



Audit of the Federal Bureau of Prisons'
Residential Reentry Center Contracts
Awarded to The Kintock Group, Inc.



AUDIT DIVISION

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EXECUTIVE SUMMARY

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Objectives

The objectives of the audit were to assess the Federal Bureau of Prisons' (BOP) oversight and evaluation of The Kintock Group's (Kintock) performance and compliance with contract requirements, and Kintock's performance and compliance with the terms, conditions, laws, and regulations applicable to three Residential Reentry Center (RRC) contracts with BOP.

Results in Brief

We found Kintock's invoices accurately reflected the contracted daily rate and the number of residents, which was supported with rosters of the individuals placed at the RRC or on related home confinement. However, we also determined that improvements can be made by both Kintock and the BOP to ensure the people serviced by RRC contracts receive quality rehabilitation services, improving their chances of successful reintegration into communities upon release. Primarily, Kintock did not provide, and the BOP did not ensure, that certain contracted services such as Life Skills and other reintegration training programs were provided to residents and those on home confinement. Additionally, Kintock employed individuals in key positions who were unqualified based on requirements stipulated in the RRC contract. The lack of qualified staff and unprovided services materially diminished the value of the services BOP received for this contract. As a result, we questioned costs of approximately \$30 million and identified the estimated \$38 million remaining on BOP's contracts with Kintock as of May 2025 as funds that could be put to better use if our recommendations are implemented. Further, BOP needs to improve how it assesses and documents the price reasonableness of proposed billing rates given the general lack of competition for RRC contracts.

Recommendations

We made 11 recommendations to address deficiencies identified at the BOP and Kintock. The BOP concurred with our recommendations in response to a draft of this

report, which can be found in Appendix 6. Kintock opted to not provide an official response to the draft of this report. Our analysis of the BOP response and actions needed to close the report can be found in Appendix 7.

Audit Results

We audited the BOP's RRC contracts awarded to Kintock to operate three RRCs and provide rehabilitation services to individuals transitioning from BOP prisons back to society. Between May 2019 and May 2025, Kintock invoiced the BOP approximately \$30 million and provided services to a monthly average of 123 people living at its RRCs and managed 143 people on home confinement.

The BOP's Contract Monitoring Should Ensure Contracted Services are Provided

We determined that critical rehabilitation services described in Kintock's contract proposals were not provided to residents. Additionally, the BOP's monitoring procedures did not ensure these services were provided.

Steps Should be Taken to Establish and Document Effective Quality Standards

We determined that the Individualized Program Plans Kintock maintained were not sufficiently documented to comply with contract requirements, yet the BOP's monitoring activities rarely identified issues with the quality of Kintock's Individualized Program Plan documentation. Further, we noted that the RRC Statement of Work does not contain detailed quality performance standards to assist with the BOP's assessment of service quality or Kintock's contract performance.

Action is Needed to Ensure Compliance with Staff Qualification Requirements

We determined that Kintock staff in key positions did not always meet the education and experience qualifications required by the contract. Additionally, the BOP's personnel-related policies and processes do not adequately document its determinations related to RRC staff eligibility.

**The BOP Should Ensure Price Reasonableness
Determinations are Adequately Justified**

We did not identify any concerns regarding the BOP's review of Kintock's invoices, and we found a sample of invoices were accurate. However, we noted a historical lack of competition for the RRC contracts and determined that the BOP's price reasonableness determinations do not adequately and accurately justify how the BOP established price reasonableness when certified cost and pricing data was not obtained.

**The BOP Should Identify and Remedy the Contracted Value
Not Provided by Kintock and Put to Better Use Future
Spending by Ensuring All Contracted Services Are Received**

The BOP structured its RRC contracts into a single daily rate to cover the costs associated with the services and facilities provided rather than individual rates for each.

The BOP continued to pay the full contract daily rate while accepting a level of service below that which it contracted, resulting in a diminished value. Because the BOP used a single daily rate inclusive of all contract services, our ability to determine the costs strictly associated with the unprovided services was limited. As a result, we questioned the approximately \$30 million Kintock invoiced the BOP and identified the remaining available funds on BOP's contracts with Kintock as funds that could be put to better use if BOP implements our recommendations and ensures it receives the agreed-to services delivered by qualified staff.

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Introduction

The Federal Bureau of Prisons (BOP) awards contracts to vendors for Residential Reentry Centers (RRC), also known as halfway houses, to aid inmates with reintegrating back into communities. According to the BOP, RRCs provide a safe, structured, and supervised environment, as well as employment counseling, job placement, financial management assistance, and other programs and services to assist with the reintegration process.

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) audited three of the BOP's RRC contracts awarded to The Kintock Group, Inc. (Kintock), with an awarded maximum estimated contract value of approximately \$36.9 million, as shown in Table 1 below. Under these contracts, Kintock provided RRC and home confinement services to inmates at facilities located in Pennsylvania and New Jersey. The contracts were awarded as Indefinite Delivery, Indefinite Quantity contracts with a Firm-Fixed-Price per diem rate.¹ This means that Kintock billed the BOP monthly based on the number of residents at each of its RRC facilities and on home confinement according to set amounts per resident per day. Between May 2019 and May 2025, Kintock billed the BOP for approximately \$30 million based on a straightforward calculation of population and daily per person rates.

Table 1
Summary of Kintock Contracts

Contract Number	Facility Location	Period of Performance	Contract Value Estimated Maximum ^a	Invoiced Total Through May 2025
15BRRC19D00000194	Philadelphia, Pennsylvania	05/01/2019-09/30/2024	\$14,156,422	\$11,643,368
15BRRC20D00000262	Newark, New Jersey	02/01/2020-01/31/2025	\$13,302,160	14,967,843
15BRRC23D00000003	Bridgeton, New Jersey	06/01/2023-05/31/2028	\$9,415,125	3,269,433
Totals			\$36,873,707	\$29,880,644

Source: Information summarized by the OIG from the BOP contract documents and invoice database provided by Kintock.

^a The BOP's contract documents provide an estimated total contract value based on a projected number of residents the BOP plans to refer to the RRC over the course of the contract. Therefore, as seen in the Newark, New Jersey contract, the BOP may exceed its estimated total contract value by sending more individuals to an RRC than anticipated or estimated.

The BOP's Reentry Services Division

The BOP's Reentry Services Division (Reentry Services) develops programs, resources, and activities designed to facilitate the successful reintegration of inmates back into communities upon release. Reentry

¹ Indefinite Delivery, Indefinite Quantity contracts are a type of contract that allows for an indefinite amount of work over a set period of time at a set fixed rate up to the stated contract maximum value.

Services is responsible for a variety of functions including oversight of Residential Reentry Management field offices that are located throughout the United States and, among other things, is responsible for the administration and monitoring of RRC contracts. Oversight of the Kintock contracts was performed by the BOP's Philadelphia Residential Reentry Management Field Office.

