18 U.S.C.A. § 4121

United States Code Annotated <u>Currentness</u>

Title 18. Crimes and Criminal Procedure (Refs & Annos)

\*\*B Part III. Prisons and Prisoners

\*\*B Chapter 307. Employment (Refs & Annos)

→§ 4121. Federal Prison Industries; board of directors

"Federal Prison Industries", a government corporation of the District of Columbia, shall be administered by a board of six directors, appointed by the President to serve at the will of the President without compensation.

The directors shall be representatives of (1) industry, (2) labor, (3) agriculture, (4) retailers and consumers, (5) the Secretary of Defense, and (6) the Attorney General, respectively.

CREDIT(S)

(June 25, 1948, c. 645, 62 Stat. 851; May 24, 1949, c. 139, § 62, 63 Stat. 98.)

HISTORICAL AND STATUTORY NOTES

Revision Notes and Legislative Reports

1948 Acts. Based on Title 18, U.S.C., 1940 ed., §§ 744i, 744j (June 23, 1934, c. 736, §§ 1, 2, 48 Stat. 1211).

Section consolidates sections 744i and 744j of Title 18, U.S.C., 1940 ed. The former was rewritten omitting unnecessary recital as to policy and expressing the original language of the two sections more logically.

Changes were made in transposition and phraseology.

1949 Acts. This section [section 62] incorporates in section 4121 of Title 18, U.S.C., with changes in phraseology, the provisions of section 3 of Act June 29, 1948 (c. 719, 62 Stat. 1100), which was enacted subsequent to the enactment of the revision of Title 18 and which provided for appointment of an additional member of the board of directors of the Federal Prison Industries, as a representative of the Secretary of Defense.

Senate Report No. 303 and House Report No. 352, see 1949 U.S. Code Cong. Service, p. 1248.

#### Amendments

1949 Amendments. Act May 24, 1949, made a representative of the Secretary of Defense a member of the board of directors.

Transfer of Functions

The Federal Prison Industries, Inc. (together with its Board of Directors), and its functions were transferred to the Department of Justice to be administered under the general direction and supervision of the Attorney General, by Reorg. Plan No. II of 1939, § 3(a), eff. July 1, 1939, 4 F.R. 2731, 53 Stat. 1431, set out in the Appendix to Title 5, Government Organization and Employees. See, also, Reorg. Plan No. 2 of 1950, § 1, eff. May 24, 1950, 15 F.R. 3173, 64 Stat. 1261, and section 509 of Title 28, Judiciary and Judicial Procedure.

Mandatory Work Requirement for All Prisoners

Pub.L. 101-647, Title XXIX, § 2905, Nov. 29, 1990, 104 Stat. 4914, provided that:

- "(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."

Closure of McNeil Island Penitentiary; Report on Status of Federal Prison Industries

Pub.L. 95-624, § 10, Nov. 9, 1978, 92 Stat. 3463, provided that:

- "(a) On or before September 1, 1979, the Attorney General shall submit to the Congress-
  - "(1) a plan to assure the closure of the United States Penitentiary on McNeil Island, Steilacoom, Washington, on or before January 1, 1982; and
  - "(2) a report on the status of the Federal Prison Industries.

"(b) The report made under this section shall include a long-range plan for the improvement of meaningful employment training, and the methods which could be undertaken to employ a greater number of United States prisoners in the program. Such report may include recommendations for legislation."

### **CROSS REFERENCES**

Federal Prison Industries, Inc., as wholly owned Government Corporation, see 31 USCA § 9101.

American Digest System

Convicts € 7(1)13.

Key Number System Topic No. 98.

RESEARCH REFERENCES

Encyclopedias .

18 U.S.C.A. § 4121, 18 USCA § 4121

Current through P.L. 108-209 (excluding P.L. 108-203) approved 03-19-04

Copr. © 2004 West, a Thomson business. No Claim to Orig. U.S. Govt. Works.

18 U.S.C.A. § 4122

United States Code Annotated <u>Currentness</u>

Title 18. Crimes and Criminal Procedure (Refs & Annos)

\*\*Beart III. Prisons and Prisoners

\*\*Beart 307. Employment (Refs & Annos)

→§ 4122. Administration of Federal Prison Industries

- (a) Federal Prison Industries shall determine in what manner and to what extent industrial operations shall be carried on in Federal penal and correctional institutions for the production of commodities for consumption in such institutions or for sale to the departments or agencies of the United States, but not for sale to the public in competition with private enterprise.
- (b)(1) Its board of directors shall provide employment for the greatest number of those inmates in the United States penal and correctional institutions who are eligible to work as is reasonably possible, diversify, so far as practicable, prison industrial operations and so operate the prison shops that no single private industry shall be forced to bear an undue burden of competition from the products of the prison workshops, and to reduce to a minimum competition with private industry or free labor.
- (2) Federal Prison Industries shall conduct its operations so as to produce products on an economic basis, but shall avoid capturing more than a reasonable share of the market among Federal departments, agencies, and institutions for any specific product. Federal Prison Industries shall concentrate on providing to the Federal Government only those products which permit employment of the greatest number of those inmates who are eligible to work as is reasonably possible.
- (3) Federal Prison Industries shall diversify its products so that its sales are distributed among its industries as broadly as possible.
- (4) Any decision by Federal Prison Industries to produce a new product or to significantly expand the production of an existing product shall be made by the board of directors of the corporation.

