Prison industries work programs have withstood the challenges of time. 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, and stigma associated with the value of inmate-produced goods, prison industry work programs have endured.
Factories with Fences – 85 YEARS BUILDING BRIGHTER FUTURES

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Inmates report to 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.

His campaign to educate the public gained support and sentiment for prison industry programs. Being attuned to private sector business and industry interests, Chief Justice Burger was particularly sensitive about the need to achieve balance between outside interests and correctional goals. He 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
1907 – 1995

* Quoted from J. Petersilia’s “When Prisoners Come Home: Parole and Prisoner Reentry”; page 93
The mission of Federal Prison Industries, Inc. (FPI) is to protect society and reduce crime by providing inmates with job training and practical work skills for reentry success.
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.

The combined options afforded by these 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, the Prison Industries program 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.
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, (FPI). This wholly-owned government corporation was designed so it would not interfere significantly with private industry and involve minimal 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.
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 providing 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.
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.

Unfortunately, like its predecessor, overcrowding and conflicts led 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 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 the norm. 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 also 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.
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.

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

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 reformation goals.

**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 industrial 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.

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 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 textiles 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

UNICOR ‘works’ in every sense of the word. Social responsibility is the underpinning that drives not only what we do, but why we do it.

Today, FPI continues to embrace and build upon the ideals of its founders more than three quarters of a century ago, offering well over 100 diverse products and services, encompassing over 4 million square feet of manufacturing space, and providing a fresh start for nearly 18,000 dedicated, skilled inmate workers annually, who are building a brighter future.
We invest in people. UNICOR provides job and life skills training, along with work experience, to improve offenders’ prospects of securing meaningful post-release employment and becoming contributing members of society. UNICOR helps keep America safe, reduces public assistance costs, and compensates victims of crime. It supports local and small businesses through its purchases of raw materials, promotes the viability and health of our communities, and provides the added benefit of changing lives.

UNICOR in a Flash
85 YEARS BUILDING BRIGHTER FUTURES

The Early Years
1934 – 1945

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.
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.

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

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 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. In turn, 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.

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.
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 established operations 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.

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 efficiencies and enhanced vocational training programs, characteristic of FPI during the 1960s.
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.

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 its 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 seating, items for the military, 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 them for post-release employment.

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

Testing circuit boards and cables at FCI Phoenix.
it employed and the number of factories it operated.

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.

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.
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), and UNICOR’s Federal Inmate Bonding initiative were introduced to provide added peace-of-mind and encouragement for companies to hire ex-felons. Inmates receive 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.

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.

The Internet dramatically changed the manner and speed in which federal agencies 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.”

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. The Board also eliminated the business practice commonly referred to as “pass-through,” whereby UNICOR purchased finished goods from its private sector partners, if circumstances prevented its timely fulfillment of the customer’s order.
These, and other Board initiatives, made it clear that the FPI program should move in the direction of relying less upon its mandatory source to sustain operations. 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.

The Years Of Redefining UNICOR
2005 – 2010

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.

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.

Responding to an urgent request from the Department of Homeland Security, FCI Bastrop delivered more than 100 vehicles to assist with Hurricane Katrina Recovery efforts, just days after the storm.
Project Greenfed, a joint pilot project with the Arkansas Department of Environmental Quality (ADEQ), was launched, located at FCI Texarkana. 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’s new logo drew interest and helped spread the word of its life-changing mission at trade shows and events, nation wide. It was UNICOR’s first major face lift since 1988.

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.

In 2006, UNICOR activated new factories at eight locations: Hazelton, WV; 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.

In 2007, UNICOR launched a corporate-wide branding initiative to “redefine” its program and convey the connection between “what we do, and why we do it.” Since then, UNICOR has continued its efforts to reinforce its pro-social value to encourage stakeholders to support the program, not just because it provides quality, cost-competitive products and services, 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 adopted Lean Six Sigma (LSS) as its standard methodology for operations process improvement. A new Quality Improvement Branch was established in 2009, dedicated to positive organizational change, applying LSS methods. This initiative set the corporation on a solid course to become more profitable, realize improved production and delivery turnarounds, reduce inventories, and to promote increased customer satisfaction.
BUILDING A SOLID FUTURE
2011 – TODAY

UNICOR embarked on a corporate-wide campaign to become a leader in eco-sensitive practices, and to set the standard for the federal government. A senior-level task force was formed to develop a five-year environmental plan, complete with measurable, corporate-wide objectives. Solar panel component production was initiated.