Contractor Background

Kintock is a not-for-profit organization, founded in 1985, and has RRC facilities in Philadelphia, Pennsylvania, and in both Newark and Bridgeton, New Jersey. Kintock was awarded its first BOP contract for reentry services in 1987 and currently offers various reentry services including individualized treatment plans, life skills education, cognitive behavioral therapy, job placement, and employment education. On a monthly basis between July 2019 and March 2024, Kintock housed an average of 123 people total across its three facilities and managed an average of 143 people per month on home confinement.

OIG Audit Approach

The objectives of this audit were to assess the BOP's oversight and evaluation of Kintock's performance and compliance with contract requirements, and Kintock's performance and compliance with the terms, conditions, laws, and regulations applicable to contracts 15BRRC19D00000194, 15BRRC20D00000262, and 15BRRC23D00000003. To accomplish these objectives, we: (1) interviewed agency contracting officials and contractor staff; (2) reviewed the BOP and Kintock policies related to our objectives; and (3) assessed contract requirements and documentation, including quality assurance methods, RRC services invoices, and performance of contract deliverables. Appendix 1 contains further details on our audit objectives, scope, and methodology. Appendix 2 contains our calculation of funds to be put to better use which is followed up with a Schedule of Dollar-Related Findings in Appendix 3.

We also reviewed prior audits issued by the DOJ OIG related to RRCs. In a November 2016 audit that reviewed the BOP's management of placements in RRCs and home confinement, the OIG found that the BOP did not have procedures in place that adequately assessed the quality of services provided by contractors.² Additionally, the OIG found that the BOP's contractor monitoring instruments were flawed as they were based on the BOP's monitoring reports, which ensured compliance with the Statement of Work (SOW) and did not assess the quality of the services provided by contractors.³ To address these deficiencies, the OIG recommended that the BOP create an RRC contractor quality monitoring instrument that assesses the quality and effectiveness of its RRCs and home confinement programs. Further, the OIG found that the BOP's RRC monitoring did not have any performance measures that evaluated the success of its RRC and home confinement programming but instead relied on RRC and home placement targets that appeared to encourage institutions to maximize the number of inmates placed in RRCs or home confinement. To address this deficiency, the OIG recommended that the BOP develop performance measures that assess the efficacy of its RRC and home confinement programming. Additionally, of the eight most recently issued OIG RRC contract audit reports since June 2013, all contained at least one recommendation regarding

² See Appendix 4, item IX for detailed report information.

³ At the time of the November 2016 audit, the instrument used to document a contractor's performance was known as a Contractor Evaluation Form. BOP now uses the Contractor Performance Assessment Reporting System to document assessments of contractor performance.

Individualized Program Plans for RRC residents.⁴ Of those eight reports, five contained recommendations regarding inadequate documentation in a resident's Individualized Program Plan.⁵ Although the BOP took steps to implement the OIG's previous audit recommendations, we noted that these deficiencies identified in the prior audits were again present during the current audit. Specifics of the relevant deficiencies are detailed below; see Appendix 4 for a listing of prior reports.

⁴ See Appendix 4, items I-VIII for detailed report information.

⁵ See Appendix 4, Items I-III and V-VI for detailed report information.

Audit Results

Our audit found Kintock's invoices accurately reflected the contracted daily rate and the number of residents serviced and we did not identify deficiencies with the safety and security of Kintock's facilities. However, we found deficiencies with the BOP's oversight of contractor quality and performance jeopardizing its ability to ensure that individuals in Kintock's custody received necessary services to assist in returning to the community from incarceration. Specifically, we found Kintock was unable to support the quality and performance of its RRC services and programs due to insufficient controls and found that the BOP provided inadequate oversight over the services being provided. Additionally, we found that certain BOP contracting practices reduced its ability to negotiate a fair and reasonable price for the contracts. Based on these results, we question the \$29,880,644 charged to the contract as unsupported due to insufficient documentation of provided services from May 2019 through May 2025. Additionally, with the implementation of our audit recommendations, the BOP could put \$38,007,643 to better use.

The BOP's Contract Monitoring Should Ensure Contracted Services are Provided

During our audit, we observed the BOP perform a full monitoring at Kintock's Philadelphia location, and we independently visited the Newark and Bridgeton locations. We did not identify any significant concerns related to the security provided at the locations by Kintock and the BOP's review of each facility's security. However, in performing our audit, we determined that Kintock did not provide all of the rehabilitation services outlined in its contract proposals. Contract proposals, commonly called technical proposals, are provided as a component of the contractor's bid for a new contract award and explicitly state how a contractor will meet the requirements and terms of the contract's SOW. This includes the specific services to be provided under the contract. The BOP relies on the information contained within these proposals when deciding to award a contract. When the BOP awarded Kintock the three contracts we audited, Kintock's proposals were incorporated into the contract requirements.

We interviewed BOP and Kintock staff at each of the audited RRC locations as well as reviewed documentation to determine if Kintock was providing the services outlined within its technical proposals. In its proposals, Kintock stated it would provide residents various services including: a career inventory assessment tool; computer-supported educational and vocational program services; access to job fairs; access and participation opportunities for volunteering and community service projects; independent living, anger management, life skills, and wellness classes; and access to and use of experts from the community to assist in returning to the community from incarceration. However, Kintock was unable to demonstrate whether any of these services were provided. After discussions with Kintock onsite staff and review of documentation, it was unclear which of these services, if any, Kintock offered residents during the period reviewed. For example, Kintock's technical proposals detailed several classes under the Life Skills category to be provided to all residents by "its own well-trained staff, as well as experts from the local community." In response to our request, Kintock staff were unable to provide a schedule for upcoming Life Skills classes or documentation of any classes offered in the past, and staff at the Bridgeton facility told us the Life Skills class consisted of a paper packet a resident completes on their own, which is not what Kintock stated it would provide in its proposals.

We questioned Kintock staff regarding policies and procedures or other controls to help ensure compliance with the terms and conditions of the contracts with BOP for RRC services. These individuals were unable to

provide written policies, procedures, or walkthroughs of routine practices in place to confirm that the terms were satisfied.

We asked Kintock onsite staff extensively about its policies and procedures for ensuring compliance with its contracts, including the technical proposals. Technical proposals, not the RRC SOW, detail the specific services that Kintock is to provide, such as job fairs and wellness classes. However, Kintock staff within the RRC facilities were unable to provide any written policies and procedures or describe other internal controls in place to ensure compliance with the contract but assured us they were aware of the RRC SOW requirements. When we questioned Kintock onsite staff about its technical proposals, staff were either unfamiliar with the concept or did not refer to them, stating that they are more familiar with and only refer to the RRC SOW. Additionally, Kintock personnel from its corporate office did provide written policies and procedures, however, they were inadequate and were not written to ensure compliance with the RRC SOW at the facility level. We believe Kintock's lack of policies and procedures ensuring compliance with its BOP contracts led to its inability to ensure the contracted services were provided.

We discussed with BOP staff their oversight of the contractor and their process for ensuring contracted services are provided. We were told the BOP's Residential Reentry Management field offices complete on-site monitoring visits to each RRC four times a year. This includes one announced full monitoring event and three unannounced interim visits. According to the BOP, these are designed to ensure a contractor's compliance with its RRC contract requirements. During each monitoring visit, a Contract Oversight Specialist completes a Contractor Monitoring Worksheet to review compliance with the contract's terms, from which the BOP issues a monitoring report communicating identified deficiencies. BOP's monitoring reports are compiled annually into the Contractor Performance Assessment Report System (CPARS), which serves as the formal documentation of a contractor's performance. Completed CPARS are a resource used by the government's procurement workforce during the contract award process to ensure the government seeks contractors who consistently provide quality services that conform to contractual requirements.