Before the board of directors makes a final decision, the corporation shall do the following:

(A) The corporation shall prepare a detailed written analysis of the probable impact on industry and free labor of the plans for new production or expanded production. In such written analysis the corporation shall, at a minimum, identify and consider--

- (i) the number of vendors currently meeting the requirements of the Federal Government for the product;
- (ii) the proportion of the Federal Government market for the product currently served by small businesses, small disadvantaged businesses, or businesses operating in labor surplus areas;
- (iii) the size of the Federal Government and non-Federal Government markets for the product;
- (iv) the projected growth in the Federal Government demand for the product; and
- (v) the projected ability of the Federal Government market to sustain both Federal Prison Industries and private vendors.
- (B) The corporation shall announce in a publication designed to most effectively provide notice to potentially affected private vendors the plans to produce any new product or to significantly expand production of an existing product. The announcement shall also indicate that the analysis prepared under subparagraph (A) is available through the corporation and shall invite comments from private industry regarding the new production or expanded production.
- (C) The corporation shall directly advise those affected trade associations that the corporation can reasonably identify the plans for new production or expanded production, and the corporation shall invite such trade associations to submit comments on those plans.
- (D) The corporation shall provide to the board of directors-
  - (i) the analysis prepared under subparagraph (A) on the proposal to produce a new product or to significantly expand the production of an existing product,
  - (ii) comments submitted to the corporation on the proposal, and
  - (iii) the corporation's recommendations for action on the proposal in light of such comments.

In addition, the board of directors, before making a final decision under this paragraph on a proposal, shall, upon the request of an established trade association or other interested representatives of private industry, provide a reasonable opportunity to such trade association or other representatives to present comments directly to the board of directors on the proposal.

- (5) Federal Prison Industries shall publish in the manner specified in paragraph (4)(B) the final decision of the board with respect to the production of a new product or the significant expansion of the production of an existing product.
- (6) Federal Prison Industries shall publish, after the end of each 6-month period, a list of sales by the corporation for that 6-month period. Such list shall be made available to all interested parties.
- (c) Its board of directors may provide for the vocational training of qualified inmates without regard to their industrial or other assignments.
- (d)(1) The provisions of this chapter shall apply to the industrial employment and training of prisoners convicted by general courts-martial and confined in any institution under the jurisdiction of any department or agency comprising the

Department of Defense, to the extent and under terms and conditions agreed upon by the Secretary of Defense, the Attorney General and the Board of Directors of Federal Prison Industries.

- (2) Any department or agency of the Department of Defense may, without exchange of funds, transfer to Federal Prison Industries any property or equipment suitable for use in performing the functions and duties covered by agreement entered into under paragraph (1) of this subsection.
- (e)(1) The provisions of this chapter shall apply to the industrial employment and training of prisoners confined in any penal or correctional institution under the direction of the Commissioner of the District of Columbia to the extent and under terms and conditions agreed upon by the Commissioner, the Attorney General, and the Board of Directors of Federal Prison Industries.
- (2) The Commissioner of the District of Columbia may, without exchange of funds, transfer to the Federal Prison Industries any property or equipment suitable for use in performing the functions and duties covered by an agreement entered into under subsection (e)(1) of this section.
- (3) Nothing in this chapter shall be construed to affect the provisions of the Act approved October 3, 1964 (<u>D.C.Code.sections 24-451</u> et seq.), entitled "An Act to establish in the Treasury a correctional industries fund for the government of the District of Columbia, and for other purposes."

### CREDIT(S)

(June 25, 1948, c. 645, 62 Stat. 851; May 24, 1949, c. 139, § 63, 63 Stat. 98; Oct. 31, 1951, c. 655, § 31, 65 Stat. 722; Dec. 27, 1967, Pub.L. 90- 226, Title VIII, § 802, 81 Stat. 741; Nov. 18, 1988, Pub.L. 100-690, Title VII, § 7096, 102 Stat. 4413.)

## HISTORICAL AND STATUTORY NOTES

Revision Notes and Legislative Reports

1948 Acts. Based on Title 18, U.S.C., 1940 ed., §§ 744a, 744c, 744k (May 27, 1930, c. 340, §§ 1, 3, 46 Stat. 391; June 23, 1934, c. 736, § 3, 48 Stat. 1211).

Section consolidates sections 744a, part of 744c, and 744k of Title 18, U.S.C., 1940 ed., with such changes of phraseology as were necessary to effect the consolidation.

Provisions in section 744k of Title 18, U.S.C., 1940 ed., for transfer of duties to the corporation was omitted as executed.

Other provisions of said section 744c of Title 18, U.S.C., 1940 ed., form section 4123 of this title.