The Consolidation and Further Continuing Appropriations Act of 2012 opened the door for greater private sector collaboration. UNICOR received legislative authority to work with private sector companies to manufacture and sell products in the commercial market, provided certain eligibility requirements are met.

Repatriation authority was granted to participate in pilot projects (with prior Board approval) in the commercial sector, so long as the products are currently, or would otherwise be, produced and/or assembled outside the United States. About 800 inmates have since participated in repatriated business projects.

Authority to participate in the Prison Industry Enhancement Certification Program (PIECP) was also granted by Congress. These new authorities are expected to enhance UNICOR’s value within the commercial marketplace and lead to additional inmate job opportunities in support of its mission. To date, approximately 150 inmates have participated in PIECP operations.

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 viable work opportunities that will keep inmates constructively occupied during incarceration, and increase their prospects for success, upon release from prison.

Green thinking and practices remain fully ingrained in our culture, and continue to be 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, respect for the environment remains an integral way in which we continue to do business, from the “inside-out.”

In 2015, UNICOR assumed responsibility for the Bureau’s Agribusiness operations at FCI El Reno, OK and FCC Lompoc, CA. Together, they employ approximately 140 inmates who handle more than 1,500 head of dairy cattle, 1,800 head of beef cattle, and produce 34,000 gallons of milk, weekly.
In 2016, certification programs were introduced to provide inmates the opportunity to earn nationally recognized certificates including (1) Certified Quality Improvement Associate; American Society of Quality, (2) Certified SAP Technician, and (3) Commercial Drivers’ License, among others. Participation in these programs requires extensive on-the-job training supplemented by classroom instruction under the supervision of experienced workers. These and other certifications to follow will help minimize job qualification barriers and significantly improve employment outcomes for returning citizens.

Fiscal Year 2017 was one of unprecedented accomplishment, with earnings of $17M; UNICOR’s first profitable year in eight years.

Today, approximately 18,000 men and women participate in the UNICOR program annually, with as many as 8,000 waitlisted and anxiously looking forward to their own opportunity to gain valued job training. UNICOR workers receive job training in factories, warehouses, call centers and offices that closely resemble “outside” work environments. And acquiring transferrable skills and work experience will improve their prospects for reentry success.

Today’s “survival of the fittest” business environment necessitates that we discover the key to earn our customers’ continued support, despite the competition. To this end, our marketing outreach efforts are focused on keeping pace with customers’ changing priorities.

We continue to educate federal agencies, customers, the private sector, and other stakeholders of the incredible investment UNICOR represents in all of our futures, through procurement training workshops. To date, we have reached out to more than 10,000 contracting officials in 20 federal agencies, as well as 5 colleges and universities.

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, as we celebrate 85 Years Building Brighter Futures!**
Spread the Word

What everyone should know about us

We’re a government program that functions much like a commercial 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 approximately $1 million in combined 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 the private sector, especially small business. In 2017, more than 50% of its revenue was directed to the private sector to purchase 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 half of UNICOR purchases — well above the Small Business Administration (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 its refurbishment, re-manufacturing, and recycling operations in support of the federal government’s Green Purchasing Initiative.
The UNICOR Business Groups

The Clothing and Textiles Group (CTG) offers a wide variety of items primarily geared toward its military, law enforcement and government customers. It produces military clothing such as army combat uniforms, physical fitness apparel, shirts, cold weather gear, body armor, gloves, screen printing, embroidery, and household items such as mattresses, towels, custom draperies, bedspreads and linens. Recognized for its quality operations, CTG has enjoyed numerous business relationships with industry leaders, and offers attractive reshoring solutions to companies that would otherwise have non-domestic operations.

The Electronics Business Group (EBG) is relied upon by the nation’s military to provide cost-effective, precision manufacturing. Product lines include custom and standard cable assemblies and wire harnesses to meet the most demanding specifications. EBG specializes in producing top quality electronics items where reliability is essential and the manufacturing process is not easily automated. Its in-house braiding technology engages multiple, high strand conductors with numerous twist configurations and shields of various construction. EBG is skilled at working with a wide range of conductor alloys, gauges, insulation and jacket components.

