Factories with Fences

75 YEARS OF CHANGING LIVES

unicor

We're Life Changing.

Prison industries work programs have grown from deep-seeded roots which have withstood the challenges of time. From the late 1700s, spanning the Civil War, Great Depression, World War II and other major defense conflicts, and despite periods of criticism from detractors, increasingly constrictive procurement laws, misinformation and stigma associated with the value of inmate-made goods, prison industry work programs have endured.

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Inmates report for work at USP Leavenworth.

In Appreciation

Chief Justice Warren E. Burger

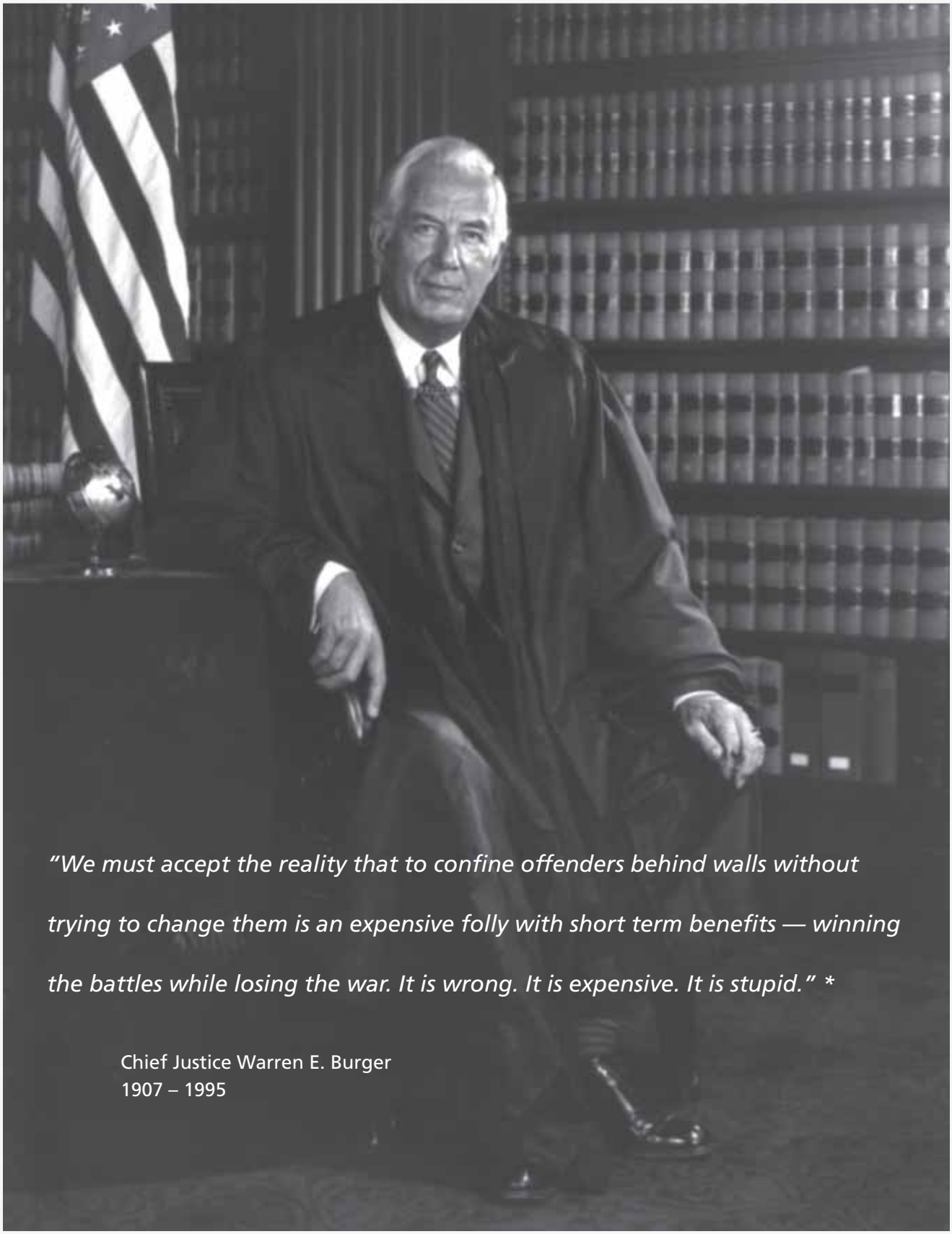
Warren E. Burger, our Nation's 15th Chief Justice, was a tireless advocate of prison reform. He believed that creating prison correctional and industrial programs to provide inmates meaningful work skills training while incarcerated, would set the course for a productive future, upon release.

Chief Justice Burger served as Co-Chairman of the National Prison Industries Task Force and was convinced that the keys to developing successful correctional programs included education, jobs training and employment. To this end, he spearheaded a series of outreach efforts including conferences, seminars and studies to extol the merits of *factories with fences*.

An adept communicator, Chief Justice Burger's campaign to educate the public gained support and sentiment for prison industry programs. Being attuned to private sector business and industry interests, he was particularly sensitive about the need to achieve balance between outside interests and correctional goals. Chief Justice Burger also inherently understood that work ethic development in inmates, would eventually lead to a reduction in recidivism.

Warren Burger's 17 year tenure as Chief Justice of the United States and his commitment to *factories with fences* have left a lasting imprint. In recognition of his vision, contributions and dedication to prison reform and prison industries programs, we proudly recognize and thank him, wholeheartedly.

> "*It makes no sense to put people in prison and not train them to do something constructive.*"
>
> — Chief Justice Warren E. Burger

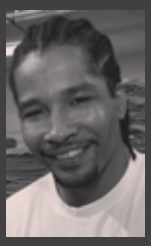


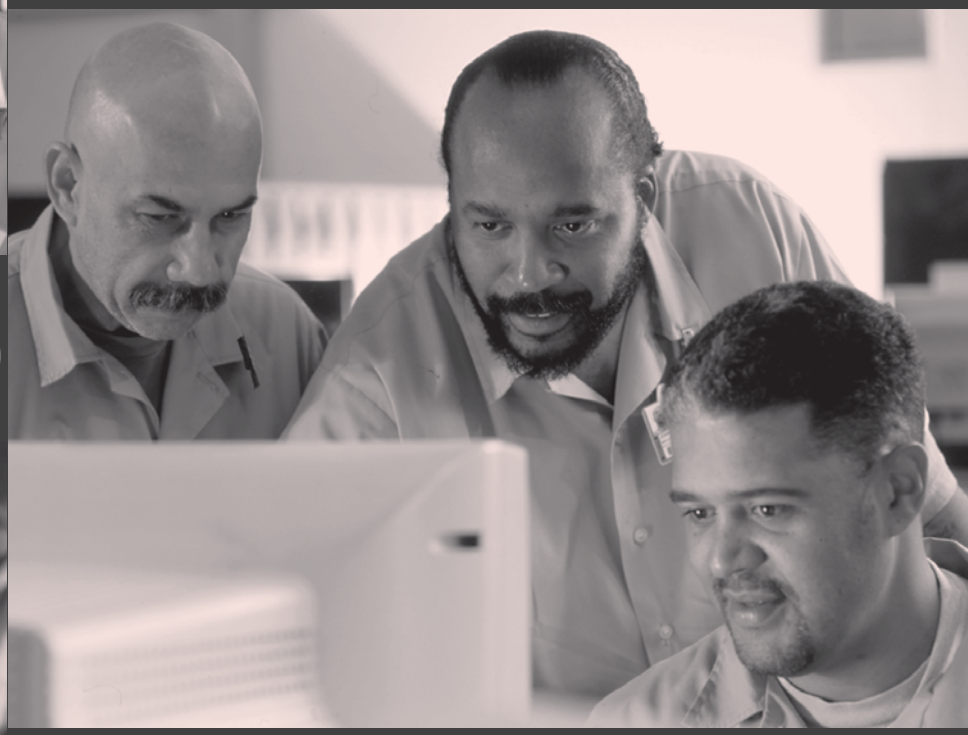
*"We must accept the reality that to confine offenders behind walls without trying to change them is an expensive folly with short term benefits — winning the battles while losing the war. It is wrong. It is expensive. It is stupid." **

Chief Justice Warren E. Burger
1907 – 1995

** Quoted from J. Petersilia's "When Prisoners Come Home: Parole and Prisoner Reentry"; page 93*

It is the mission of Federal Prison Industries, Inc. (FPI) to employ and provide job skills training to the greatest practicable number of inmates confined within the Federal Bureau of Prisons; contribute to the safety and security of our Nation's federal correctional facilities by keeping inmates constructively occupied; produce market-priced quality goods and services; operate in a self-sustaining manner; and minimize FPI's impact on private business and labor.





The Foundation of Federal Prison Industries, Inc.