18 U.S.C.A. § 4123

United States Code Annotated <u>Currentness</u>
Title 18. Crimes and Criminal Procedure (<u>Refs & Annos</u>)

See Part III. Prisons and Prisoners

See Chapter 307. Employment (<u>Refs & Annos</u>)

→§ 4123. New industries

Any industry established under this chapter shall be so operated as not to curtail the production of any existing arsenal, navy yard, or other Government workshop.

Such forms of employment shall be provided as will give the inmates of all Federal penal and correctional institutions a maximum opportunity to acquire a knowledge and skill in trades and occupations which will provide them with a means of earning a livelihood upon release.

The industries may be either within the precincts of any penal or correctional institution or in any convenient locality where an existing property may be obtained by lease, purchase, or otherwise.

CREDIT(S)

(June 25, 1948, c. 645, 62 Stat. 851.)

HISTORICAL AND STATUTORY NOTES

Revision Notes and Legislative Reports

1948 Acts. Based on Title 18, U.S.C., 1940 ed., § 744c (May 27, 1930, c. 340, § 3, 46 Stat. 391).

A part of said section 744c of Title 18, U.S.C., 1940 ed., is incorporated in section 4122 of this title.

References to the Attorney General were omitted because section 744k of Title 18, U.S.C., 1940 ed., as originally enacted, provided for the transfer to Federal Prison Industries of the powers and duties then vested in the Attorney General.

References to "this chapter" were substituted for "this section" since the general authority to establish and supervise

prison industries is contained in this chapter.

Minor changes of phraseology were made.

American Digest System

Key Number System Topic No. 98.

18 U.S.C.A. § 4123, 18 USCA § 4123

Current through P.L. 108-209 (excluding P.L. 108-203) approved 03-19-04

Copr. © 2004 West, a Thomson business. No Claim to Orig. U.S. Govt. Works.

18 U.S.C.A. § 4124

United States Code Annotated <u>Currentness</u>

Title 18. Crimes and Criminal Procedure (Refs & Annos)

\*\*B Part III. Prisons and Prisoners

\*\*B Chapter 307. Employment (Refs & Annos)

## →§ 4124. Purchase of prison-made products by Federal departments

- (a) The several Federal departments and agencies and all other Government institutions of the United States shall purchase at not to exceed current market prices, such products of the industries authorized by this chapter as meet their requirements and may be available.
- (b) Disputes as to the price, quality, character, or suitability of such products shall be arbitrated by a board consisting of the Attorney General, the Administrator of General Services, and the President, or their representatives. Their decision shall be final and binding upon all parties.
- (c) Each Federal department, agency, and institution subject to the requirements of subsection (a) shall separately report acquisitions of products and services from Federal Prison Industries to the Federal Procurement Data System (as referred to in section 6(d)(4) of the Office of Federal Procurement Policy Act) in the same manner as it reports other acquisitions. Each report published by the Federal Procurement Data System that contains the information collected by the System shall include a statement to accompany the information reported by the department, agency, or institution under the preceding sentence as follows: "Under current law, sales by Federal Prison Industries are considered intragovernmental transfers. The purpose of reporting sales by Federal Prison Industries is to provide a complete overview of acquisitions by the Federal Government during the reporting period."
- (d) Within 90 days after the date of the enactment of this subsection, Federal Prison Industries shall publish a catalog of all products and services which it offers for sale. This catalog shall be updated periodically to the extent necessary to ensure that the information in the catalog is complete and accurate.

### CREDIT(S)

(June 25, 1948, c. 645, 62 Stat. 851; Oct. 31, 1951, c. 655, § 32, 65 Stat. 723; Feb. 14, 1984, Pub.L. 98-216, § 3(b)(2), 98 Stat. 6; Nov. 29, 1990, Pub.L. 101-647, Title XXIX, § 2901, 104 Stat. 4912; Oct. 28, 1992, Pub.L. 102-564, Title III. § 303(b), 106 Stat. 4262; Oct. 19, 1996, Pub.L. 104-316, Title I. § 109(b), 110 Stat. 3832.)

### HISTORICAL AND STATUTORY NOTES

### Revision Notes and Legislative Reports

1948 Acts. Based on Title 18, U.S.C., 1940 ed., § 744g (May 27, 1930, c. 340, § 7, 46 Stat. 392).

The revised section substituted the Director of the Bureau of Federal Supply of the Treasury Department for the General Supply Committee, the functions of the latter having been transferred to the Procurement Division of the Treasury Department by Executive Order No. 6166, § 1, June 10, 1933, and the name of that unit having been changed to Bureau of Federal Supply by order of the Secretary of the Treasury effective Jan. 1, 1947, 11 Fed. Register No. 13,638. The Bureau of the Budget was substituted for the Bureau of Efficiency which was abolished by Act Mar. 3, 1933, c. 212, § 17, 47 Stat. 1519, without transferring its functions elsewhere. However, the Bureau of the Budget performs similar duties and its Director logically should serve on the arbitration board.

Reference to authority for appropriations was omitted and words "by this chapter" substituted therefor.

The word "agencies" was substituted for "independent establishments" to avoid any possibility of ambiguity. See definition of "agency" in section 6 of this title.