The Fleet Business Group (FBG) 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 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 configured/modular
systems, wood/laminate office furniture, fixed/freestanding workstations, the latest “sit/stand” desk solutions, filing and storage systems, office accessories, pallet racking, and seating appropriate for all venues. OFG has its own Product Development Center to ensure its offerings are market-priced, performance/quality tested, and manufactured in accordance with ANSI/BIFMA industry standards.

The Recycling Business Group (RBG) offers electronics recycling that meets all federal, state and local requirements. Operations are R2:2013 certified, in compliance with safe, environmentally-sound practices, policies and standards. If an item cannot be reused, it is broken down into recyclable components and sold to wholesalers. RBG facilities are ISO 9001:2015 certified by the International Standards Organization. RBG’s full service recycling program is an integral part of a national E-scrap solution. Its commitment to the environment extends to its vendors who are required to sign no-landfill certificates, follow a restrictive export policy, and agree to site inspections. RBG accepts items from federal agencies, local governments, non-profits, as well as private citizens.

The Services and Interagency Solutions Group (SBG) (IAS) offers a highly diverse range of services which includes data and document conversion, computer assisted design (CAD), digitized/electronic three dimensional imaging, printing and bindery, contact center/help desk support, forward/reverse logistics, as well as warehousing and distribution. With exception of signage products and air filtration items, SBG’s services are not subject to UNICOR’s mandatory source provision. Interagency Solutions (IAS) provides and facilitates contractual services for other government agencies in support of UNICOR’s mission.

The Agribusiness Group (ABG) is the newest of UNICOR’s Business Groups. It includes two operations – beef cattle and dairy – located at FCC Lompoc, CA and FCI El Reno, OK.
UNICOR Administration and Operations

**Corporate Management** is comprised of the organization’s Leadership Team that ensures the successful oversight and administration of all facets of UNICOR’s program and business strategy. 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, reporting and other matters of impact to the corporation.

**The Quality/Continuous Improvement Branch (QCIB)** is responsible for developing and supporting a customer-centered corporate culture focused on meeting UNICOR’s diverse stakeholders’ expectations each and every time through quality, speed, a reduction in defects and consistent end-product outcomes.

**The Financial Management Branch (FMB)** ensures financial data integrity for the corporation. It provides relevant, timely and accurate financial reporting and guidance to the organization’s Corporate Leadership and UNICOR’s Board of Directors to assist them in making informed financial decisions and cost-effective planning for the organization. FMB has oversight responsibility for the Customer Service Center (CSC), which serves as the primary communications network for its thousands of customers through a toll-free “hot line.” Order and waiver processing functions are likewise performed at the CSC.

**The Procurement Branch** purchases raw materials, supplies, services and construction in support of UNICOR’s factories located in BOP facilities, nationwide. Its core purpose is to provide procurement guidance and expertise in line with the organization’s business strategies and mission. Above all, its contracting officials strive to meet customers’ needs with integrity, sound business practices, and with adherence to federal laws and regulations.

**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 UNICOR manufacturing processes through Systems Applications Products
in Data Processing (SAP). This includes programming for UNICOR’s website (unicor.gov) which facilitates on-line order placement, among other transactions. MISB’s tested technology and security measures ensure that all systems remain safe and secure from potential cyber attacks.

The Corporate Communications and Support Branch (CCS) provides oversight on legislative matters impacting UNICOR, as well as corporate marketing and communications functions which include marketing development efforts to promote UNICOR’s mission, branding, and messaging to tell its “story” to a diverse stakeholder base. Outreach efforts include trade shows and special events, publications (including the corporation’s Annual Report), advertising and promotional efforts, and customer communications. Oversight and content development for UNICOR’s website and on-line stores are also handled within the CCS.

CCS also performs extensive administrative, research and analyses to identify potential new markets, and to fulfill congressionally-mandated reporting requirements. In addition, the CCS responds to inmate grievances, and coordinates the statutory Industry Involvement Guidelines process, and ensures all manner of compliance requirements relative to UNICOR’s Schedule of Products and other pilot projects.

The Legal Department provides comprehensive legal assistance to the corporation which includes the development and review of contracts, guidance on new business opportunities, Freedom of Information Act (FOIA) inquiry responses, and UNICOR representation relative to GAO protests. The Legal Department also collaborates with the Bureau of Prisons and Department of Justice in litigation matters.