The BOP was required to complete 39 monitoring reports, supported by 39 monitoring worksheets, between July 2019 and March 2024 across all three of Kintock's contracts. Additionally, the BOP was required to complete 10 CPARS between May of 2019 and May of 2024 across all three contracts. The BOP was able to provide all 10 CPARS but only completed and provided 37 monitoring reports and 35 monitoring worksheets. One monitoring event was waived due to the onset of the COVID-19 pandemic and two additional worksheets were not completed, neither of which constituted a significant deficiency. We reviewed the 35 Contractor Monitoring Worksheets completed and the 10 related CPARS to assess the effectiveness of the BOP's monitoring process and quality and performance determinations.

We found that the BOP's assessments were driven by its Contractor Monitoring Worksheet, and these worksheets did not require oversight staff to assess contractor performance or the quality of the services provided under a contract. The worksheet instructions state that the checklist should be edited to add contract proposal requirements. However, none of the 35 worksheets we reviewed were edited to add requirements outlined in Kintock's contract proposals, such as the aforementioned services and classes. As such, the BOP only ensured Kintock's compliance with the RRC SOW, which included more general infrastructure-related requirements such as security and accountability, facility requirements, and administration rather than resident rehabilitation or reintegration-related requirements. Additionally, of the 35 worksheets reviewed, we determined that only one adequately documented the monitoring performed

by the oversight specialist by including detailed notes of each item and a summary of the compliance deficiencies observed.

Deficiencies in the BOP's monitoring worksheet impacted the quality of its monitoring reports and, in turn, the quality of the contractor assessment in its CPARS reports. To be effective, CPARS must contain detailed and complete statements about contractor performance based on objective or measurable data. However, none of the 10 CPARS the BOP submitted for Kintock between May 2019 and May 2024 contained an assessment of performance or quality based on subjective or measurable data. Rather, the BOP's completed CPARS were a summarization of the monitoring reports issued in the past year, an issue we had previously notified the BOP of in a prior audit.⁶ This is problematic because the monitoring reports do not contain an assessment of a contractor's performance, only compliance with the basic RRC SOW.

During our interviews with Kintock officials and staff, we found that they were aware of the contract proposals, including the services that were included in the proposals. However, they were unable to provide an explanation as to why the classes and services detailed in the proposals were not offered.

Assessments of performance, quality, or compliance without reviewing all aspects of a contract's terms and conditions weakens the quality and effectiveness of the BOP's oversight, allowing contractors to underperform without ramification or notification. In addition, because services included in the contract proposals may not be provided at all, the residents are not receiving vital services. We believe that these unprovided or inadequately documented services are central to achieving the BOP's goal of preparing people to successfully reintegrate into society.

Therefore, we recommend that the BOP strengthen its RRC contractor performance monitoring practices and procedures to ensure that the BOP adequately assesses contractor performance to the specific requirements of the contract and receives the full scope of services it has contracted with providers to deliver. We also recommend that the BOP work with Kintock to immediately begin providing all classes and services detailed in the contract proposal and ensure it has adequate policies and procedures for documenting its compliance with contract terms and conditions.

Steps Should be Taken to Establish and Document Effective Quality Standards

Our audit found that the BOP did not ensure the services received were adequately documented, did not establish adequate performance measures around the quality of rehabilitation services provided, and did not ensure monitoring staff had training and support to make assessments regarding quality.

Individualized Program Plans (IPP) are the "roadmap" for a resident's case management while at an RRC, addressing a resident's needs and risks for reintegration. The IPP is completed using information provided by both the BOP and RRC staff. We noted that Chapter 10 of the RRC SOW, entitled *Programs*, stated that an IPP must: (1) be completed using Attachment F of the SOW; (2) document a resident's needs and risks and should clearly identify programs, goals, and dates of achievement to assist the resident in addressing the

⁶ DOJ OIG, [Audit of the Federal Bureau of Prisons' Management of Inmate Placements in Residential Reentry Centers and Home Confinement](#), Audit Report 17-01 (November 2016), oig.justice.gov/reports/audit-federal-bureau-prisons-management-inmate-placements-residential-reentry-centers-and.

elements of the IPP; and (3) include bi-weekly progress reviews that contain substance and indicate a resident's progress or lack of progress.⁷ Additionally, the BOP's oversight staff stated that the IPP is the document they review during monitoring events to assess the quality of the services provided.

During our audit, we judgmentally selected 85 IPPs for review from a database of the 2,282 residents sent to Kintock's facilities between March 2019 and September 2024. Our selection consisted of 70 residents released from the facilities and 15 current residents. We found the IPPs generally contained information about an individual's employment, education, health, and family. However, none of the reviewed IPPs documented specific programs or classes the resident attended, goals the resident was working to achieve, or milestones or dates of achievements. Additionally, 68 of the 85 (or 80 percent) of the reviewed IPPs were not updated bi-weekly in accordance with the SOW requirements. In some instances, IPPs were not updated for several months, with one not updated for 7 months.

Additionally, we reviewed information in the BOP's monitoring reports detailing the BOP's evaluation of IPPs Kintock prepared under its contracts and found the BOP staff noted IPP-related deficiencies in about 49 percent of the monitoring reports issued to Kintock between July 2019 and February 2024. However, we determined most of the deficiencies the BOP identified were for Kintock's inability to complete the IPPs during the required bi-weekly timeframe; they seldomly identified any concerns regarding whether entries provided meaningful information to assess a resident's progress, even though none of the IPPs we reviewed contained resident program activity. While it is imperative to meet with residents on a timely basis, the BOP is not appropriately emphasizing the importance of the quality of the IPP notes maintained by contractors. In order for the BOP to adequately assess a resident's progress or assess a contractor's quality and performance, it must ensure quality notes are maintained in IPPs.

The BOP's RRC SOW contains vague documentation requirements, not detailed quality standards that ensure adequate documentation is maintained by its contractors. Vague requirements make it difficult for contractors and the BOP's oversight personnel to ensure compliance. For example, the SOW includes a requirement that bi-weekly progress reviews must contain "substance." However, there is no definition or example of what constitutes substance. This leaves the BOP's oversight staff responsible for defining what constitutes substance during their monitoring visits. The lack of clearly defined documentation requirements could lead to wide variability in the results of the BOP's monitoring if reviewers have significantly different interpretations of the standards. Detailed quality standards would remove the ambiguity and allow oversight staff to effectively assess performance and quality and test for compliance. Additionally, it would provide contractors with a clear understanding of the BOP's expectations for documentation.

Moreover, the Federal Acquisition Regulation (FAR) requires that contracted for services are clearly defined and appropriate performance standards are developed.⁸ However, we determined that the BOP's standardized RRC SOW did not contain appropriately defined performance standards to adequately assess a contractor's performance. The lack of appropriately defined performance standards makes it difficult for

⁷ See Appendix 5 for a copy of the RRC SOW Attachment F – Individualized Program Plan. This copy was obtained from the BOP's July 2020 RRC SOW.