During the 1930s, the Bureau of Prisons developed four categories of inmate work assignments:

1. **Institutional:** prison operations support such as janitorial duties, grounds keeping, food preparation, clerical assistance, routine maintenance and repair work.
2. **Farming:** in that every federal prison maintained a farm, until the 1970s.
3. **Public Service:** highway construction, forestry on public lands, grounds maintenance on military bases, and assistance to other federal agencies.
4. **Prison Industries:** meaningful work in prison factories, producing goods for sale to the Federal Government.

Because none of the categories, alone, could support all inmates who needed work, the options afforded by the above work segments ensured sufficient levels of meaningful work for everyone, complete with established procedures, regular hours, and programmatic goals.

Prison Industries was the heart of the work program. It could employ a large enough percentage of the inmate population to relieve pressure from other work categories so as not to unnecessarily dilute job assignments.

By providing job skills training, Prison Industries could provide skills training which was rehabilitative, by design. It could likewise generate financial support for educational and recreational programs, pay modest inmate wages and, thereby, ease taxpayer burden.

Nevertheless, in the Bureau's early years, powerful opposition to prison industrial programs from labor unions and business interests ensued.

Inmates manufactured a variety of brushes and brooms for government agencies.

Building a Strong Foundation

Bureau of Prisons Director, Sanford Bates, and Assistant Director, James Bennett, crafted a comprehensive plan for the operation of Federal Prison Industries, Incorporated (FPI). This wholly-owned government corporation was designed so that it would not interfere significantly with private industry and involve minimal taxpayer support.

In order to create work programs necessary for prison safety and inmate rehabilitation while avoiding the alienation of labor and business...

1. Federal Prison Industries, Inc., would make products for sale exclusively to the Federal Government; it would not compete against private sector companies in the commercial market.

2. FPI would be sufficiently diversified so as to avoid undue impact upon any particular industry. The sale of its products would be limited to the Federal Government.

Inmates learned farming techniques while providing fresh produce for the institution.

Moreover, FPI's suppliers would be private, so that its program would generate business for private companies.

3. A Board of Directors, comprised of representatives from business, labor, agriculture, consumer groups, and Government, would ensure that FPI would not cause undue hardship on any industry. Further, the Board would determine those product lines to be avoided, abolished, and those in which production should be moderated — in part, to minimize the impact of prison labor on free enterprise.

4. Industrial work would be an important rehabilitative activity by giving inmates experience in various skilled trades and teaching them *good* work habits.

5. Inmates would be paid for their labor from the corporation's revenues. Inmates could use their stipends to purchase goods from the institution commissary, to help support their families, and/or to pay fines or restitution. FPI proceeds would also be used to pay inmates in other work categories (such as farming and institutional support), albeit at lower pay scales.

6. The profits from FPI sales would be deposited to a revolving fund which would finance all industrial operations (including capital improvements) and to help subsidize other prison inmate programs. In other words, the Government got more value for its money; and that same money eventually passed back into the economy, in the form of staff salaries, inmate wages, and payments to private sector vendors.

Despite this carefully crafted plan, when legislation authorizing the creation of Federal Prison Industries, Inc., was introduced in Congress, the American Federation of Labor (AFL) immediately voiced its opposition. President Franklin D. Roosevelt took a strong, personal interest in the matter, and one rainy morning in 1934, called Director Bates and AFL President William Green to the Oval Office.

During the meeting, Bates and Roosevelt were able to draw out Green's objections to the proposed legislation, as well as his suggestions for improvement. Ultimately, the American Federation of Labor withdrew its opposition.

On June 23, 1934, President Roosevelt signed the law that authorized the establishment of Federal Prison Industries, and on December 11, 1934, he issued Executive Order 6917, which formally created Federal Prison Industries, Inc. FPI officially commenced operations on January 1, 1935.

President Roosevelt's 1934 Executive Order establishing Federal Prison Industries, Inc.

EXECUTIVE ORDER

CREATING A BODY CORPORATE TO BE KNOWN AS
FEDERAL PRISON INDUSTRIES, INC.

By virtue of the authority vested in me by the Act of June 23, 1934, (Public No. 461, 73rd Congress), it is hereby ordered that a corporation of the District of Columbia be and is hereby created, said corporation to be named as

FEDERAL PRISON INDUSTRIES, INC.

1. The governing body of said corporation shall consist of a board of five directors to hold office at the pleasure of the President. The following persons shall constitute the first Board of Directors:

Mr. Sanford Bates
Mr. Thomas A. Rickert
Hon. John B. Miller
Dr. M. L. Brittain
Mr. Sam A. Lewisohn

2. The principal office of said corporation shall be in the City of Washington, District of Columbia, but the corporation shall have power and authority to establish such other offices or agencies as it may deem necessary or appropriate.

3. The said corporation shall have power to determine in what manner and to what extent industrial operations shall be carried on in the

- 2 -

several penal and correctional institutions of the United States and shall, so far as practicable, so diversify prison industrial operations that no single private industry shall be forced to bear an undue burden of competition with the products of the prison workshops. It shall also have power to do all things it is authorized to do by the said Act of June 23, 1934, and all things incident to or necessary or proper in the exercise of its functions.

4. Pursuant to the provisions of Section 4 of the said Act, the Secretary of the Treasury is directed to transfer to a fund to be known as "the Prison Industries Fund" all balances standing to the credit of the Prison Industries Working Capital Fund on the books of the Treasury and the corporation is authorized to employ the aforesaid fund, and any earnings that may hereafter accrue to the corporation, as operating capital.

5. The Attorney General is directed to transfer to the corporation hereby created all personal property, assets, accounts receivable, and equipment of any and every kind now under the jurisdiction of the Industrial Division of the Bureau of Prisons of the Department of Justice.

- 3 -

6. The corporation shall assume all valid claims and obligations now payable out of the Prison Industries Working Capital Fund.

7. Said corporation shall have power to sue and be sued.

8. Any vacancies occurring in the membership of the Board of Directors shall be filled by the President of the United States.

9. The heads of the several executive departments, independent establishments and Government owned and Government controlled corporations shall cooperate with the corporation in carrying out its duties and shall purchase, at not to exceed current market prices, the products or services of said industries, to the extent required or permitted by law.

10. All powers and duties vested in the Attorney General and not specifically transferred to the corporation by said Act of June 23, 1934, or by this Executive Order and assumed by said corporation, shall remain vested in the Attorney General or his duly qualified representatives as heretofore.

Franklin D. Roosevelt

The White House,
December 11, 1934.

Confinement was often portable in early America. Mobile holding pens could transport inmates for hard labor, as well as serve as temporary jails.

A Look at Early Prison Reforms

Incarceration was not championed as a more humane form of punishment until the mid 18th century. Until then, crime was looked upon as a sinful act, rather than a social problem, and "justice" was achieved by public humiliation, torture, banishment, mutilation and execution.

Jails during these times served primarily as holding cells to detain those who awaited trial, sentencing, or were unable to pay their debts. Suffice it to say that conditions were deplorable, harboring sickness, disease and death.

In the late 1600s, a Quaker by the name of William Penn arrived in the colony later named after him — Pennsylvania — and professed and implemented a new penal code known as the *Great Law*. In place of public humiliation and dire forms of punishment, it advocated imprisonment, hard labor, fines, and, ultimately, reform and rehabilitation.

Following Penn's death, the *Great Law* was overturned, and Pennsylvania resumed the use of harsh corporal punishment. But, soon afterward, Benjamin Rush, a statesman, doctor, and prison reformer, adamantly spoke out against such violent ways and tirelessly advocated that punishment should be administered as a means of reform, and not as an act of revenge.

Early U.S. Prisons

The first recognized prison in the U.S. was situated in an abandoned copper mine in Simsbury, Connecticut. The poorly conceived underground facility known as Newgate, opened in 1773, but ultimately shut down in the 1820s, due to disorganization, constant chaos, and rioting.