1951 Acts. Senate Report No. 1020, see 1951 U.S. Code Cong. and Adm. Service, p. 2578.

1984 Acts. Detailed Explanation of H.R. 2727, see 1984 U.S. Code Cong. and Adm. News, p. 3.

1990 Acts. House Report Nos. 101-681(Parts I and II) and 101-736. Senate Report No. 101-460, and Statement by President, see 1990 U.S. Code Cong. and Adm. News, p. 6472.

### References in Text

Section 6(d)(4) of the Office of Federal Procurement Policy Act, referred to in subsec. (c), is classified to section 405(d)(4) of Title 41, Public Contracts.

The date of enactment of this subsection, referred to in subsec. (d), probably means the date of enactment of <u>Pub.L.</u> 101-647, Nov. 29, 1990, 104 Stat. 4789, which was approved Nov. 29, 1990.

#### Amendments

1996 Amendments. Subsec. (b). <u>Pub.L. 104-316. § 109(b)</u>, substituted "Attorney General" for "Comptroller General of the United States".

1992 Amendments. Subsec. (c). Pub.L. 102-564 substituted "acquisitions of products and services from Federal Prison Industries to the Federal Procurement Data System (as referred to in section 6(d)(4) of the Office of Federal Procurement Policy Act) in the same manner as it reports other acquisitions" for "to the General Services Administration all of its acquisitions of products and services from Federal Prison Industries, and that reported information shall be entered into the Federal Procurement Date System referred to in section 6(d)(4) of the Office of Federal Procurement Policy Act".

1990 Amendments. Subsecs. (a), (b). Pub.L. 101-647, § 2901(1), (2), designated first and second paragraphs as subsecs. (a) and (b).

Subsecs. (c), (d). Pub.L. 101-647, § 2901(3), added subsecs. (c) and (d).

1984 Amendments. Pub.L. 98-216 substituted "President" for "Director of the Bureau of the Budget".

1951 Amendments. Act Oct. 31, 1951, substituted in second paragraph "Administrator of General Services" for "Director of the Bureau of Federal Supply, Department of the Treasury".

Effective and Applicability Provisions

1996 Acts. Amendment by <u>Pub.L. 104-316</u> effective Oct. 19, 1996, see <u>section 101(e) of Pub.L. 104-316</u>, set out as a note under section 130c of Title 2, The Congress.

Savings Provisions

For savings provisions relating to amendment by <u>Pub.L. 98-216</u>, see <u>section 4(d) of Pub.L. 98-216</u>, set out as a note preceding section 101 of Title 31, Money and Finance.

Purchases by Central Intelligence Agency of Products of Federal Prison Industries

Pub.L. 108-177, Title IV. § 404, Dec. 13, 2003, 117 Stat. 2632, provided that: "Notwithstanding section 4124 of title 18, United States Code [this section], purchases by the Central Intelligence Agency from Federal Prison Industries shall be made only if the Director of Central Intelligence determines that the product or service to be purchased from Federal Prison Industries best meets the needs of the Agency."

#### **CROSS REFERENCES**

Nonapplicability of provisions for procurement by government of commodities from nonprofit agency to prison-made goods, see 41 USCA § 48.

American Digest System

Convicts C=13.

Key Number System Topic No. 98.

### RESEARCH REFERENCES

Encyclopedias

Am. Jur. 2d Penal and Correctional Institutions § 180, Federal Prison Industries.

Treatises and Practice Aids

Govt. Contracts Under the Fed. Acquisition Reg. § 8.4, Ordering from Federal Supply Schedules.

18 U.S.C.A. § 4124, 18 USCA § 4124

Current through P.L. 108-209 (excluding P.L. 108-203) approved 03-19-04

Copr. © 2004 West, a Thomson business. No Claim to Orig. U.S. Govt. Works.

18 U.S.C.A. § 4125

United States Code Annotated <u>Currentness</u>
Title 18. Crimes and Criminal Procedure (<u>Refs & Annos</u>)

Solution Prisons and Prisoners

Solution Chapter 307. Employment (<u>Refs & Annos</u>)

→§ 4125. Public works; prison camps

- (a) The Attorney General may make available to the heads of the several departments the services of United States prisoners under terms, conditions, and rates mutually agreed upon, for constructing or repairing roads, clearing, maintaining and reforesting public lands, building levees, and constructing or repairing any other public ways or works financed wholly or in major part by funds appropriated by Congress.
- (b) The Attorney General may establish, equip, and maintain camps upon sites selected by him elsewhere than upon Indian reservations, and designate such camps as places for confinement of persons convicted of an offense against the laws of the United States.
- (c) The expenses of transferring and maintaining prisoners at such camps and of operating such camps shall be paid from the appropriation "Support of United States prisoners", which may, in the discretion of the Attorney General, be reimbursed for such expenses.
- (d) As part of the expense of operating such camps the Attorney General is authorized to provide for the payment to the inmates or their dependents such pecuniary earnings as he may deem proper, under such rules and regulations as he may prescribe.
- (e) All other laws of the United States relating to the imprisonment, transfer, control, discipline, escape, release of, or in any way affecting prisoners, shall apply to prisoners transferred to such camps.