⁸ In particular, FAR 37.503 requires agency-heads to ensure that requirements for services are clearly defined and appropriate performance standards are developed so that the agency's requirements can be understood by potential offerors and that performance in accordance with contract terms and conditions will meet the agency's requirements.

both the BOP and contractor staff to ensure compliance and assess performance. This was evident during our review of IPPs, which lacked critical details to support the BOP's assessment of each resident's progress and Kintock's performance under the contract. The use of standard measures or targets for a resident during the reintegration process would allow the BOP and contractor staff to adequately assess performance and compliance.

In our November 2016 audit we found that the BOP did not have performance measures that evaluated the success of its RRC and home confinement programming and recommended that the BOP develop performance measures that assess the efficacy of its RRC and home confinement programs.⁹ The BOP agreed with our recommendation and updated its RRC SOW to contain quarterly reporting statistics on placements, releases, and employment. While this data is useful to the BOP and was an improvement over the BOP's previous evaluation efforts, further improvements would provide the BOP greater insight into the performance of its contractors and program and better assurance that scarce resources are used effectively and efficiently. Performance standards would also allow the BOP to collect and analyze data on the RRC program as a whole, which in turn would allow it to make impactful and targeted changes to its RRC program.

Further, when we questioned the BOP's oversight staff about the amount of training provided by the BOP on how to perform monitoring visits, these BOP employees stated that while training was provided when staff were first employed as Contract Oversight Specialists, no annual or additional training or guidance was provided on contract oversight. When staff are inadequately trained, the risk of variability in how monitoring events are performed is increased and a standardized understanding of quality may not be established. Additionally, when the BOP staff were questioned about the amount of training provided to contractors, they stated that no training was provided to contractors regarding the BOP's expectation of an adequately completed IPP.

In order to achieve better outcomes for residents and improve contract oversight, we recommend that the BOP update its standardized IPP form to ensure it adequately addresses all requirements as outlined in the SOW. We further recommend that the BOP update its standardized RRC contract SOWs to include detailed performance standards for the rehabilitation services provided. We additionally recommend the BOP update its training of monitoring staff to help ensure the adequacy of its monitoring activities, including IPP evaluations, and other contractor performance quality evaluations. Lastly, we recommend that the BOP ensure contractors are adequately informed of the BOP's expectations of a complete IPP.

Action is Needed to Ensure Compliance with Staff Qualification Requirements

The BOP's contracts required Kintock to have qualified staff in key positions that were critical to delivering quality rehabilitation services, such as RRC Directors, Employment Placement Specialists, and Case Managers. Each contract's SOW outlined the education and experience standards related to each of these positions.

⁹ DOJ OIG, *Management of Inmate Placements*.

We compared the SOW-established education and experience standards to the resumes of 29 Kintock employees who worked in key positions during 2024. We determined that 15 staff members, or 52 percent of the staff we tested, did not meet the contract qualification requirements for their position.

We discussed our analysis with BOP and Kintock officials. The BOP officials agreed with our analysis for nine of the Kintock staff members but told us they disagreed with our assessment of the remaining six employees based on experience or education substitutions. However, in the BOP's analysis, it was not obvious that the work experience or education substitutions allowed were relevant to the key positions held.

We asked Kintock to support its own determinations that the employees in question met the requirements of the contract, however, Kintock was unable to provide its own documentation and was unable to support that it had established procedures for ensuring individuals in key positions were qualified. Rather, Kintock's officials stated that they solely relied on the BOP to make qualification determinations, stating that each individual was cleared by the BOP to work on its federal programs after Kintock provided clearance paperwork and resumes to the BOP. Kintock provided us with copies of the BOP-provided clearance letters as support for the BOP's eligibility determinations.

When we discussed the clearance letters with the BOP, we found that the BOP did not maintain any documentation regarding its determinations as to whether an individual was qualified for a key position within the contract. The BOP officials stated they do not have a written policy to formally document or maintain the evaluation and approval of resumes, however, they stated that they do complete an evaluation of an employee's qualifications when initially hired and additional reviews are required during routine monitoring visits. The BOP staff indicated that the clearance letters provided to Kintock—which state if the individuals cleared their criminal background checks—also act as the BOP's approval and acceptance of the individual as qualified for the position.

Additionally, the BOP officials we spoke with stated that they maintain the right to waive requirements related to an individual's education/experience qualifications. However, in the letters we reviewed there was no mention of whether the individuals were qualified for a specific position and no notation of a qualification waiver. In addition, the BOP was unable to provide documentation supporting that the employees' qualifications were reviewed during the clearance process.

Ensuring qualified and experienced staff are working in key positions is critical for the success of the RRC program and helps ensure residents are receiving the quality services necessary to assist them in successfully returning to society. Moreover, Kintock's use of unqualified staff to oversee resident transitions further contributed to the diminished contract value the BOP received. Therefore, we recommend that the BOP work with Kintock to update its hiring procedures to ensure that only qualified employees are recommended to the BOP for staffing key positions. We additionally recommend that the BOP develop practices and procedures to ensure the BOP's verification of contract employees submitted to work in RRCs is adequately documented and maintained, including controls surrounding the limited use of employment qualification waivers.

The BOP Should Ensure Price Reasonableness Determinations are Adequately Justified

During our audit, we noted concerns regarding the level of competition for the contracts we audited and believe the BOP should strengthen its procedures for assessing and documenting its price reasonableness decisions. Criteria for price reasonableness decisions appears in FAR 15.402(a), which requires contracting officers to purchase services at fair and reasonable prices.

Between May 2019 and May 2025, Kintock billed the BOP for approximately \$30 million based on a straightforward calculation of population and daily per person rates. The daily rates were paid 100 percent for residents of the RRCs and 50 percent for individuals in home confinement, as stipulated in the contract. We tested a judgmental selection of 26 invoices covering approximately \$6 million invoiced by Kintock to the BOP during our review period. Our review of these invoices did not identify any inaccuracies with the billing rate used or the number of residents identified.

We also found that Kintock was the previous contract holder, and the BOP deemed Kintock the only competitive offeror for its Philadelphia and Bridgeton contracts. More specifically, in response to the BOP's request for competitive proposals for the Bridgeton, New Jersey, contract, the BOP only received Kintock's proposal. Additionally, for the Philadelphia contract, the BOP received three proposals, including Kintock's, in response to its request for competitive proposals. However, the BOP determined that Kintock was the only competitive offeror for the Philadelphia contract after it excluded one offeror for not providing valid zoning documentation and another was excluded without explanation in the contract file. In speaking with BOP staff, we learned it is not uncommon to have limited competition for RRCs, primarily due to the zoning and various other requirements for operating an RRC in a particular area. These restrictions make it difficult for companies to establish new RRCs and can therefore limit the competition for new awards, often resulting in new awards being made to the incumbent contractor with already established RRC facilities.