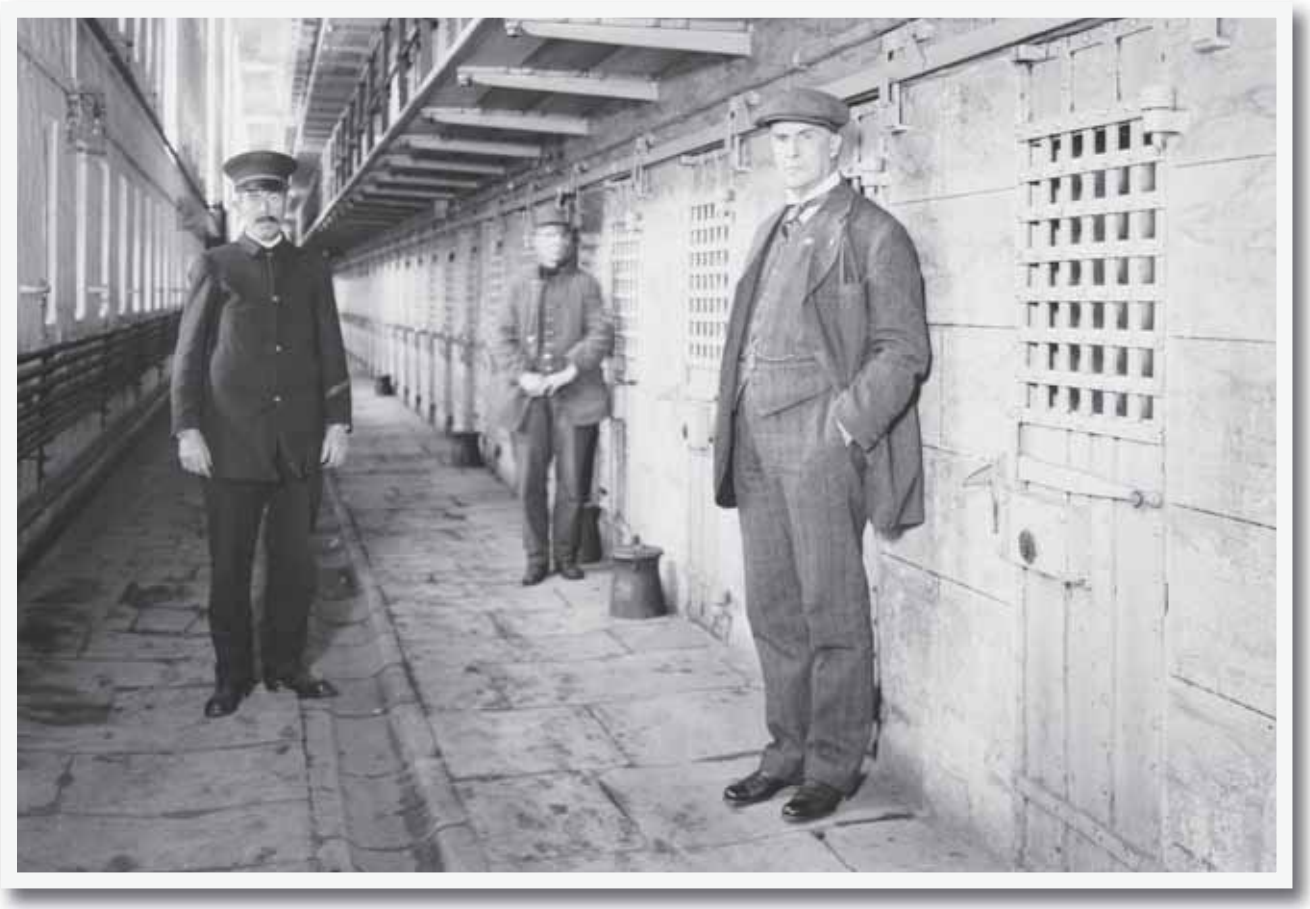
Around the same time, Benjamin Rush and others, including Benjamin Franklin, met with the first known reform group, the *Philadelphia Society for Alleviating the Miseries of Public Prisons* — which later became the *Pennsylvania Prison Society* — to discuss needed reform. These efforts led to the group's first project: the Walnut Street Jail, opened in 1790, and located in Philadelphia, of which the Pennsylvania legislature reserved a wing to serve as a penitentiary for the confinement of convicted felons. Because of its humanitarian approach, a popular following ensued.

The Quakers introduced educational and religious opportunities, health services, and prison industries into the Walnut Street Jail's program. Separate living quarters were established for debtors, women, and felons, of which the most dangerous were secured in solitary cells apart from the general population. Inmates likewise worked at handicrafts, but as one might imagine, such programs fell quite short of producing sufficient income to offset the costs of incarceration.

Known as the first American penitentiary, the Walnut Street Jail permanently established the use of cellular confinement as a method to combat crime.

Unfortunately, like its predecessor, overcrowding and conflicts lead to prison unrest and violence, resulting in Walnut Street's closure in 1835. But in view of its early success years, other states used it as a model for their prisons. Penitence, work, single cells and the separation of inmates by offense type became the underpinnings of corrections in the United States.

By the late 18th century, incarceration was championed as a more humane form of punishment, at which time the first United States prisons were opened in New York, Massachusetts and Pennsylvania. Of the three, New York's Auburn Prison



1915 – Warden T. M. Osborne poses in front of the flanking cell houses in Sing Sing Prison.

People from across the United States and Europe came to see the renowned Auburn Prison, and until the 1820s could purchase a prison tour for only 12 1/2 cents.

proved to be the most favorable model for economic productivity and other operations efficiencies. Using a Congregate workplace structure, inmates worked side-by-side, in factories, under rigid discipline and silence, by day, and in solitary confinement at night. In addition to Auburn, this model was also adopted at Ossining — better known as Sing Sing.

Following the Civil War, prisons were built across the country, with exception of a few southern states where road gangs and state farms remained en vogue. Prison factory production included merchandise such as shoes, barrels, carpets, engines, boilers, harnesses, clothing, and furniture sold on the open market to American consumers. Items were, likewise, exported to Canada and Latin America as a means of financially supporting prison operations.

From the very outset of the prison industries concept, officials intended for prison labor to offset the cost of incarceration, in whole or in part.

Petty crimes, public drunkenness, and other misdemeanors would often result in sentencing to a road gang.

By the early 1900s, reformers were calling for prisons to look beyond punishment by providing offenders opportunities for rehabilitation.

And so the road was paved for the birth of numerous prison industries systems, including the Contract System, Lease System, and Piece-Price System.

- Under the *Contract System*: prison officials solicited bids from private employers to hire inmate labor services, to be performed within prison confines, with prison officials retaining control over security and sustenance.

The contractor sold the finished goods in the open market, and the state received a fixed fee per prisoner, per day.

- Under the *Lease System*: private employers essentially maintained control over all aspects of prison life, including security and living conditions. Work was typically performed outside the prison confines on farms, construction sites, railroads, mines, etc. Although labor leases with railroads were not lucrative, given on-the-job accidents and escapes, other types of work such as mining and farming fared well.

- Under the *Piece-Price System*: the labor rate was based upon the number of finished goods completed by the inmate, and daily minimum quantities were established by prison officials.

As one might surmise, the advent of these systems bred abuses from the inside-out. While prison factories cranked out cheaply made goods, inmates worked under slave labor conditions, and profit-hungry entrepreneurs benefitted from inmate resources, thereby undercutting free labor and private business.

Eventually, private business owners allied with social reformers and loudly criticized enterprises engaged in any form of prison labor. The culmination of their allegations of abuse and escalating complaints of unfair competition led to numerous prison reform actions by the close of the 19th century.

The Advent of the Federal Prison System

Ultimately, given the ongoing controversy over the exploitation of prison labor, Congress voted to establish a separate federal prison system in 1891.

The *Three Prisons Act of 1891* was the seed from which Federal Prison Industries would germinate. The Act led to the establishment of our Nation's first federal penitentiary in 1895, at the site of an old army prison in Leavenworth, Kansas. The second institution opened in Atlanta, Georgia, in 1902, followed by a third penitentiary situated on McNeil Island in Puget Sound, Washington. Two of these three original prisons remain active within the federal system to this day — Leavenworth and Atlanta — and, in fact, USP Atlanta is one of our largest federal institutions, with a capacity of 3,000 inmates.

Inmates at Fort Leavenworth begin work on the foundation for the new U.S. Penitentiary in 1902.

From 1929 through the 1940s, a series of laws limiting the shipment of prison-made goods presented new challenges in providing productive inmate employment. Of note were:

- the *Hawes-Cooper Act of 1929*: which rendered prison-made goods shipped outside the state subject to the laws of the destination state;
- the *Ashurst-Sumners Act of 1935*: which made it a federal offense to ship inmate-produced goods to states where their laws prohibited receipt, sale or use;

- the *Walsh-Healy Act of 1936*: which banned inmate labor associated with federal procurement contracts in the manufacture, production or furnishing of any materials, supplies, articles or equipment used in government contracts exceeding $10,000;
- the *Sumners-Ashurst Act of 1940*: which made it a federal crime to knowingly transport prison-made goods in interstate commerce for private use, regardless of prevailing laws in those states.

Even as far back as the early 1900s, prison industrial programs were perceived as a threat to labor unions and business. But the newly created Federal Bureau of Prisons, established in 1930 as a component of the Department of Justice, recognized the vital position such programs could fill in achieving its reformations goals.

Sanford Bates, first Director of the BOP, served as President (Chairman) of FPI from 1934 until 1972.

