

**§ 4123. New industries**

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

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

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

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

## HISTORICAL AND REVISION NOTES

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

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

References to the Attorney General were omitted because section 744k of title 18, U.S.C., 1940 ed., as originally enacted, provided for the transfer to Federal Prison Industries of the powers and duties then vested in the Attorney General.

References to “this chapter” were substituted for “this section” since the general authority to establish and supervise prison industries is contained in this chapter.

Minor changes of phraseology were made.

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

(a) The several Federal departments and agencies and all other Government institutions of the United States shall purchase at not to exceed current market prices, such products of the industries authorized by this chapter as meet their requirements and may be available.

(b) Disputes as to the price, quality, character, or suitability of such products shall be arbitrated by a board consisting of the Attorney General, the Administrator of General Services, and the President, or their representatives. Their decision shall be final and binding upon all parties.

(c) Each Federal department, agency, and institution subject to the requirements of subsection (a) shall separately report acquisitions of products and services from Federal Prison Industries to the Federal Procurement Data System (as referred to in section 1122(a)(4) of title 41) in the same manner as it reports other acquisitions. Each report published by the Federal Procurement Data System that contains the information collected by the System shall include a statement to accompany the information reported by the department, agency, or institution under the preceding sentence as follows: “Under current law, sales by Federal Prison Industries are considered intragovernmental transfers. The purpose of reporting sales by Federal Prison Industries is to provide a complete overview of acquisitions by the Federal Government during the reporting period.”

(d) Within 90 days after the date of the enactment of this subsection, Federal Prison Indus-

tries shall publish a catalog of all products and services which it offers for sale. This catalog shall be updated periodically to the extent necessary to ensure that the information in the catalog is complete and accurate.

(June 25, 1948, ch. 645, 62 Stat. 851; Oct. 31, 1951, ch. 655, § 32, 65 Stat. 723; Pub. L. 98-216, § 3(b)(2), Feb. 14, 1984, 98 Stat. 6; Pub. L. 101-647, title XXIX, § 2901, Nov. 29, 1990, 104 Stat. 4912; Pub. L. 102-564, title III, § 303(b), Oct. 28, 1992, 106 Stat. 4262; Pub. L. 104-316, title I, § 109(b), Oct. 19, 1996, 110 Stat. 3832; Pub. L. 111-350, § 5(d)(2), Jan. 4, 2011, 124 Stat. 3847.)

## HISTORICAL AND REVISION NOTES

Based on title 18, U.S.C., 1940 ed., § 744g (May 27, 1930, ch. 340, § 7, 46 Stat. 392).

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

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

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

## Editorial Notes

## REFERENCES IN TEXT

The date of the enactment of this subsection, referred to in subsec. (d), is the date of enactment of Pub. L. 101-647, which was approved Nov. 29, 1990.

## AMENDMENTS

2011—Subsec. (c). Pub. L. 111-350 substituted “section 1122(a)(4) of title 41” for “section 6(d)(4) of the Office of Federal Procurement Policy Act”.

1996—Subsec. (b). Pub. L. 104-316 substituted “Attorney General” for “Comptroller General of the United States”.

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

1990—Pub. L. 101-647 designated first and second pars. as subsecs. (a) and (b), respectively, and added subsecs. (c) and (d).

1984—Pub. L. 98-216 substituted “President” for “Director of the Bureau of the Budget” in second par.

1951—Act Oct. 31, 1951, substituted “Administrator of General Services” for “Director of the Bureau of Federal Supply, Department of the Treasury” in second par.