CREDIT(S) (June 25, 1948, c. 645, 62 Stat. 852.)

HISTORICAL AND STATUTORY NOTES

Revision Notes and Legislative Reports

1948 Acts. Based on Title 18, U.S.C., 1940 ed., §§ 744b, 851, 853, 854, 855 (Feb. 26, 1929, c. 336, §§ 1, 3, 4, 5, 45 Stat. 1318; May 27, 1930, c. 340, § 2, 46 Stat. 391).

Section consolidates section 744b of Title 18, U.S.C., 1940 ed., with those portions of sections 851, 853 to 853 of Title 18, U.S.C., 1940 ed., which may not have been superseded by section 744b of said title.

Section 851 of Title 18, U.S.C., 1940 ed., was superseded except for the proviso which formed the basis for the added words "elsewhere than upon Indian reservations".

Section 855 of Title 18, U.S.C., 1940 ed., was superseded by section 744b of Title 18, U.S.C., 1940 ed., except as to the specific mention in section 855 of said Title of expense for maintenance and operation of camps. Hence a reference to operation was added in subsection (c) of this section.

Section 854 of Title 18, U.S.C., 1940 ed., was added as a part of subsection (c).

Section 853 of Title 18, U.S.C., 1940 ed., was added as subsection (d) of this section, although its retention may be unnecessary.

The phrase "the cost of which is borne exclusively by the United States" which followed the words "constructing or repairing roads" was omitted as inconsistent with the later phrase "constructing or repairing any other public ways or works financed wholly or in major part by funds appropriated from the Treasury of the United States."

The provision for transfer of prisoners was omitted as duplications of a similar provision in section 4082 of this title.

Other changes of phraseology were made.

American Digest System

Convicts  $\bigcirc$  10(1), 12.

Key Number System Topic No. 98.

RESEARCH REFERENCES

**Encyclopedias** 

Am. Jur. 2d Penal and Correctional Institutions § 178, Pecuniary Compensation for Inmate Labor.

Am. Jur. 2d Penal and Correctional Institutions § 180, Federal Prison Industries.

#### NOTES OF DECISIONS

Contracts for services of convicts 3
Discretion of Attorney General 1
Evidence 4
Heads of the several departments 2

1. Discretion of Attorney General

Under subsec. (a) of this section authorizing provision of inmate labor "under terms, conditions and rates mutually agreed upon," the Attorney General has discretion to determine the appropriate terms on which to make available the services of federal prison inmates; promising a supply of inmates sufficient to insure "satisfactory progress" of highway construction project in national forest was not abuse of discretion especially in view of rehabilitative potential and fact that director of Bureau of Prisons was left with full control over which prisoners would be assigned to the project and to determine number of prisoners to be assigned. State of Ariz. By and Through Arizona Dept. of Transp. v. U. S.. Ct. Cl. 1978, 575 F.2d 855, 216 Ct. Cl. 221. Convicts 10(3)

### 2. Heads of the several departments

Although this section governing use of inmates of federal prisons speaks in terms of making prisoners available "to the heads of the several departments," nonfederal entities, such as a state, may be parties to contracts involving use of convict labor and may have actionable claims on breach of promises made therein on which they were induced to rely; limitations of this section as to whom the labor may be provided, i.e., federal departments, does not necessarily define the scope of persons to whom binding promises can be made about the provision of inmate labor. State of Ariz., By and Through Arizona Dept. of Transp. v. U. S., Ct. Cl. 1978, 575 F.2d 855, 216 Ct. Cl. 221. Convicts 10(1)

### 3. Contracts for services of convicts

Although not labeled a "contract," agreement whereby federal agencies consisting of Bureau of Prisons, Forest Service and Bureau of Public Roads as well as Arizona Highway Department agreed to cooperate in improving highway in national forest in Arizona, with Bureau of Prisons agreeing to provide adequate number of prisoners to insure satisfactory progress, was a binding contract since each department committed itself to discharge certain responsibilities and agreement was operative for almost 15 years before it was allegedly breached when Bureau of Prisons withdrew supply of prison labor; also, State of Arizona could sue for breach of the agreement. State of Arizona By and Through Arizona Dept. of Transp. v. U. S., Ct.Cl.1978, 575 F.2d 855, 216 Ct.Cl. 221. Convicts 10(1)

Although reason for withdrawal of federal inmate prison labor from Arizona forest highway improvement project was concern about potential injuries and availability of other work assignments at the prison, withdrawal of the labor constituted a breach of contract where there was no evidence of efforts by federal officials to deal with concern about inmate injuries and possible liability therefor and apparently no efforts were made to leave an adequate number of inmates on the project despite availability of alternative work assignments. State of Ariz., By and Through Arizona Dept. of Transp. v. U. S., Ct.Cl.1978, 575 F.2d 855, 216 Ct.Cl. 221. Convicts 10(8)