The Vision, Perseverance and Tenacity of FPI's Founders

Among the Bureau of Prisons' key objectives was a provision to ensure more progressive, humane care for federal inmates. In recognition of the role prison industry programs could serve in achieving the Bureau's reformation goals, its Director, Sanford Bates, together with Assistant Director, James V. Bennett, implemented a wide range of reforms, including a new prison industrial structure to address inmate idleness.

The Bates/Bennett team attributed the outbreak of prison disturbances in the 1930s to a lack of meaningful work programs. They embarked on a mission of corrective action, modeling their program after the "State Use" system so as to minimize interference with private industry.

James Bennett helped draft the legislation that established FPI, and became its first Assistant Director.

They planned that products would be sold exclusively to the Federal Government, and a Board of five Directors representing outside interests, constituents, and the Attorney General, would balance and anchor the program's correctional mandates and minimize private industry impact.

As carefully crafted as the program's mission and legislation were, there was no shortage of staunch

Alderson Warden Mary Belle Harris, the first female warden in the BOP, poses with Eleanor Roosevelt during a tour of the institution.

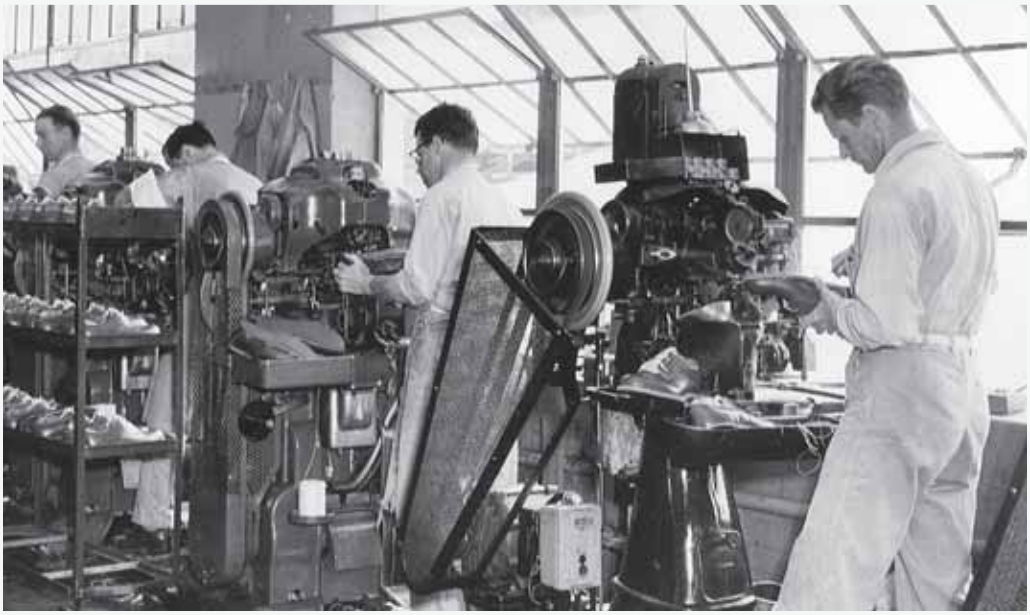
outside opposition. But, thanks to President Roosevelt's personal interest in resolving this issue, and his well-honed persuasive skills, he signed the law which authorized the establishment of Federal Prison Industries, Incorporated (FPI), June 23, 1934. This was followed by Executive Order 6917, issued December 11, 1934, which formally created FPI.

January 1, 1935, FPI officially began operations as a wholly-owned corporation of the United States Government. Industrial operations at that time consisted of a textile mill which produced cotton duck cloth, a shoe factory, as well as a broom and brush operation. By its second year, FPI had branched out into other manufacturing areas including mattress production, clothing, wood/metal furniture, and rubber mats. A woolen mill, foundry and brick plant were built, as well, and laundry operations were likewise established.

A Fast-Forward Glimpse

FPI is a true success story. It is a government program that has exceeded the expectations of its creators, operates at no cost to taxpayers, and benefits millions of constituents.

Today, FPI continues to embrace and build upon the ideals of its founders three quarters of a century ago, offering more than 175 diverse products and services, encompassing over 4 million square feet of manufacturing space, and providing a fresh start for nearly 22,000 dedicated, skilled, inmate workers who are building a brighter future.



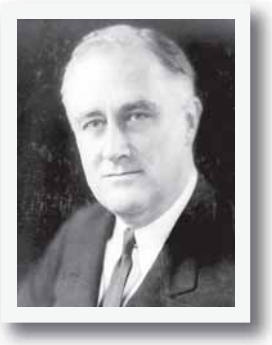
Inmates attach soles to the welting at an FPI shoe factory.

UNICOR in a Flash

75 Years of Changing Lives

THE EARLY YEARS

1934 – 1945



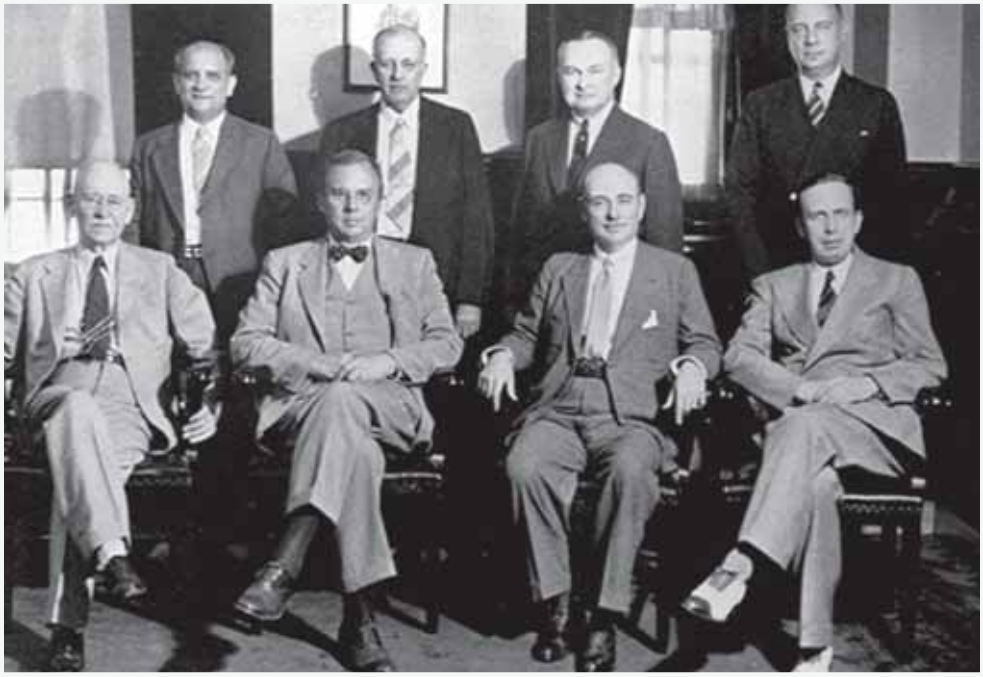
Franklin Delano Roosevelt

JUNE 23, 1934 — President Franklin D. Roosevelt signed into law the establishment of Federal Prison Industries, Incorporated (FPI). Subsequently, on December 11, 1934, his Executive Order 6917 formally created FPI as a wholly-owned corporation of the United States Government, to operate factories and employ inmates in America's federal prisons.

A five-member Board of Directors was established, comprised of representatives from business, labor, agriculture, consumer groups and the Federal Government, to uphold FPI's programmatic mission without placing undue hardship on any industry.

FPI's work programs were modeled after the "State Use" system so as not to negatively impact the private sector. This system prohibited the sale of prison-made goods to the public, and instead, restricted sales to the Federal Government market.

Early FPI Board members



Employee cars fill the parking lot at USP Leavenworth in the 1930s

In 1937, FPI realized nearly $570,000 in profits on gross sales of over $3.7 million; a particularly notable achievement obtained in a Depression year.

In the late 1930s, FPI established a fund to finance vocational training programs and job placement services. A job placement director coordinated FPI vocational training opportunities with the needs of outside industry.

FPI's growth was strictly controlled. The law, coupled with FPI's own regulations imposed severe competitive disadvantages, particularly during the Depression. The most notable competitive disadvantage was FPI's widespread product diversification.

By 1940, the number of inmate workers climbed to 3,400, which was 18% of the federal inmate population. FPI was well on its way to becoming a major corporation, whose growing inmate workforce was skilled in numerous trades and produced an impressive variety of goods. Revenues were also on the rise during this period.

An inmate stamps out machine parts during the subassembly process at the metals factory in Lewisburg.

FPI inmates at the Federal Reformatory in Chillicothe, OH attend Airplane Mechanics School in 1942.

On the eve of World War II, FPI was producing more than 70 categories of products at 25 separate shops and factories.