**Statutory Notes and Related Subsidiaries****AGENCY PURCHASE OF FEDERAL PRISON INDUSTRIES PRODUCTS OR SERVICES**

Pub. L. 108-447, div. H, title VI, § 637, Dec. 8, 2004, 118 Stat. 3281, provided that: "None of the funds made available under this or any other Act for fiscal year 2005 and each fiscal year thereafter shall be expended for the purchase of a product or service offered by Federal Prison Industries, Inc., unless the agency making such purchase determines that such offered product or service provides the best value to the buying agency pursuant to governmentwide procurement regulations, issued pursuant to section 25(c)(1) of the Office of Federal Procurement Act ([former] 41 U.S.C. 421(c)(1)) [now 41 U.S.C. 1303(a)(1)] that impose procedures, standards, and limitations of section 2410n of title 10, United States Code."

Similar provisions were contained in the following prior appropriations act:

Pub. L. 108-199, div. F, title VI, § 637, Jan. 23, 2004, 118 Stat. 358.

**PURCHASES BY CENTRAL INTELLIGENCE AGENCY OF PRODUCTS OF FEDERAL PRISON INDUSTRIES**

Pub. L. 108-177, title IV, § 404, Dec. 13, 2003, 117 Stat. 2632, as amended by Pub. L. 108-458, title I, § 1071(g)(3)(C), Dec. 17, 2004, 118 Stat. 3692, provided that: "Notwithstanding section 4124 of title 18, United States Code, purchases by the Central Intelligence Agency from Federal Prison Industries shall be made only if the Director of the Central Intelligence Agency determines that the product or service to be purchased from Federal Prison Industries best meets the needs of the Agency."

**§ 4125. Public works; prison camps**

(a) The Attorney General may make available to the heads of the several departments the services of United States prisoners under terms, conditions, and rates mutually agreed upon, for constructing or repairing roads, clearing, maintaining and reforesting public lands, building levees, and constructing or repairing any other public ways or works financed wholly or in major part by funds appropriated by Congress.

(b) The Attorney General may establish, equip, and maintain camps upon sites selected by him elsewhere than upon Indian reservations, and designate such camps as places for confinement of persons convicted of an offense against the laws of the United States.

(c) The expenses of transferring and maintaining prisoners at such camps and of operating such camps shall be paid from the appropriation "Support of United States prisoners", which may, in the discretion of the Attorney General, be reimbursed for such expenses.

(d) As part of the expense of operating such camps the Attorney General is authorized to provide for the payment to the inmates or their dependents such pecuniary earnings as he may deem proper, under such rules and regulations as he may prescribe.

(e) All other laws of the United States relating to the imprisonment, transfer, control, discipline, escape, release of, or in any way affecting prisoners, shall apply to prisoners transferred to such camps.

(June 25, 1948, ch. 645, 62 Stat. 852.)

**HISTORICAL AND REVISION NOTES**

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

Section consolidates section 744b of title 18, U.S.C., 1940 ed., with those portions of sections 851, 853-855 of title 18, U.S.C., 1940 ed., which may not have been superseded by section 744b of said title.

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

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

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

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

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

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

Other changes of phraseology were made.

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

(a) All moneys under the control of Federal Prison Industries, or received from the sale of the products or by-products of such Industries, or for the services of federal prisoners, shall be deposited or covered into the Treasury of the United States to the credit of the Prison Industries Fund and withdrawn therefrom only pursuant to accountable warrants or certificates of settlement issued by the Government Accountability Office.

(b) All valid claims and obligations payable out of said fund shall be assumed by the corporation.

(c) The corporation, in accordance with the laws generally applicable to the expenditures of the several departments, agencies, and establishments of the Government, is authorized to employ the fund, and any earnings that may accrue to the corporation—

(1) as operating capital in performing the duties imposed by this chapter;

(2) in the lease, purchase, other acquisition, repair, alteration, erection, and maintenance of industrial buildings and equipment;

(3) in the vocational training of inmates without regard to their industrial or other assignments;

(4) in paying, under rules and regulations promulgated by the Attorney General, compensation to inmates employed in any industry, or performing outstanding services in institutional operations, 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, and compensation to inmates or their dependents for injuries suffered in any industry or in any work activity in connection with the maintenance or operation of the institution in which the inmates are confined.