contractor performance, as of August 2019. Customers rated FPI's performance in the delivery schedule and quality categories as exceptional, very good, or satisfactory on about 80 and 90 percent, respectively, of performance reports. There were too few ratings on cost to analyze them.

FPI aims to assist inmates in their reentry into society by providing marketable job skills, but BOP has not reviewed FPI's impact on recidivism in over 2 decades. BOP relies on outdated studies that assessed the impact of FPI on inmates released in the 1980s. In January 2020, BOP cited a 1992 study as the basis for the Attorney General's designation of FPI as an Evidence-Based Recidivism Reduction Program under the *First Step Act of 2018*. BOP made a plan to evaluate FPI but the plan's timeline passed and the BOP has not set a new one. Without an updated plan for evaluating FPI, BOP continues to rely on outdated evaluations of FPI and has limited information about FPI's effectiveness amidst changes to its inmate population. Additionally, while BOP has reported some descriptive statistics on recidivism rates, it has not developed a goal. Without a timeline for evaluation and a goal for reducing recidivism, BOP's ability to assess the effectiveness of FPI will be limited.