During our audit, we spoke with BOP contracting staff to obtain an understanding of how they evaluated the price of Kintock's proposals for reasonableness given the lack of competition. The BOP officials told us, and documentation we reviewed indicated, that the BOP determined Kintock's proposed rates were reasonable by comparing the proposed rates to those charged by other RRC contractors within the same geographic region and with the rates charged by the incumbent contractor, which in two instances was Kintock.

FAR allows for the use of price comparison and it can be a useful tool for determining price reasonableness.¹⁰ However, under certain circumstances, we believe that comparing a contractor's proposed prices to previous awards may not provide the BOP with adequate information for determining that proposed rates are reasonable. For example, for the BOP's contracts with Kintock in Philadelphia and Bridgeton, the BOP's contract files contained evidence that the BOP compared the proposed rates to awarded RRC contractor prices nearby in New York, New York, and Wilmington, Delaware. However, although these locations are geographically situated in the same general area of the United States as the proposed Kintock facilities, we believe that the locations and related rates were not directly comparable due to differences in population size and cost of living when compared to the cities in which Kintock operates.

¹⁰ FAR 15.404-1(b) outlines different price analysis techniques, including price comparison to historical prices paid that are allowed when an exception from the requirement to obtain certified cost and pricing data applies under 15.403-1.

We believe such geographic factors can drive differences in proposed prices and potentially skew price reasonableness determinations that are made based on comparability alone.

For situations where there is inadequate price competition, FAR requires contracting officials to obtain certified cost and pricing data to assist in making price reasonableness determinations.¹¹ However, the BOP neither sufficiently justified its price reasonableness determinations nor requested certified cost and pricing data from Kintock. In each price analysis we reviewed, the BOP justification in the contract file stated that the proposed prices were compared to previously established prices that were awarded following adequate price competition. As previously stated, for two of the three Kintock contracts reviewed (Philadelphia and Bridgeton), Kintock was deemed the only competitive offeror. The BOP's price reasonableness determinations in these situations therefore appear circular: the current offers are compared to the previous prices—even though the previous prices also had limited or no competition and were not adequately determined to be reasonable—and then the prices resulting from the current offer can be used to compare to a future offer. The methodology for establishing price reasonableness used by the BOP undermines its price reasonableness determinations and does not sufficiently justify its rationale for not requesting certified cost and pricing data.

For these two contracts, the use of certified cost and pricing data could have helped establish whether the contractor's proposed rates were reasonable because it would require the contractor to provide supporting documentation for the proposed billing rates. At a minimum, the BOP should be adequately documenting and justifying its price reasonableness decisions.

We discussed the use of certified cost and pricing data with the BOP's contracting officials, who stated that requiring certified cost or pricing is the least efficient method for determining price reasonableness and is not the BOP's preferred method, or the preferred method outlined in the FAR. We do not disagree with the BOP's arguments; however, the FAR requires agencies to request certified cost and pricing data when an exemption is not met, as is the case when adequate price competition is not achieved. Additionally, we maintain that the BOP's price analyses should adequately document appropriate and sound price reasonableness justifications for not requesting certified cost and pricing data.

Given the historical lack of competition for RRC contracts, circular price comparisons, and missing justification details, we recommend that the BOP ensure its written guidance to contracting personnel requires adequate documentation of appropriate and sound price reasonableness justifications when not opting to require certified cost and pricing data from RRC contractors.

The BOP Should Identify and Remedy the Contracted Value Not Provided by Kintock and Put to Better Use Future Spending by Ensuring All Contracted Services Are Received

As discussed above, we found that Kintock provided, and the BOP accepted and paid for, lesser services than contracted. The BOP's monitoring procedures did not adequately ensure that Kintock (1) sufficiently supported the quality and performance of the reentry services it provided, and (2) used qualified staff. In not ensuring services were provided to the extent outlined in the contract, the BOP paid for services at an

¹¹ FAR 15.403 prescribes the policies and procedures for when contracting officers should obtain certified cost and pricing data.

inflated rate. As a result, we question and the BOP should remedy the costs of approximately \$30 million that Kintock invoiced the BOP under its contracts from May 2019 through May 2025, as these costs were not sufficiently supported by documentation and other evidence. Additionally, we believe that full implementation of our recommendations will allow the BOP to put to better use the approximately \$38 million in unspent funds associated with the remaining value of Kintock's contracts as of May 2025 (as detailed in Appendix 2).

We were unable to determine the exact value lost for the unprovided services and use of unqualified staff because the reentry services portion of Kintock's contracts did not assign an individual monetary value to particular services; instead, an all-inclusive fixed daily rate was charged per resident to cover facility and reentry service costs. Additionally, the BOP could not provide certified cost and pricing data in order for the OIG to determine Kintock's costs associated with the services portion of its contracts. In discussing our finding with the BOP, BOP management agreed that documentation supporting the appropriate monitoring of the services did not exist; however, they indicated concerns with our recommendation because the contracting process did not allow for funds to be recovered. We do not expect the BOP to recover the entirety of the approximately \$30 million in questioned costs as we recognize that a significant portion of this value represents costs associated with the facilities, such as housing, food, utilities, and supplies like bedding. The BOP should review the invoices received from Kintock as of May 2025 and determine the value lost from not receiving contracted rehabilitative services provided by qualified staff and remedy an appropriate amount of the questioned costs, such as through recovery, equitable adjustment, or other options. Further, we recommend the BOP, prior to making additional payments to Kintock, require the contractor to provide adequate evidence that it is providing the required services for which it is billing, ensuring the estimated \$38 million in remaining contract value is put to better use.

Conclusion and Recommendations

In order for the BOP to successfully reintegrate residents into surrounding communities upon release from RRCs, the BOP needs to ensure that the valuable rehabilitation services contracted for are being provided to residents and those on home confinement. Additionally, for the BOP to ensure its quality and performance assessments provide insight to the services received and compliance with contract terms, the BOP needs to establish meaningful quality standards and appropriately defined performance standards. Furthermore, the BOP should ensure its price analyses document appropriate and sound justifications and, when necessary, are supported by certified cost and pricing data.

During our audit, we did not identify any significant deficiencies related to the safety and security of the RRC facilities or Kintock's billing practices. However, we found that the BOP did not receive the full value of its contract with Kintock. Specifically, Kintock could not demonstrate, and the BOP did not ensure, that Kintock provided the quality and performance of the RRC services stipulated in the contract. Additionally, Kintock used unqualified staff in the performance of its contracted services, and the BOP did not take action to confirm the qualifications of Kintock staff met the contracted requirements. As a result, the BOP accepted and paid for a reduced value, as Kintock's negotiated contract price was based on the inclusion of a full array of reentry services utilizing fully qualified staff.

Due to the structure of the contract and the lack of certified cost and pricing data available, we were unable to determine the value lost to the taxpayer for the reduced services provided to inmates at the Kintock RRC. Therefore, we questioned the approximately \$30 million invoiced by Kintock to the BOP for the RRC services provided under its contracts from May 2019 through May 2025. Of this approximately \$30 million, the BOP should determine the value lost from not receiving contracted reentry services and seek remedy of an appropriate amount, such as through recovery, equitable adjustment, or other options. Additionally, the BOP should require Kintock to demonstrate that it is providing the required services for which it is billing prior to making any additional payments, ensuring the estimated \$38 million in remaining contract value is put to better use.