The New Business Development Branch (NBD) develops business plans, sales strategies and lead generation to enhance UNICOR’s bottom-line, profitability and growth in line with the organization’s mission, vision and values.

Visit our website at unicor.gov for more information.
## Oversight Through the Years

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<tr>
<th>BOP Directors 1930 – 2018</th>
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<tr>
<td>Sanford Bates 1930 – 1937</td>
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<td>James V. Bennett 1937 – 1964</td>
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<td>Myrl E. Alexander 1964 – 1970</td>
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<td>Norman A. Carlson 1970 – 1987</td>
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<td>Kathleen M. Hawk-Sawyer 1992 – 2003</td>
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<td>Harley G. Lappin 2003 – 2011</td>
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<td>Charles Samuels, Jr. 2011 – 2016</td>
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<td>Mark S. Inch 2017 – 2018</td>
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<td>Hugh J. Hurwitz (Acting Director) 2018 – Present</td>
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<th>Assistant Directors For Industries 1930 – 2018</th>
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<tr>
<td>James V. Bennett 1934 – 1937</td>
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<tr>
<td>A.H. Conner 1938 – 1960</td>
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<td>Fred T. Wilkinson 1960 – 1961</td>
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<td>Preston G. Smith 1961 – 1965</td>
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<td>T. Wade Markley 1965 – 1966</td>
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<td>J.T. Willingham 1969 – 1971</td>
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<td>John J. Clark 1971 – 1972</td>
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<td>Loy S. Hayes 1972 – 1973</td>
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<td>David C. Jelinek 1974 – 1979</td>
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<td>Gerald Farkas 1979 – 1989</td>
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<td>Richard Seiter 1989 – 1993</td>
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<td>Steve Swaiba 1993 – 2007</td>
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<td>Paul M. Laird 2007 – 2012</td>
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<td>Mary M. Mitchell 2012 – 2016</td>
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<td>Gary Simpson 2016 – 2018</td>
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<td>Patrick T. O’Connor 2018 – Present</td>
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<th>FPI Board Members 1934 – 2018</th>
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<tr>
<td>Original Members Appointed by President Roosevelt</td>
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<tr>
<td>Sanford Bates 1934 – 1972</td>
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<td>Dr. Marion L. Brittain 1934 – 1952</td>
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<tr>
<td>Sam A. Lewisohn 1934 – 1951</td>
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<td>Thomas A. Rickert 1934 – 1937</td>
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<td>Judge John B. Miller 1934 – 1937</td>
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### Representing the Attorney General 1934 – 2018
- Sanford Bates 1934 – 1972
- Peter B. Bensinger 1974 – 1984
- Dr. Paul R. Corts 2003 – 2006
- Lee J. Lothhus 2007 – Present

### Representing Agriculture 1934 – 1937
- 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 1934 – 2018
- E. Earle Rives 1949 – 1953
- Frank A. Reid 1953 – 1959
- Todd A. Weiler 1996 – 1999
- Deidre A. Lee 2000 – 2001
- Diane K. Morales 2002 – 2004
- P. Jackson Bell 2007 – 2009
- Dee Reardon 2017 – Present

### Representing Retailers and Consumers 1934 – 2018
- 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 1934 – 2018
- Thomas A. Rickert 1934 – 1941
- Robert J. Watt 1943 – 1947
- George Meany 1947 – 1979
- Lane Kirkland 1980 – 1988
- Kenneth Young 1994 – 1995
- Franklin G. Gale 2007 – 2018
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 nationwide expanse of available manufacturing and services facilities.

$0
Taxpayer dollars received for its operations. UNICOR is self-sustaining!

40,000
Approximate number of federal offenders returning to our communities, annually.

7 percent
Veterans comprising UNICOR’s inmate work force.

136.3 Million Tons
Scrap, to date, kept from America’s landfills thanks to UNICOR’s “green” practices.

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

Thank you!

Our 85th Anniversary edition, “Factories with Fences” was made possible thanks to the research, planning, creative writing and design efforts of many over several years.

Special kudos go UNICOR’s 85th Anniversary team which 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 85th Anniversary.

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

References


Historical photos courtesy of Bureau of Prisons Archives; Information, Policy and Public Affairs Division. Other photos from UNICOR Corporate Communications and Support Branch

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

FPI 2007, 2008, 2009 and 2017 Annual Reports (excerpted for historical updates)