The factory at El Reno, OK supplies cargo nets to the military during WW II.

When the U.S. entered World War II in December, 1941, FPI was seven years old and well positioned to make a major contribution to the war effort. Working double and triple shifts, 95 percent of FPI's output was sold to the military.

Although incarcerated, federal inmates feel a sense of patriotism and have continually contributed to our successful war efforts.

FPI matured into a national asset, producing items such as bomb fins and casings, TNT cases, parachutes, cargo nets, wooden pallets, among other defense-related products which played an important role in helping win WW II.

FPI added welding, aircraft sheet metal work, shipbuilding crafts, auto/aviation mechanics, drafting and electrician training to its training programs.

Another way in which FPI contributed to the war effort was by training inmates to move directly into defense industries jobs, upon release from prison. Job placement centers were set up at several institutions which helped hundreds of inmates each year find employment.

DOWNTURNS AND NEW DIRECTIONS

1946 – 1962

A change in FPI's good fortune began, when World War II ended in 1945. The military cancelled millions of dollars in no longer needed FPI contracts. FPI was forced to cancel orders with its materials suppliers, and sales plummeted from over $17.5 million to less than $10.7 million in 1946.

After the war, FPI shifted its operations to civilian agencies including fabric production at this textile factory.

To offset the loss of military orders, FPI relied upon the healthy backlog of civilian agency orders which had built up during the War. New training programs were developed in radio communications, air conditioning, and refrigeration. Under a law passed in 1949, FPI assumed responsibility for operating factories at designated military prisons.

The Korean War, in 1950, generated renewed military business.

Inmates apply new rubber to tires as part of the reconditioning process at the FPI operation in Texarkana.

Radio operation and repair was an exciting new FPI training program in the post-war years.

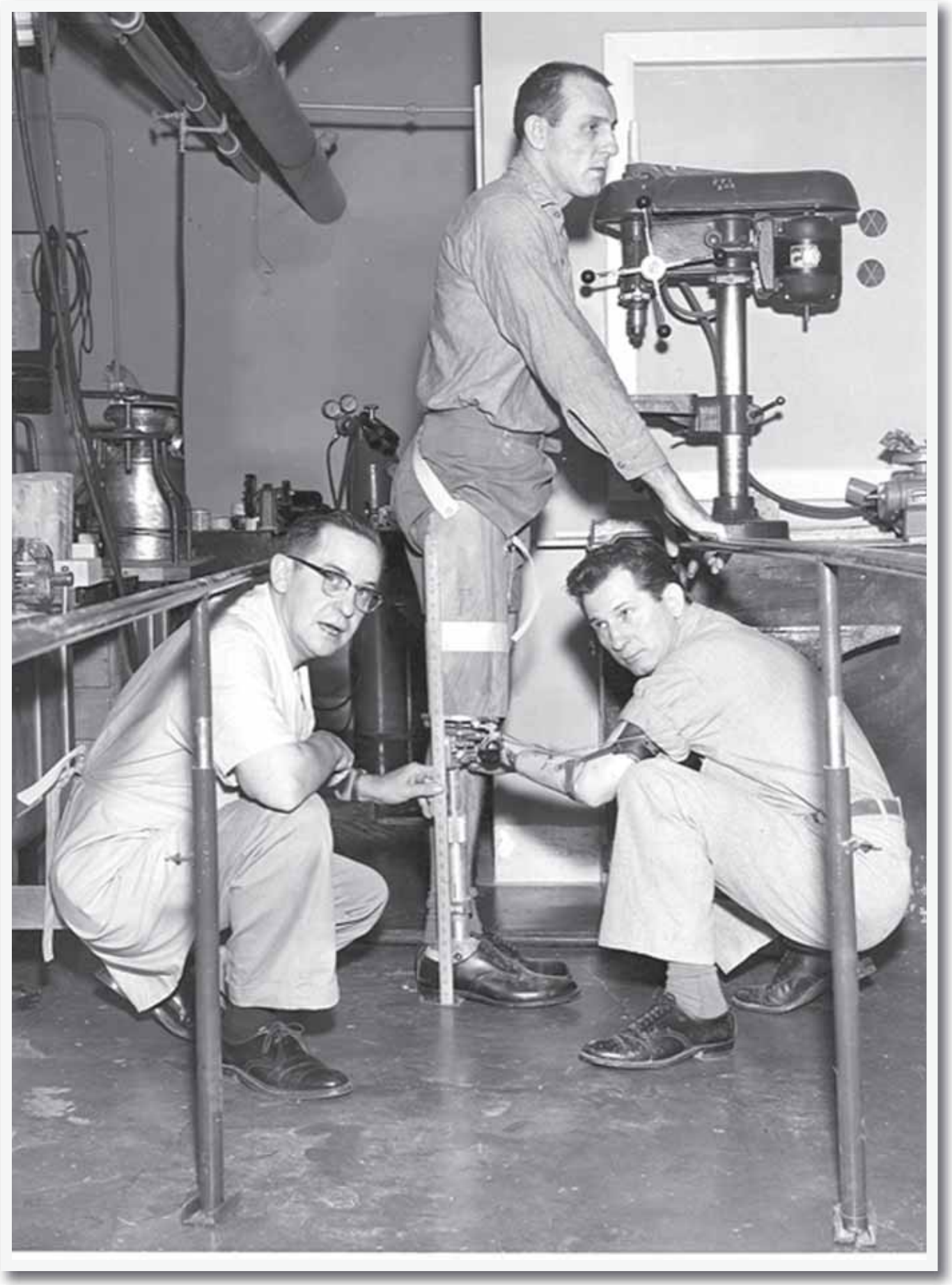
In 1952, FPI sales exceeded $29 million, and the number of inmates employed reached 3,800.

Following the Korean War, FPI re-tooled factories and renovated outdated equipment to produce new products in response to changing markets. FPI opened shops at Petersburg, Terminal Island, Terre Haute, and elsewhere, that specialized in the repair, refurbishment and reconditioning of furniture, office equipment, tires, and other government property.

Earning while learning: FPI inmates perform typewriter repair during the 1960s

FPI also introduced new vocational training programs to manufacture artificial limbs and dentures, and to perform hospital attendant work, and television repair.

1957 through 1960, FPI underwent a $5 million expansion program (financed through its sales revenues) to build and renovate its factories, vocational training buildings, warehouses, and other structures. This capital improvement program led to improved production and enhanced vocational training, characteristic of FPI during the 1960s.



THE REHABILITATIVE YEARS

1963 – 1976

Opposite page: An inmate is fitted with his newly manufactured prosthetic leg at the Medical Center in Springfield, MO.

Rehabilitation philosophy reached its zenith in the 1960s. The Medical Model — based on the theory that inmates' criminal tendencies could be diagnosed and treated in a manner similar to physical disease — resulted in FPI's gain of greater visibility and value.

FPI focused its efforts on developing industries which promised the greatest training potential. Included were expansion of its electronics lines such as cable assemblies at USP McNeil Island, industrial keypunch operations at FCI Terminal Island and FPC Alderson, a custom furniture factory at FPC Allenwood, and a plastics factory at USP Terre Haute. Outmoded industries, such as laundries, foundry operations and needle trades were scaled back.

FPI inmates work on keypunch data processing at the co-correctional facility in Terminal Island.

The Vietnam War led to a short-term spike in FPI's production and sales levels. By the late 1960s, military sales were offset by cutbacks in civilian agency orders, resulting in declining overall sales in 1969 and 1971. Sales further decreased at the close of the Vietnam War.

1974 marked FPI's organization into seven distinct divisions, each handling resource management, production and sales in a specific FPI industry: (1) Automated Data Processing; (2) Electronics; (3) Graphics; (4) Metals; (5) Shoe & Brush; (6) Textiles; and (7) Woods and Plastics. In tandem, regional marketing positions were established and, soon afterward, a program to improve product quality and acceptability.

By 1975, FPI increased sales through a greater emphasis on marketing and attention to customer service.

The Bureau shifted from the *Medical Model* to the *Balanced Model* of corrections. Rehabilitation was balanced against other correctional goals such as punishment, deterrence, and incapacitation. While rehabilitation ceased to be the primary objective, FPI's work and education programs continued to play a critical role under the new philosophy.

THE GROWTH YEARS

1977 – 1989

The marketing initiatives of the mid-to-late 1970s laid the groundwork for the next three decades, as FPI intensified it focus on customer satisfaction, and aligned the organization based upon modern business principles.

1977 marked the beginning of FPI's new "identity." A new corporate logo and trade name — UNICOR — were introduced. In addition, a Corporate Marketing Office was created to develop nationwide marketing strategies and programs.

UNICOR introduced new lines in stainless steel products, thermoplastics, printed circuits, modular furniture, ergonomic chairs, Kevlar-reinforced items (such as military helmets), and optics, in an effort to increase its competitive position.