We recommend that the BOP:

1. Strengthen its RRC contractor performance monitoring practices and procedures to ensure that the BOP adequately assesses contractor performance to the specific requirements of the contract and receives the full scope of services it has contracted with providers to deliver.
2. Work with Kintock to immediately begin providing all classes and services detailed in the contract proposal and ensure it has adequate policies and procedures for documenting its compliance with contract terms and conditions.
3. Update its standardized IPP form to ensure it adequately addresses all requirements as outlined in the SOW.
4. Update its standardized RRC contract SOW to include detailed quality standards for the rehabilitation services provided and appropriately defined performance standards.

5. Update its training of monitoring staff to help ensure the adequacy of its monitoring activities, including IPP evaluations, and other contractor performance quality evaluations.
6. Ensure contractors are adequately informed of the BOP's expectations of a complete IPP.
7. Work with Kintock to update its hiring procedures to ensure that only qualified employees are recommended to the BOP for staffing key positions.
8. Develop practices and procedures to ensure the BOP's verification of contract employees submitted to work in RRCs is adequately documented and maintained, including controls surrounding the limited use of employment qualification waivers.
9. Ensure its written guidance to contracting personnel requires adequate documentation of appropriate and sound price reasonableness justifications when not opting to require certified cost and pricing data from RRC contractors.
10. Review the questioned costs of approximately \$30 million in expenditures as of May 2025, determine the value lost to the government from not receiving contracted reentry services using fully qualified personnel, and remedy an appropriate amount of the questioned costs, such as through recovery, equitable adjustment, or other options.
11. Ensure that Kintock takes sufficient corrective action to ensure that it is providing the required services using fully qualified personnel, thereby putting an estimated \$38 million in remaining available funds for these contracts to better use.

APPENDIX 1: Objectives, Scope, and Methodology

Objectives

The objectives of this audit were to assess: (1) the Federal Bureau of Prisons' (BOP) oversight and evaluation of The Kintock Group's (Kintock) performance and compliance with contract requirements; and (2) Kintock's performance and compliance with the terms, conditions, laws, and regulations applicable to the awarded Residential Reentry Center (RRC) contracts.

Scope and Methodology

The scope of our audit focused on the Kintock RRCs located in Pennsylvania and New Jersey. The BOP awarded Contract Numbers 15BRRC19D00000194, 15BRRC20D00000262, and 15BRRC23D00000003 with a combined total value of approximately \$36.9 million to provide RRC housing and services in Pennsylvania and New Jersey. As of May 2024, Kintock was awarded a new contract, Contract Number 15BRRC24D00000039, which provides for two RRC locations in Philadelphia with an estimated contract value of approximately \$31.8 million.

Statement on Compliance with Generally Accepted Government Auditing Standards

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Internal Controls

In this audit, we performed testing of internal controls significant within the context of our audit objectives. We did not evaluate the internal controls of the BOP or Kintock to provide assurance on its internal control structure as a whole. BOP and Kintock's management are responsible for the establishment and maintenance of internal controls in accordance with OMB Circular A-123. Because we do not express an opinion on the BOP's or Kintock's internal control structure as a whole, we offer this statement solely for the information and use of the BOP and Kintock.¹²

Specifically, our review of internal controls covered the BOP's and Kintock's written policies, procedures, and controls pertaining to price reasonableness, billing, quality, and performance. The internal control deficiencies we found are discussed in the Audit Results section of this report. However, because our review was limited to those internal control components and underlying principles that we found significant to the objectives of this audit, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

¹² This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Compliance with Laws and Regulations

In this audit we also tested, as appropriate given our audit objectives and scope, selected transactions, records, procedures, and practices, to obtain reasonable assurance that the BOP's management complied with federal laws and regulations for which non-compliance, in our judgment, could have a material effect on the results of our audit. Our audit included examining, on a test basis, the BOP's compliance with the following laws and regulations that could have a material effect on the BOP's operations:

- FAR 15.403 – Obtaining Certified Cost or Pricing Data
- FAR 37.5 – Management Oversight of Service Contracts
- FAR 37.6 – Performance-Based Acquisition
- FAR 46.4 – Government Contract Quality Assurance
- 31 U.S.C. §§ 3903 - Prompt Payment Act

This testing included interviewing BOP and Kintock personnel, analyzing contract files, price analyses, reviewing invoices and supporting documentation, and examining policies and procedural practices.

As discussed in our report, we found that the BOP did not comply with certain elements of the Federal Acquisition Regulation related to management oversight of service contracts, performance-based acquisition, and contract pricing.

Computer-Processed Data

During our audit, we obtained information from Kintock's systems. We did not test the reliability of those systems as a whole, therefore any findings identified involving information from those systems were verified with documentation from other sources.

To assess the reliability of Kintock's billing data, we reviewed relevant supporting documentation. We determined that the data was sufficiently reliable for the purposes of this report.

APPENDIX 2: Calculation of Funds to be Put to Better Use

Contract Number	Facility Location	Estimated Contract Total Value	Amount Billed through May 2025	Funds to be Put to Better Use
A	B	C	D	E = C — D
15BRRC24D00000039 ^a	Philadelphia, Pennsylvania	\$31,861,950	\$0	\$31,861,950
15BRRC23D000000003	Bridgeton, New Jersey	9,415,125	3,269,432	6,145,693
Total Funds to be Put to Better Use				\$38,007,643

^a Kintock's Philadelphia contract number 15BRRC19D00000194 ended September 30, 2024. However, it was awarded a new contract, 15BRRC24D00000039, for two RRC locations in Philadelphia, which started performance on October 1, 2024. We utilized this newly awarded contract for our calculation.

Source: OIG calculation based on BOP contract documents and payment information.

APPENDIX 3: Schedule of Dollar-Related Findings

Description	Contract No.	Amount	Page
Questioned Costs: ¹³			
Unsupported Costs due to inadequate documentation of services provided and use of unqualified staff	15BRRC23D00000003	\$3,269,433	12
	15BRRC20D00000262	14,967,843	12
	15BRRC19D00000194	11,643,368	12
Total Questioned Costs		\$29,880,644	
Funds to be Put to Better Use: ¹⁴			
Expected future contract billings based on remaining contract value to be put to better use through implementation of audit recommendations	15BRRC23D00000003	\$6,145,693	12
	15BRRC24D00000039	<u>31,861,950</u>	12
Total Funds to be Put to Better Use		\$38,007,643	
TOTAL DOLLAR-RELATED FINDINGS		<u>\$67,888,287</u>	

¹³ **Questioned Costs** are expenditures that do not comply with legal, regulatory, or contractual requirements; are not supported by adequate documentation at the time of the audit; or are unnecessary or unreasonable. Questioned costs may be remedied by offset, waiver, recovery of funds, the provision of supporting documentation, or contract ratification, where appropriate.

¹⁴ **Funds to be Put to Better Use** are future funds that could be used more efficiently if management took actions to implement and complete audit recommendations.

