

July 7, 2004, 118 Stat. 814; Pub. L. 115-391, title VI, §605(c), Dec. 21, 2018, 132 Stat. 5242.)

HISTORICAL AND REVISION NOTES

1948 ACT

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

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of section 744e of title 18, U.S.C., 1940 ed., are consolidated, in view of the fact that those provisions have been superseded by section 744l of title 18, U.S.C., 1940 ed., in connection with other provisions of the act of June 23, 1934, ch. 736, 48 Stat. 1211.

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 That provision superseded section 744d of title 18, U.S.C., 1940 ed., which authorized creation of the prison industries working capital fund and the first sentence of section 744e of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

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

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

The words "in performing the duties imposed by this chapter" were substituted for the words "for the purposes enumerated in sections 744a-744h of this title," since the provisions with regard to prison industries now appear in this chapter. The general provisions as to use of the fund supersede the more specific provisions of section 744f of said title (enacted earlier).

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

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

Other changes in phraseology were made.

1949 ACT

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

AMENDMENTS

2018—Subsec. (c)(4). Pub. L. 115-391 inserted "not less than 15 percent of such compensation for any inmate shall be reserved in the fund or a separate account and made available to assist the inmate with costs associated with release from prison," after "operations,".

2004—Subsecs. (a), (d). Pub. L. 108-271 substituted "Government Accountability Office" for "General Accounting Office".

1988—Subsecs. (a), (b). Pub. L. 100-690, §7094(1), designated first and second pars. as subsecs. (a) and (b), respectively.

Subsec. (c). Pub. L. 100-690, §7094(1), (2), designated third par. as subsec. (c) and amended subsec. (c) generally. Prior to amendment, subsec. (c) read as follows: "The corporation, in accordance with the laws generally applicable to the expenditures of the several departments and establishments of the government, is authorized to employ the fund, and any earnings that may accrue to the corporation, as operating capital in performing the duties imposed by this chapter; in the repair, alteration, erection and maintenance of industrial buildings and equipment; in the vocational training of inmates without regard to their industrial or other assignments; in paying, under rules and regulations promulgated by the Attorney General, compensation to inmates employed in any industry, or performing outstanding services in institutional operations, and compensation to inmates or their dependents for injuries suffered in any industry or in any work activity in connection with the maintenance or operation of the institution where confined. In no event shall compensation be paid in a greater amount than that provided in the Federal Employees' Compensation Act."

Subsecs. (d), (e). Pub. L. 100-690, §7094(1), designated fourth and fifth pars. as subsecs. (d) and (e), respectively.

Subsec. (f). Pub. L. 100-690, §7094(3), added subsec. (f). 1961—Pub. L. 87-317 authorized compensation for injuries to inmates incurred while working in connection with the maintenance or operation of the institution where confined.

1949—Act May 24, 1949, inserted "in the vocational training of inmates without regard to their industrial or other assignments;" after second semicolon in third par.

§ 4127. Prison Industries report to Congress

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

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

HISTORICAL AND REVISION NOTES

Based on title 18, U.S.C., 1940 ed., §744m (June 23, 1934, ch. 736, §5, 48 Stat. 1212).

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

Minor changes were made in phraseology.

AMENDMENTS

1988—Pub. L. 100-690 amended section generally. Prior to amendment, section read as follows: "The board of directors of Federal Prison Industries shall make annual reports to Congress on the conduct of the business of the corporation and on the condition of its funds."

TERMINATION OF REPORTING REQUIREMENTS

For termination, effective May 15, 2000, of reporting provisions in this section, see section 3003 of Pub. L. 104-66, as amended, set out as a note under section 1113 of Title 31, Money and Finance, and page 117 of House Document No. 103-7.

**§ 4128. Enforcement by Attorney General**

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

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

## HISTORICAL AND REVISION NOTES

Based on title 18, U.S.C., 1940 ed., § 744n (June 23, 1934, ch. 736, § 6, 48 Stat. 1212).

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

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

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

**§ 4129. Authority to borrow and invest**

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

(2) The Secretary of the Treasury may sell, upon such terms and conditions and at such price or prices as the Secretary shall determine, any of the obligations acquired by the Secretary under this subsection. All purchases and sales by the Secretary of the Treasury of such obligations under this subsection shall be treated as public debt transactions of the United States.

(b) Federal Prison Industries may request the Secretary of the Treasury to invest excess moneys from the Prison Industries Fund. Such investments shall be in public debt securities with maturities suitable to the needs of the corporation as determined by the board of directors,

and bearing interest at rates determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities.

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

## REFERENCES IN TEXT

The date of the enactment of this section, referred to in subsec. (a)(1), is the date of enactment of Pub. L. 100-690 which was approved Nov. 18, 1988.

**§ 4130. Additional markets**

(a) IN GENERAL.—Except as provided in subsection (b), notwithstanding any other provision of law, Federal Prison Industries may sell products to—

- (1) public entities for use in penal or correctional institutions;
- (2) public entities for use in disaster relief or emergency response;
- (3) the government of the District of Columbia; and

(4) any organization described in subsection (c)(3), (c)(4), or (d) of section 501 of the Internal Revenue Code of 1986 that is exempt from taxation under section 501(a) of such Code.

(b) OFFICE FURNITURE.—Federal Prison Industries may not sell office furniture to the organizations described in subsection (a)(4).

(c) DEFINITIONS.—In this section:

(1) The term "office furniture" means any product or service offering intended to meet the furnishing needs of the workplace, including office, healthcare, educational, and hospitality environments.

(2) The term "public entity" means a State, a subdivision of a State, an Indian tribe, and an agency or governmental corporation or business of any of the foregoing.

(3) The term "State" means a State, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Northern Mariana Islands, and the United States Virgin Islands.

(Added Pub. L. 115-391, title VI, § 605(a), Dec. 21, 2018, 132 Stat. 5242.)

## REFERENCES IN TEXT

Section 501 of the Internal Revenue Code of 1986, referred to in subsec. (a)(4), is classified to section 501 of Title 26, Internal Revenue Code.

**[CHAPTER 309—REPEALED]****[[§ 4161 to 4166. Repealed. Pub. L. 98-473, title II, § 218(a)(4), Oct. 12, 1984, 98 Stat. 2027]**

Section 4161, acts June 25, 1948, ch. 645, 62 Stat. 853; Sept. 14, 1959, Pub. L. 86-259, 73 Stat. 546, related to computation of reduction of time of sentence generally.

Section 4162, act June 25, 1948, ch. 645, 62 Stat. 853, related to deduction from sentence for industrial good time.

Section 4163, acts June 25, 1948, ch. 645, 62 Stat. 853; Sept. 19, 1962, Pub. L. 87-665, 76 Stat. 552, related to discharge of prisoner.

Section 4164, acts June 25, 1948, ch. 645, 62 Stat. 853; June 29, 1951, ch. 176, 65 Stat. 98, related to released prisoner as parolee.

Section 4165, act June 25, 1948, ch. 645, 62 Stat. 854, related to forfeiture of good time for offense.