Although promise by Bureau of Prisons to supply prison labor for improvement of forest highway specified no time period during which the Bureau was to be held to its obligation, references to "satisfactory progress of the contemplated construction work" and to lack of funds necessary to engage alternative labor sources could be reasonably read, in context, only to mean that prisoners were to be supplied as long as they remained necessary to complete the construction work originally contemplated. State of Ariz., By and Through Arizona Dept. of Transp. v. U. S., Ct.Cl.1978, 575 F.2d

## 855, 216 Ct.Cl. 221. Convicts 20(8)

## 4. Evidence

State of Arizona, as plaintiff, bore risk of nonpersuasion on issue of whether Federal Bureau of Prisons breached promise to provide an adequate supply of prison inmate labor for improvement of Arizona forest highway. State of Ariz. By and Through Arizona Dept. of Transp. v. U. S., Ct.Cl.1978, 575 F.2d 855, 216 Ct.Cl. 221. Convicts 10(7)

18 U.S.C.A. § 4125, 18 USCA § 4125

Current through P.L. 108-209 (excluding P.L. 108-203) approved 03-19-04

Copr. © 2004 West, a Thomson business. No Claim to Orig. U.S. Govt. Works.

18 U.S.C.A. § 4126

United States Code Annotated <u>Currentness</u>

Title 18. Crimes and Criminal Procedure (<u>Refs & Annos</u>)

\*\* Part III. Prisons and Prisoners

\*\* Chapter 307. Employment (<u>Refs & Annos</u>)

→§ 4126. Prison Industries Fund; use and settlement of accounts

- (a) All moneys under the control of Federal Prison Industries, or received from the sale of the products or by-products of such Industries, or for the services of federal prisoners, shall be deposited or covered into the Treasury of the United States to the credit of the Prison Industries Fund and withdrawn therefrom only pursuant to accountable warrants or certificates of settlement issued by the General Accounting Office.
- (b) All valid claims and obligations payable out of said fund shall be assumed by the corporation.
- (c) The corporation, in accordance with the laws generally applicable to the expenditures of the several departments, agencies, and establishments of the Government, is authorized to employ the fund, and any earnings that may accrue to the corporation--
  - (1) as operating capital in performing the duties imposed by this chapter;
- (2) in the lease, purchase, other acquisition, repair, alteration, erection, and maintenance of industrial buildings and equipment;
- (3) in the vocational training of inmates without regard to their industrial or other assignments;
- (4) in paying, under rules and regulations promulgated by the Attorney General, compensation to inmates employed in any industry, or performing outstanding services in institutional operations, and compensation to inmates or their dependents for injuries suffered in any industry or in any work activity in connection with the maintenance or operation of the institution in which the inmates are confined.

In no event may compensation for such injuries be paid in an amount greater than that provided in chapter 81 of title 5.

(d) Accounts of all receipts and disbursements of the corporation shall be rendered to the General Accounting Office for settlement and adjustment, as required by the Comptroller General.

- (e) Such accounting shall include all fiscal transactions of the corporation, whether involving appropriated moneys, capital, or receipts from other sources.
- (f) Funds available to the corporation may be used for the lease, purchase, other acquisition, repair, alteration, erection, or maintenance of facilities only to the extent such facilities are necessary for the industrial operations of the corporation under this chapter. Such funds may not be used for the construction or acquisition of penal or correctional institutions, including camps described in <a href="section 4125">section 4125</a>.

## CREDIT(S)

(June 25, 1948, c. 645, 62 Stat. 852; May 24, 1949, c. 139, § 64, 63 Stat. 99; Sept. 26, 1961, Pub.L. 87-317, 75 Stat. 681; Nov. 18, 1988, Pub.L. 100-690. Title VII. § 7094, 102 Stat. 4412.)

# HISTORICAL AND STATUTORY NOTES

Revision Notes and Legislative Reports

1948 Acts. Based on Title 18, U.S.C., 1940 ed., §§ 744d, 744e, 744f, 744l (May 27, 1930, c. 340, §§ 4-6, 46 Stat. 391, 392; June 23, 1934, c. 736, § 4, 48 Stat. 1211).

This section is a restatement of section 7441 of Title 18, U.S.C., 1940 ed., with which sections 744d and 744f and the first sentence of section 744e of Title 18, U.S.C., 1940 ed., are consolidated, in view of the fact that those provisions have been superseded by section 7441 of Title 18, U.S.C., 1940 ed., in connection with other provisions of the Act June 23, 1934, c. 736, 48 Stat. 1211.

The first sentence of section 7441 of Title 18, U.S.C., 1940 ed., authorizing replacement of the prison industries working capital fund by the prison industries fund was omitted, as executed. That provision superseded section 744d of Title 18, U.S.C., 1940 ed., which authorized creation of the prison industries working capital fund and the first sentence of section 744e of Title 18, U.S.C., 1940 ed., directing that certain funds should be credited to the consolidated prison industries working capital fund.

The phrase "or received from the sale of the products or by-products of such Industries, or for the services of Federal prisoners," was inserted to make the first paragraph of this section complete, and required the Federal Prison Industries to account for all moneys under its control.