APPENDIX 4: Listing of Relevant Prior DOJ OIG Audit Reports

- I. U.S. Department of Justice (DOJ) Office of the Inspector General (OIG), [*Audit of the Federal Bureau of Prisons' Residential Reentry Center Contracts Awarded to Reynolds & Associates, Inc., Washington, D.C.*](#), Audit Report 18-30 (September 2018), oig.justice.gov/reports/audit-federal-bureau-prisons-residential-reentry-center-contracts-awarded-reynolds.
- II. DOJ OIG, [*Audit of the Federal Bureau of Prisons Residential Reentry Center Contract No. DJB200244 Awarded to Centre, Inc. Fargo, North Dakota*](#), Audit Report 17-25 (June 2017), oig.justice.gov/reports/audit-federal-bureau-prisons-residential-reentry-center-contract-no-djb200244-awarded.
- III. DOJ OIG, [*Audit of the Federal Bureau of Prisons Residential Reentry Center Contract No. DJB200143 Awarded to Liberty Management Services, Inc., Philadelphia, Pennsylvania*](#), Audit Report GR-70-16-007 (September 2016), oig.justice.gov/reports/audit-federal-bureau-prisons-residential-reentry-center-contract-no-djb200143-awarded.
- IV. DOJ OIG, [*Audit of the Federal Bureau of Prisons Residential Reentry Center Contract No. DJB200113 Awarded to Mirror, Inc., Wichita, Kansas*](#), Audit Report GR-60-16-008 (September 2016), oig.justice.gov/reports/audit-federal-bureau-prisons-residential-reentry-center-contract-no-djb200113-awarded.
- V. DOJ OIG, [*Audit of the Federal Bureau of Prisons Residential Reentry Center in Brooklyn, New York Contract No. DJB200055*](#), Audit Report GR-70-15-005 (March 2015), oig.justice.gov/reports/audit-federal-bureau-prisons-residential-reentry-center-brooklyn-new-york-contract-no.
- VI. DOJ OIG, [*Audit of the Federal Bureau of Prisons Residential Reentry Center Contract with Glory House, Inc., Contract No. DJB200112*](#), Sioux Falls, South Dakota, Audit Report GR-60-14-016 (July 2014), oig.justice.gov/reports/audit-federal-bureau-prisons-residential-reentry-center-contract-glory-house-inc-contract.
- VII. DOJ OIG, [*Audit of the Federal Bureau of Prisons Residential Reentry Center Contract with Behavioral Systems Southwest, Inc. Contract No. DJB200038*](#), Audit Report GR-60-13-013 (September 2013), oig.justice.gov/reports/audit-federal-bureau-prisons-residential-reentry-center-contract-behavioral-systems.
- VIII. DOJ OIG, [*Audit of the Federal Bureau of Prisons Residential Reentry Center in Hutchins, Texas, Contract No. DJB200910*](#), Hutchins, Texas, Audit Report GR-60-13-007 (June 2013), oig.justice.gov/reports/audit-federal-bureau-prisons-residential-reentry-center-hutchins-texas-contract-no.
- IX. DOJ OIG, [*Audit of the Federal Bureau of Prisons' Management of Inmate Placements in Residential Reentry Centers and Home Confinement*](#), Audit Report 17-01 (November 2016), oig.justice.gov/reports/audit-federal-bureau-prisons-management-inmate-placements-residential-reentry-centers-and.

APPENDIX 5: Residential Reentry Center Contract Statement of Work, Attachment F – Individualized Program Plan

Attachment F

Page #1 of 4

Individualized Program Plan

(Available in Word from RRM Office)

Name:	RRC Facility/Code:
Register Number:	Telephone:
Arrival Date:	Fax:
HCED Date:	Status: ☐ BOP or ☐ USPO
Projected Release Date/Method:	
Sex: ☐ Male or ☐ Female	Driver's License Number/State:
Date of Birth:	FBI Number:
Next Review Date:	Other IDs:
CIM Status:	
Component: ☐ CCC ☐ Prerelease ☐ Home Confinement	
Release Residence Address:	Release Employer Name/Address:
Telephone:	Telephone:
Primary Emergency Contact:	Secondary Emergency Contact:
Address:	Address:
Telephone:	Telephone:
Release Address Family Ties/Support:	
Sentence/Supervision:	
Financial Plan Active: ☐ Yes or ☐ No	Subsistence Modification ☐ Yes or ☐ No
Financial Plan Date:	Subsistence Waiver: ☐ Yes or ☐ No
Payments Missed: ☐ Yes or ☐ No	IR for missed payments: ☐ Yes or ☐ No
Special Conditions of Supervision:	
USPO Name:	
Sentencing District Address:	
Phone/Fax:	
Subject to 18 U.S.C. 4042(B) Notification: ☐ Yes or ☐ No	DNA Required: ☐ Yes or ☐ No

Individualized Program Plan

Name:

Registration Number:

Profile Comments:

EDUCATION DATA – prior and current

WORK DATA - (Prior and current):

Prior Work History:

Job Search History:

Employment (date of hire, hours, position, employer name and address/phone)

On-Site Visit Date:

Legal Notification Date:

DISCIPLINE DATA – RRC Information

Date, Prohibited Act, Sanction:

RRC COMPONENTS – CCC, Prerelease, HC

Component name and date

VOCATIONAL/CAREER: - prior and current

INTERPERSONAL:

Relationships:

Family Ties/Support system:

Parental responsibility:

Comments:

AFFORDABLE HEALTH CARE ACT:

Affordable Health Care Application:

ACA information distributed during intake: ☐ Yes or ☐ No

Internet and phone access available to facilitate ACA access? ☐ Yes or ☐ No

ACA survey prior to release? ☐ Yes or ☐ No

Progress and Goals:

PHYSICAL HEALTH:

Physical health concerns:

Prescribed medication:

Progress and Goals:

MENTAL HEALTH:

Mental health assessment:

Mental health treatment:

Progress and Goals:

OTHER TREATMENT PROGRAMMING:

Sex offender treatment

Substance abuse treatment:

Other treatment:

COGNITIVE

General behavior:

Criminal behavior:

Progress and Goals:

HC PROGRAMMING

Family meeting: ☐ Yes or ☐ No

Meeting date:

Home visit: ☐ Yes or ☐ No

Home visit date:

HC request: ☐ Yes or ☐ No

HC request date:

HC approval: ☐ Yes or ☐ No

HC approval date:

Date resident actually placed on HC:

PASSES/FURLOUGHS:

Chronologically list all dates and note if successful:

RELEASE PLANNING:		
Tentative release plan:		
Approved release plan address/phone:		
Release plan support system (name of person, address, phone, relationship to the resident)		
Other comments:		
SIGNATURES/DATE:		
Case Manager Printed Name	Case Manager Signature/Date	Resident Signature/Date

APPENDIX 6: The Federal Bureau of Prisons Response to the Draft Audit Report



U.S. Department of Justice

Federal Bureau of Prisons

Office of the Director

Washington, DC 20534

September 23, 2025

MEMORANDUM FOR JASON R. MALMSTROM
ASSISTANT INSPECTOR GENERAL
AUDIT DIVISION

FROM:

A handwritten signature in blue ink, reading "William K. Marshall III".