State-of-the-art production techniques were embraced, including the use of modern printing equipment to automate the production of government forms. Such efforts led to improved product offerings which, in turn, created new inmate work opportunities to better prepare inmates for post-release employment.

A Beaumont inmate drills a Kevlar helmet to specification for hardware attachment.

In 1982, the BOP directed that inmates must demonstrate a 6th grade literacy level in order to advance beyond entry level pay status. In 1986, the literacy standard was increased to the 8th grade level, and in 1991, a high school diploma, or GED certification, became the requirement.

Surges in the Bureau's inmate population occurred in the 1980s, due to increased prosecution for drug crimes, longer sentences, elimination of parole, and increased responsibility for housing aliens awaiting deportation. In turn, FPI was driven to increase the number of inmates it employed and the number of factories it operated.

An inmate locks up the metal plate on a rotary letterpress at FCI Sandstone.

Material is cut for battle dress uniforms in support of Operation Desert Storm.

Many UNICOR factories were activated and expanded during the 1980s and 1990s. Administrative operations were streamlined, product divisions were reorganized, and strategic planning principles were introduced .

UNICOR believed that all of these proactive efforts, and more, were essential to retain a strong customer position. Between 1987 and 1990, UNICOR successfully increased production by 4%, even though federal procurement decreased by 40 % during the same period (in product lines offered by UNICOR).

UNICOR excelled as a reliable, quality supplier to the Federal Government, and received accolades for its superb support in providing our troops needed items during Operations Desert Shield and Desert Storm.

THE CUSTOMER OUTREACH YEARS

1990 – 2004

To attract new relationships and sustain its existing customer base, UNICOR launched a spirited marketing/customer service campaign. Total customer satisfaction was reinforced throughout the organization. Marketing centers were opened across the country, product distribution depots were established, a corporate-wide quality improvement campaign was conducted, and numerous marketing outreach campaigns were implemented.

Success breeds attention and criticism, and UNICOR's accomplishments generated controversy. At the heels of the economic recession, private business elements and labor renewed a very old concern: that prison industrial programs posed a threat to both free enterprise and jobs for law-abiding citizens.

More than a half-century later, UNICOR faced the same challenges as its founders!

Critics challenged UNICOR's mandatory source provision — a statutory requirement that federal agencies purchase from UNICOR if it could provide the desired products on time and at competitive prices. It was UNICOR's position that its mandatory source provision was necessary to offset several competitive disadvantages, such as its labor-intensive production environment, untrained/uneducated labor pool, security costs and production delays associated with prison operations and, of course, its restriction to a single customer.

By 1991, inmates were required to hold a high school diploma or GED in order to work in UNICOR.

Congress mandated that an independent market study be undertaken. One of the principal findings of the study, completed in 1991, was that UNICOR's impact on the private sector was negligible.

Another noteworthy study validated, conclusively, that UNICOR successfully achieved its mission of preparing inmates for release, and providing long term benefits to society. The Post-Release Employment Project (PREP) — a 7 year study conducted by the Bureau's Office of Research and Evaluation, compared post-release activities of a group of inmates who had participated in UNICOR programs, with those who had not.

The PREP study showed that the inmates who participated in UNICOR's industrial or educational programs were:

- less likely to incur misconduct reprimands, while incarcerated;
- more likely to find and keep full-time, better-paying jobs;
- less likely to commit crimes following release and
- 24 percent less likely to return to prison than inmates who did not take advantage of UNICOR work/study programs.

The *Customer Service Center*, established at FMC Lexington, KY, in 1994, streamlined and consolidated a number of UNICOR's central office operations. The Center centralized the corporation's order processing functions and provided a toll free, one-stop-shopping servicing hot-line, staffed by inmate tele-service agents, who fielded customers' questions regarding UNICOR orders, procedures and other general topics.

"Thank you for calling UNICOR"— The Lexington Customer Service Center fields an average of 200 customer calls per day.

Apart from providing customer added value, the Center minimized staff resources, while expanding the inmate labor pool and offering "real world" training opportunities.

In 1996, the Bureau's Inmate Placement Program (IPP), later referred to as the Inmate Transition Program (ITP) and *Federal Inmate Bonding* initiative, were introduced to provide added peace-of-mind and encouragement for companies to hire ex-felons. The ITP provides inmates instruction in resume writing, job search, and interview skills in a "mock job fair" environment in preparation for a successful transition back to their communities. This program provides hiring incentives for corporate recruiters from some of the Nation's largest, well-known corporations.

In 2000, the corporation was re-engineered from the "inside-out." Its old operating system was replaced by sophisticated manufacturing production software to support more than 3,000 users and 100 remote factory operations located country-wide.

Early website development.

The Internet dramatically changed the manner and speed in which the Federal Government handled business and, in response, FPI created an award-winning website for customers and prospects to browse through its diverse products and services, place on-line orders, check order status, locate and obtain sales support representatives, request waivers, and have their questions objectively answered. FPI was truly just a "click away."

Inmates test their interview skills during a mock Job Fair at FCI Seagoville.

Challenges from UNICOR's detractors continued throughout this period. In response, UNICOR's Board initiated several administrative measures, starting in 2003, to facilitate customer procurement and limit competition with the private sector and organized labor.

UNICOR's mandatory source was waived for micro-level purchases and under other identified conditions. The business practice commonly referred to as "pass-through" was eliminated (in which UNICOR would purchase finished goods from its private sector partners, if circumstances prevented UNICOR's ontime fulfillment of the customer's order).

These, and other Board initiatives, made it clear that the FPI program should move in the direction of operating with less reliance on the mandatory source. Coupled with various legislative efforts which modified the application of the mandatory source provision, UNICOR was steered further into a more competitive mode of operations.

UNICOR focused its attention on the Fleet Management and Vehicular Components, Recycling, and Services Business Groups. It explored providing services to commercial companies, domestically, that would otherwise be performed outside the United States.

SUSTAINING OUR FUTURE

2005 – 2009

After a three year decline, the number of inmates participating in the UNICOR program increased to 19,720 inmates in 2005; 18 percent of the work-eligible inmate population.

Responding to an urgent request from the Department of Homeland Security, FPI delivered more than 100 vehicles to assist with Hurricane Katrina Recovery efforts. The staff from FCI Bastrop drove the vehicles "convoy fashion" to the Gulf region, just days after the storm.

In response to an urgent request from the Department of Homeland Security, UNICOR's Fleet Management and Vehicular Components Business Group delivered more than 100 vehicles "convoy fashion" to the Gulf region, providing immediate assistance to law enforcement offices during the relief and recovery phases of Hurricanes Katrina and Rita.

Project Greenfed, a joint pilot project with the Arkansas Department of Environmental Quality (ADEQ) was launched, located at FCI Texarkana.

Over the past 5 years, UNICOR has recycled 185 million pounds of computers and electronic equipment

It offered Arkansas residents a cost-effective, expeditious, environmentally-sound and EPA-compliant process to recycle computer equipment. Residents were provided a toll-free number to request packaging materials, to return their unwanted equipment, which was picked up from the participant's home free of charge, and delivered to UNICOR's recycling operations.

UNICOR continued to rely less upon its mandatory source. Sales were driven by UNICOR's ability to successfully meet customer requirements. To this end, an unprecedented 99.7 percent of all waiver requests received, and 100 percent of all electronics and textiles-related waiver requests, were approved for private sector purchase.

UNICOR introduced its new branding initiative at the 2008 GSA Expo. Updated logos, displays and colors were unveiled by staff members in UNICOR shirts and ties. It was UNICOR's first major face lift since 1988.

In 2006, UNICOR activated new factories at eight locations: Hazelton, WVA; McCreary, KY; Canaan, PA; Williamsburg, SC; Victorville, CA; Coleman, FL; Herlong, CA; and Bennettsville, SC.

In preparation for the eventual end of the Iraq war, UNICOR began positioning itself for a post-war environment, by pursuing commercial services that would otherwise be performed outside the United States.

In 2007, UNICOR launched a corporate-wide branding initiative to "redefine" its program and make the connection between "what we do, and why we do it." Since then, UNICOR has continued its efforts to reinforce its pro-social value, which should encourage its constituencies to support the program, not just because it provides a quality, cost-competitive product, but because it's the "right thing to do."

During 2008, increased emphasis was placed upon release preparedness and community reentry, and as of the end of the year, 21,836 inmates worked in UNICOR programs.