The words "in the repair, alteration, erection and maintenance of industrial buildings and equipment" and "under rules and regulations promulgated by the Attorney General in paying compensation to inmates employed in any industry, or performing outstanding services in industrial operations" were inserted in part to conform to administrative construction, and in part to provide greater flexibility in the operation of Prison Industries. Much friction was caused by the inability of Prison Industries to compensate inmates whose services in operating the utilities of the institution were most necessary but which were uncompensated while those prisoners who worked in the Industries received compensation. This inequitable situation is corrected by the revised section.

The words "in performing the duties imposed by this chapter" were substituted for the words "for the purposes

enumerated in sections 744a-744h of this title," since the provisions with regard to prison industries now appear in this chapter. The general provisions as to use of the fund supersede the more specific provisions of section 744f of said Title (enacted earlier).

A reference to the Federal Employees' Compensation Act as appeared in the 1934 Act was substituted for the reference to specific sections of Title 5. The word "law" was substituted for the reference to sections in Title 31 since translation of the reference in the 1934 Act was not practicable.

Remaining provisions of said section 744e of Title 18, U.S.C., 1940 ed., relating to authorization of appropriations, were omitted as unnecessary.

Other changes in phraseology were made.

1949 Acts. This section [section 64] incorporates in section 4126 of Title 18, U.S.C., provisions of Act May 11, 1948 (c. 276, 62 Stat. 230), which was not incorporated in Title 18 when the revision was enacted. The remainder of such Act is incorporated in section 4122 of such Title by another section of this bill.

Senate Report No. 303 and House Report No. 352, see 1949 U.S. Code Cong. Service, p. 1248.

1961 Acts. Senate Report No. 1056, see 1961 U.S. Code Cong. and Adm. News, p. 3028.

1988 Acts. For Related Reports, see 1988 U.S. Code Cong. and Adm. News, p. 5937.

### Amendments

1988 Amendments. Subsec. (a). <u>Pub.L. 100-690, § 7094(1)</u>, designated provisions which related to deposit into Treasury to credit of Prison Industries Fund of all moneys under control of Federal Prison Industries as subsec. (a).

Subsec. (b). Pub.L. 100-690, § 7094(1), designated provisions required that all valid claims and obligations payable out of said fund shall be assumed by the corporation as subsec. (b).

Subsec. (c). Pub.L. 100-690, § 7094(1), (2), designated provisions which related to purposes for which corporation is authorized to employ fund as subsec. (c) and, as so designated, added ", agencies," following "the several departments", substituted "Government" for "government", "corporation--" for "corporation,", designated provisions which related to operating capital as par. (1), to repair, alteration, etc., of industrial buildings and equipment as par. (2) and, as so designated, added "lease, purchase, other acquisition," preceding "repair," to vocational training of inmates as par. (3), to compensation to inmates for services or injuries as par. (4) and, as so designated, substituted "in which the inmates are confined" for "where confined", and in provisions following par. (4) substituted "may compensation for such injuries be paid in an amount greater" for "shall compensation be paid in a greater amount", and "chapter 81 of title 5" for "the Federal Employees' Compensation Act".

Subsec. (d). Pub.L. 100-690. § 7094(1), designated provisions which required that accounts of all receipts and disbursements be rendered to General Accounting Office as subsec. (d).

18 U.S.C.A. § 4127

United States Code Annotated <u>Currentness</u>
Title 18. Crimes and Criminal Procedure (<u>Refs & Annos</u>)

\*\* Part III Prisons and Prisoners

\*\* Chapter 307. Employment (<u>Refs & Annos</u>)

→§ 4127. Prison Industries report to Congress

The board of directors of Federal Prison Industries shall submit an annual report to the Congress on the conduct of the business of the corporation during each fiscal year, and on the condition of its funds during such fiscal year. Such report shall include a statement of the amount of obligations issued under section 4129(a)(1) during such fiscal year, and an estimate of the amount of obligations that will be so issued in the following fiscal year.

#### CREDIT(S)

(June 25, 1948, c. 645, 62 Stat. 852; Nov. 18, 1988. Pub.L. 100-690, Title VII, § 7095, 102 Stat. 4413.)

### HISTORICAL AND STATUTORY NOTES

Revision Notes and Legislative Reports

1948 Acts. Based on Title 18, U.S.C., 1940 ed., § 744m (June 23, 1934, c. 736, § 5, 48 Stat. 1212).

Words "of Federal Prison Industries" were inserted after "board of directors".

Minor changes were made in phraseology.

1988 Acts. For Related Reports, see 1988 U.S. Code Cong. and Adm. News, p. 5937.

#### Amendments

1988 Amendments. Pub.L. 100-690. § 7095, substituted "submit an annual report to the Congress" for "make annual reports to Congress", added "during each fiscal year," following "of the corporation", "during such fiscal year" following "of its funds", and provisions which required statement of amount of obligations issued during such fiscal year, and estimate of amount to be issued in following fiscal year.

### **CROSS REFERENCES**

Reports by Comptroller General to Congress on audit of Government Corporations, see 31 USCA § 9106.

American Digest System

Convicts 🖘 13.

Key Number System Topic No. 98.

United States 53(6.1).

Key Number System Topic No. 393.

18 U.S.C.A. § 4127, 18 USCA § 4127

Current through P.L. 108-209 (excluding P.L. 108-203) approved 03-19-04

Copr. © 2004 West, a Thomson business. No Claim to Orig. U.S. Govt. Works.

18 U.S.C.A. § 4128

C

United States Code Annotated Currentness

Title 18. Crimes and Criminal Procedure (Refs & Annos)

A Part III. Prisons and Prisoners

\* Chapter 307. Employment (Refs & Annos)

→§ 4128. Enforcement by Attorney General

In the event of any failure of Federal Prison Industries to act, the Attorney General shall not be limited in carrying out the duties conferred upon him by law.

CREDIT(S)

(June 25, 1948, c. 645, 62 Stat. 853.)

HISTORICAL AND STATUTORY NOTES

Revision Notes and Legislative Reports

1948 Acts. Based on Title 18, U.S.C., 1940 ed., § 744n (June 23, 1934, c. 736, § 6, 48 Stat. 1212).

Phrase relating to section being "supplemental" to sections 744i-744h of Title 18, U.S.C., 1940 ed., is omitted as unnecessary.

Retention of remainder of section is essential to insure authority of Attorney General to require performance of duties of Prison Industries. (See sections 4001 and 4003 of this title.) This is also consistent with 1939 Reorg. Plan No. II, § 3(a), transferring the corporation to the Department of Justice "under the general direction and supervision of the Attorney General". (See section 133t of Title 5, U.S.C., 1940 ed., Executive Departments and Government Officers and Employees.)

Words "Federal Prison Industries" were substituted for "the corporation".

American Digest System

Attorney General 6.

Key Number System Topic No. 46.

Convicts \$\infty 7(1), 13.

Key Number System Topic No. 98.

18 U.S.C.A. § 4128, 18 USCA § 4128

Current through P.L. 108-209 (excluding P.L. 108-203) approved 03-19-04

Copr. © 2004 West, a Thomson business. No Claim to Orig. U.S. Govt. Works.

18 U.S.C.A. § 4129

C

United States Code Annotated <u>Currentness</u>

Title 18. Crimes and Criminal Procedure (<u>Refs & Annos</u>)

Begin Part III. Prisons and Prisoners

Begin Chapter 307. Employment (Refs & Annos)

→§ 4129. Authority to borrow and invest

(a)(1) As approved by the board of directors, Federal Prison Industries, to such extent and in such amounts as are provided in appropriations Acts, is authorized to issue its obligations to the Secretary of the Treasury, and the Secretary of the Treasury, in the Secretary's discretion, may purchase or agree to purchase any such obligations, except that the aggregate amount of obligations issued by Federal Prison Industries under this paragraph that are outstanding at any time may not exceed 25 percent of the net worth of the corporation. For purchases of such obligations by the Secretary of the Treasury, the Secretary is authorized to use as a public debt transaction the proceeds of the sale of any securities issued under chapter 31 of title 31 after the date of the enactment of this section, and the purposes for which securities may be issued under that chapter are extended to include such purchases. Each purchase of obligations by the Secretary of the Treasury under this subsection shall be upon such terms and conditions as to yield a return at a rate not less than a rate determined by the Secretary of the Treasury, taking into consideration the current average yield on outstanding marketable obligations of the United States of comparable maturity. For purposes of the first sentence of this paragraph, the net worth of Federal Prison Industries is the amount by which its assets (including capital) exceed its liabilities.

- (2) The Secretary of the Treasury may sell, upon such terms and conditions and at such price or prices as the Secretary shall determine, any of the obligations acquired by the Secretary under this subsection. All purchases and sales by the Secretary of the Treasury of such obligations under this subsection shall be treated as public debt transactions of the United States.
- (b) Federal Prison Industries may request the Secretary of the Treasury to invest excess moneys from the Prison Industries Fund. Such investments shall be in public debt securities with maturities suitable to the needs of the corporation as determined by the board of directors, and bearing interest at rates determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities.

CREDIT(S)

(Added Pub.L. 100-690, Title VII, § 7093(a), Nov. 18, 1988, 102 Stat. 4411.)

HISTORICAL AND STATUTORY NOTES

Revision Notes and Legislative Reports

1988 Acts. For Related Reports, see 1988 U.S. Code Cong. and Adm. News, p. 5937.

References in Text

The date of enactment of this section, referred to in subsec. (a), is the date of enactment of section 7093(a) of Pub.L 100-690, which enacted this section, and which was approved Nov. 18, 1988.

American Digest System

Convicts 23.

Key Number System Topic No. 98.

United States 53(6.1).

Key Number System Topic No. 393.

18 U.S.C.A. § 4129, 18 USCA § 4129

Current through P.L. 108-209 (excluding P.L. 108-203) approved 03-19-04

Copr. © 2004 West, a Thomson business. No Claim to Orig. U.S. Govt. Works.