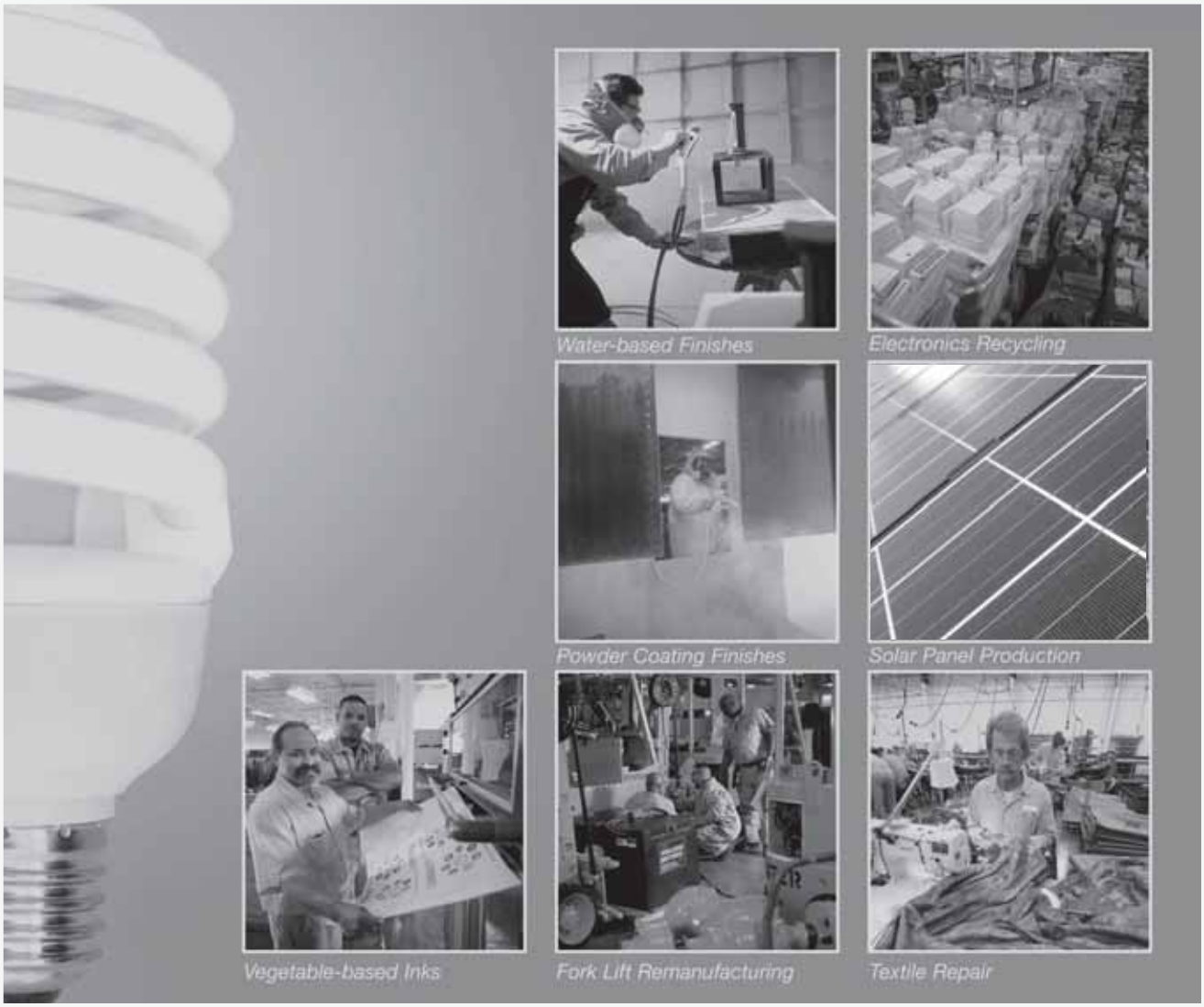
UNICOR embarked on a corporate-wide campaign to become a leader in eco-sensitive practices, and to set the standard for Government. To ensure that its commitment to green stays the course, a senior-level task force was formed to develop a five-year environmental plan, complete with measurable, corporate-wide objectives.

UNICOR adopted Lean Six Sigma (LSS) as its standard methodology for process improvement. In fact a new Corporate Improvement Branch was established in 2009, dedicated to positive organizational change, applying LSS methods. It is believed that this initiative will set the corporation on a solid course to become more profitable, realize improved production and delivery turnarounds, reduce inventories, and promote increased customer satisfaction.

A HISTORY YET TO BE

2009 – beyond

We believe that repatriating work currently performed outside the U.S. presents a potential growth opportunity for UNICOR. Obtaining such authority will infuse the UNICOR program with new inmate jobs without undue negative impact on the American worker.



Subdued reliance on the mandatory source, increased emphasis in services and other non-mandatory source areas, combined with ongoing research to discover new markets, will lead to additional meaningful work opportunities that will keep inmates constructively occupied during incarceration, and increase their prospects for success, upon release from prison.

Green thinking and practices will remain fully ingrained in our culture, and evident in all we do.

From our suppliers and the raw materials we purchase, to our production facilities, manufacturing processes, packaging, distribution and our end products, themselves — respect for the environment will remain an integral way in which we continue to do business, from the "inside-out."

Today's "survival of the fittest" business environment necessitates that we discover the key to earn our customers' continued support, despite the competition's lure. To this end, our marketing outreach efforts will be reinforced to ensure that we keep in step with customers' changing priorities.

We will continue to educate Federal Government agencies, customers, the private sector, and other constituents about the incredible investment UNICOR represents in all of our futures. Since 1934, UNICOR is one government program that has continued to work in every sense of the word, leading to residual, lasting benefits...

- a reduction in government spending;
- positive impact upon the U.S. economy;
- the viability and health of our communities;
- the safety and security of our Nation's corrections facilities; and
- a fresh start for a brighter future.

What better way to put federal procurement dollars to work!
UNICOR is life changing.

unicor
We're life changing.

Spread the Word

What everyone should know about us

We're a program, not a business. Although we produce products and perform services, the program's real output is inmates who are more likely to return to society as law-abiding taxpayers because of the job skills training and work experience received in UNICOR.

UNICOR has a positive impact on recidivism. Inmates who work in UNICOR are less likely to return to a life of crime after they are released. Research shows that inmates in UNICOR are 24% less likely to recidivate than their counterparts who did not participate in the program. Working in UNICOR has an even greater positive impact on minority offenders who are at the greatest statistical risk of recidivism.

UNICOR has a positive impact on employment success. Research shows that inmates in the program are 14% more likely to find and maintain a job than those without UNICOR experience.

UNICOR provides a program of constructive industrial work, providing sound job skills and positive work habits to inmates.

Inmates gain work skills and experience in UNICOR. Many of them have never before held a job. FPI teaches a basic work ethic. In addition to working on the factory floor, inmates also acquire computer and business skills working in the business office.

UNICOR operates at no cost to taxpayers, is entirely self sustaining, and receives no appropriated funds from Congress.

Each year, UNICOR inmates contribute almost $3 million of their earnings toward meeting financial obligations (court-ordered fines, child support, and/or victim restitution). Many also contribute toward family support and welfare by sending home a portion of their earnings.

UNICOR supports private vendors, especially small business. In 2008, 80% of its revenues was directed to the private sector in purchases of raw materials, supplies, equipment and services. And, traditionally, small business procurement (businesses owned by women, minorities, and those who are disadvantaged) have accounted for more than 60% of UNICOR purchases — nearly three times the SBA goal for federal agencies.

UNICOR is a critical correctional program within the Bureau of Prisons, serving as an essential correctional management tool. It provides constructive job skills training and work experience, which eliminates inmate idleness and greatly assists in the safe and efficient operation of the institution. Inmates in UNICOR are less likely to be involved in misconduct while incarcerated.

UNICOR "walks the talk" in green manufacturing. It is committed to a corporate-wide effort to be a leader in eco-sensitive manufacturing, from the finishes, fabrics and materials used, to the refurbishment, re-manufacture, and recycling operations that are in place among its core products and services.

Organizationally Speaking

UNICOR's Diverse Components

THE UNICOR BUSINESS GROUPS

The Clothing and Textiles Group (CTG) provides a wide range of products, the majority of which are procured from a distinct cadre of customers on a contractual basis. Individual orders can likewise be placed through the CTG's on-line store. Items include military clothing such as army combat uniforms, physical fitness apparel, shirts and cold weather gear. In addition, specialty bags (for helmets, tools and the United States Postal Service), body armor, gloves, household items (mattresses, towels, linens, custom drapes, bedspreads), as well as screen printing, embroidery services and textile repair services are offered.

The Electronics Business Group (EBG) is heavily relied upon by the Nation's military to provide cost-effective, precision manufacturing. Product lines include cable assemblies and wire harnesses, circuit boards, electrical components and connectors, lighting and power distribution, fiber optics, communications and plastics/molding technologies and, more recently, solar panel manufacturing.

The Fleet Solutions Group (FSG) provides a complete range of fleet modernization and remanufacturing programs including tactical vehicle and vehicular components manufacturing (RESET/RECAP), retrofitting and conversion services, as well as fleet asset services.

The Industrial Products Group (IPG) offers a diverse range of products which include agency seals, traffic /architectural signs, vehicle tags, name plates/tags, filtration services, and lockers, pallet racking and catwalks, prescription and safety eyewear, security fencing, as well as a wide variety of recognition and promotional products.

The Office Furniture Group (OFG) offers a full spectrum of products to furnish virtually any environment, from reception/lounge areas, dormitory settings and medical offices, to executive suites. Product lines include systems/modular workstations, wood case goods, file and storage offerings, office accessories, and seating appropriate for all venues. And all OFG factories have achieved ISO 9001:2000 certification.

The Recycling Business Group (RBG) offers electronics recycling which meets all federal, state and local requirements. If an item cannot be reused, it is broken down into recyclable component parts. The RBG is ISO 9001:2000 certified by the International Standards Organization. Currently, eight processing centers and six collection sites are located throughout the country, and during Fiscal Year 2008, the RBG processed more than 37 million pounds of obsolete and excess electronics from both the private and public sectors which saved precious landfill space.

The Services Business Group (SBG) offers a full range of services which include data and document conversion, digitizing, electronic imaging, printing and bindery, contact center/help desk support, forward/reverse logistics, as well as warehousing and distribution.

UNICOR ADMINISTRATION AND OPERATIONS

Corporate Management ensures the successful oversight and administration of the UNICOR program. It coordinates a wide variety of field and central office operations including the strategic management process, various personnel-related functions, policy oversight, legislative compliance, as well as congressional communications and reporting.

The Continuous Improvement Branch (CIB) created in 2008, is the most recent addition to UNICOR. CIB is responsible for championing positive change by applying Lean Six Sigma methods which will drive the corporation towards becoming more profitable, efficient and customer-focused.

The Financial Management Branch (FMB) ensures financial data integrity for the corporation, as a whole. It provides relevant, timely and accurate financial reporting and guidance to Corporate Management and UNICOR's Board of Directors to assist them in making informed financial decisions and cost-effective planning for the organization.

The Interagency Solutions and Procurement Branch (ISPB) provides contractual oversight for UNICOR's central office components and assists the business groups with various contractual matters, as required. In addition, this branch provides and facilitates contractual services for other government agencies in support of UNICOR's mission.

The Management Information Systems Branch (MISB) provides computer infrastructure support for UNICOR's field facilities and central office. MISB facilitates access to enterprise resource planning systems, financial management systems, and all aspects of our manufacturing processes through Systems Applications Products in Data Processing (SAP).

The Strategic Business Development & Marketing Branch (SBDM) is responsible for planning, research, market/economic analyses, external communications, corporate-level marketing, constituent relations, and customer service for the corporation.

Market analysis activities include preparation of Market Share and Sales Reports, oversight of the industry "guidelines" process for new products, economic impact studies and responding to external requests for information.

SBDM's *corporate marketing and communications* functions include traditional market development efforts to promote UNICOR's image and tell its "story" to a diverse customer and constituent base. They include trade shows and special events, publications including the corporation's Annual Report, advertising and promotional efforts, customer training and outreach. Oversight and maintenance of UNICOR's web site and on-line stores are also handled within the SBDM.

SBDM also oversees *The Customer Service Center*, launched in 1994. Located at FMC Lexington, KY, it serves as the primary liaison between UNICOR factories nationwide, and thousands of current and potential customers. Inmate tele-service agents field general customer inquiries through the Center's toll-free hotline. Order processing functions, including assignment to the appropriate manufacturing locations for production, are also performed.

Visit our website at unicor.gov for more information.

Oversight Through the Years

BOP Directors
1930 – 2009

Sanford Bates
1930-1937

James V. Bennett
1937-1964

Myrl E. Alexander
1964-1970

Norman A. Carlson
1970-1987

J. Michael Quinlan
1987-1992

Kathleen M. Hawk-Sawyer
1992-2003

Harley G. Lappin
2003-Present

Assistant Directors for Industries
1930 – 2009

James V. Bennett
1934-1937

A.H. Conner
1938-1960

Fred T. Wilkinson
1960-1961

Preston G. Smith
1961-1965

T. Wade Markley
1965-1966

Olin C. Minton
1967-1969

J.T. Willingham
1969-1971

John J. Clark
1971-1972

Loy S. Hayes
1972-1973

David C. Jelinek
1974-1979

Gerald Farkas
1979-1989

Richard Seiter
1989-1993

Steve Schwalb
1993-2007

Paul M. Laird
2007-Present

FPI Board Members
1934 – 2009

Original Members Appointed by President Roosevelt:

Sanford Bates
1934-1972

Dr. Marion L. Brittain
1934-1952

Sam A. Lewisohn
1934-1951

Thomas A. Rickert
1934-1941

Judge John B. Miller
1934-1937

Representing the Attorney General

Sanford Bates
1934-1972

Peter B. Bensinger
1974-1984

Richard Abell
1985-1990

Shirley D. Peterson
1991-1992

Harry H. Flickinger
1992-1992

Stephen R. Colgate
1994-2001

Dr. Paul R. Corts
2003-2006

Lee J. Lofthus
2007-present

Representing Agriculture

Judge John B. Miller
1934-1937

Emil Schram
1938-1966

Dr. William E. Morgan
1966-1996

Arthur H. White
1997-2002

David D. Spears
2002-present

Representing the Secretary of Defense

E. Earle Rives
1949-1953

Frank A. Reid
1953-1959

John Marshall Briley
1960-1988

Robert Q. Millan
1989-1996

Todd A. Weiler
1996-1999

Deidre A. Lee
2000-2001

Diane K. Morales
2002-2004

P. Jackson Bell
2007-2009

Representing Industry

Dr. Marion L. Brittain
1934-1951

Berry N. Beaman
1954-1976

Daryl F. Grisham
1979-1982

Paul T. Shirley
1982-1990

Mark J. D'Aarcangelo
1991-1995
Susan A. Loewenberg
1995-2002

Donald R. Elliott
2002-present

Representing Retailers & Consumers

Sam A. Lewisohn
1934-1951

James L. Palmer
1951-1976

Monica Herrera Smith
1979-1984

Donald A. Schwartz
1985-1992

Thomas N. Tripp
1993-1994

Joseph M. Aragon
1994-2002

Audrey J. Roberts
2002-present

Representing Labor

Thomas A. Rickert
1934-1941

Robet J. Watt
1943-1947

George Meany
1947-1979

Lane Kirkland
1980-1988

Kenneth Young
1994-1995

Richard G. Womack
1996-2002

Kenneth R. Rocks
2002-2005

Franklin G. Gale
2007-present

As a Matter of Fact...

Some little-known facts of interest from UNICOR's past and present

December 27, 1934
The first FPI Board of Directors meeting was held.

A Boy Scout Tour
When touring a Minnesota prison with his Boy Scout troop, long time champion of UNICOR, Chief Justice Warren Burger first became interested in prison industries as a child.

4 Million Square Feet
UNICOR's expanse of manufacturing and services facilities.

700
The number of mock job fairs held, to date, in more than 100 prisons.

$900,000
Inmate scholarship funds awarded since 2000.

32.5 Million Tons
Scrap kept from America's landfills thanks to UNICOR's "green" practices.

8
The number of UNICOR logos used to identify UNICOR, to date.

75 YEARS OF CHANGING LIVES

Acknowledgements

Thank you!

Our 75th Anniversary edition, "Factories with Fences: 75 Years of Changing Lives," was made possible thanks to the research, planning, creative writing and design efforts of many.

Sincere appreciation goes to Bureau of Prisons Archivist, Anne Diestel, for her invaluable assistance in providing the many wonderful, historic photos shown throughout this edition.

Special kudos go the UNICOR Strategic Business Development and Marketing team of Jan Hynson, Mark Miller and Jim Wishart, who breathed new dimension and life into the wonderful original 1996 edition of "Factories With Fences," rendering it up to date at the perfect time to commemorate UNICOR's 75th Anniversary.

Finally, we thank and acknowledge UNICOR's Print Plant at FCC Petersburg, VA, for its expertise in printing this publication.

References

First and foremost, "Factories With Fences: The History of Federal Prison Industries;" 1996

Photos courtesy of Bureau of Prisons Archives; Information, Policy and Public Affairs Division; UNICOR Strategic Business Development and Marketing Resource Center

"Prison and Jail Administration; Practice and Theory" (2nd edition; History of Corrections; Prison Work and Industry sections)

"When Prisoners Come Home: Parole and Prisoner Reentry" (page 93; Chief Justice Warren E. Burger quote)

FPI 2007 and 2008 Annual Reports (excerpted for historical updates)

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