William K. Marshall III, Director

SUBJECT:

Response to the Office of Inspector General's (OIG) Draft Report:
Audit of the Federal Bureau of Prisons' Residential Reentry Center
Contracts Awarded to the Kintock Group, Inc.

The Federal Bureau of Prisons (BOP) thanks the Office of Inspector General (OIG) for its thorough evaluation and appreciates the opportunity to formally respond to the draft report entitled, Audit of the Federal Bureau of Prisons' Residential Reentry Center Contracts Awarded to the Kintock Group, Inc. (the Report).

The BOP is dedicated to strengthening its oversight and management of Residential Reentry Center (RRC) contracts to ensure full compliance with contractual obligations, optimize service delivery, and maximize the value of taxpayer funds. Additionally, the BOP is committed to a fundamental restructuring of its relationship with RRC contractors to enhance the quality and accountability of services. Specifically, the agency is overhauling its monitoring of contractor performance against contract requirements to ensure the BOP receives the full scope of contractual services. To that end, the BOP will be prioritizing strict adherence to the contract by requiring the contractors to immediately provide all contracted classes and services.

Additionally, the BOP will update the RRC Statement of Work (SOW) to include detailed quality and performance standards. Furthermore, the BOP will update training for its monitoring staff to ensure thorough Individualized Program Plan (IPP) evaluations and quality assessments, and the BOP will clearly communicate its expectations for a complete IPP to all contractors. The BOP will also collaborate with contractors to reform their hiring procedures to ensure only qualified employees are recommended for key positions and will implement new practices to document and verify the qualifications of all contract employees, including strict controls on the use of waivers. In a move to improve financial stewardship, the BOP will review questioned expenditures to determine the value lost and seek appropriate remedies.

This comprehensive strategy will also ensure contractors take necessary corrective action to use fully qualified personnel, thereby putting remaining available funds to better use and guaranteeing the individuals in their care receive the highest quality of reentry services. These enhancements underscore the BOP's commitment to supporting the rehabilitation and reentry of inmates while ensuring responsible use of agency resources.

Through the actions outlined below in response to the recommendations, the BOP will strengthen its partnerships with contractors, enhance rehabilitation services, and uphold its mission to support successful reentry while maintaining fiscal responsibility.

Recommendation 1: Strengthen its RRC contractor performance monitoring practices and procedures to ensure that the BOP adequately assesses contractor performance to the specific requirements of the contract and receives the full scope of services it has contracted with providers to deliver.

BOP Response: The BOP concurs with this recommendation and will strengthen its RRC contractor performance monitoring practices and procedures to ensure adequate assessment of contractor performance to the specific requirements of the contract and receipt of the full scope of services it has contracted with providers to deliver. The Administrator of the Residential Reentry Management Branch (RRMB) will issue a memorandum to Residential Reentry Management (RRM) staff to provide direction on review of contractor performance which shall include a review of specific program offerings specified in the contract. The memorandum will direct RRM staff to conduct more thorough reviews of contractor performance which shall include review of items noted in the contractor's proposals. It should be noted that many of the resources offered to assist with reentry are outsourced and not provided at the facility but by community partners off-site, so documentation of how the services are provided is not always maintained with RRC records. To remedy this, the memorandum to RRM staff will include a requirement that programs offered off-site be documented and reviewed during contract monitoring by Contract Oversight Specialists (COS). Additionally, the RRM and COS will be trained on the review of Technical Proposals (TP) and SOW requirements as they relate to services provided at the RRC and reflected on IPP evaluations.

Recommendation 2: Work with Kintock to immediately begin providing all classes and services detailed in the contract proposal and ensure it has adequate policies and procedures for documenting its compliance with contract terms and conditions.

BOP Response: The BOP concurs with this recommendation. The RRMB Administrator will issue a memorandum to RRM staff which will provide instruction regarding contract monitoring activity, including review and assessment of course and program offerings specified in the TP. The memorandum will direct RRM staff to compare the programs offered in the TP with those offered at the RRC.

Recommendation 3: Update its standardized IPP form to ensure it adequately addresses all requirements as outlined in the SOW.

BOP Response: The BOP concurs with this recommendation. The current IPP form has a text field for entry of information related to specific reentry need areas. The BOP will update the IPP document to include language directing staff to include courses or programs enrollment in each area and progress toward completion. The BOP also agrees improvement is needed with regard to documenting IPPs to better outline program, course and educational recommendations outlined in the TP and required by the SOW. As described in the BOP's responses to recommendations 1 and 2, the RRMB Administrator will issue a memorandum to RRM staff to reinforce the necessity of documenting specific programming and educational needs, and of documenting follow-up IPPs to demonstrate progress toward completion. While BOP will update the IPP, the current version included in the SOW is being used by contractors. To modify every contract to include the updated IPP may come at a cost. Rather, the BOP will update the IPP for inclusion in future RRC solicitations and provide training to contractors on better documentation of programs and courses taken that comply with the TP and SOW using the current IPP form.

Recommendation 4: Update its standardized RRC contract SOW to include detailed quality standards for the rehabilitation services provided and appropriately defined performance standards.

BOP Response: The BOP concurs with this recommendation and is currently in the process of updating its standardized RRC contract SOW to include detailed quality standards for the rehabilitation services provided and appropriately defined performance standards. The SOW requires that the Progress Review be a comprehensive and substantive review and indicate the residents' progress. As stated, the SOW is currently undergoing revision and will clarify the requirement for contractors to identify each specific recommendation made for residents and identify progress made toward completion of each recommended course.

Recommendation 5: Update its training of monitoring staff to help ensure the adequacy of its monitoring activities, including IPP evaluations, and other contractor performance quality evaluations.

BOP response: The BOP concurs with this recommendation and plans to update training of monitoring staff to help ensure the adequacy of its monitoring activities, including IPP evaluations, and other contractor performance quality evaluations, when funding becomes available to do so. It should be noted that agendas for required RRM Branch trainings currently include detailed instruction on review of the IPP and all required entries. Additionally, the RRMB Administrator will issue a memorandum to relevant RRMB staff directing them to complete a more detailed review of the IPP which will specify the type of educational and reentry programs recommended for residents and ensure notes reflecting progress toward completion of each recommended program are documented.

Recommendation 6: Ensure contractors are adequately informed of the BOP's expectations of a complete IPP.

BOP Response: The BOP concurs with this recommendation and will ensure contractors are adequately informed that a complete IPP is expected. To implement this recommendation, the RRMB Administrator will issue a memorandum to RRM staff instructing them to provide training to contractors on completion of thorough and detailed IPPs. The memorandum will direct RRC staff to complete a more detailed review of the IPP which will specify the type of educational and reentry programs recommended for residents and include notes reflecting progress toward completion of each recommended program is documented.

Recommendation 7: Work with Kintock to update its hiring procedures to ensure that only qualified employees are recommended to the BOP for staffing key positions.

BOP Response: The BOP concurs with this recommendation and is working with Kintock to update hiring procedures to ensure that only qualified employees are recommended to the BOP for staffing key positions. The RRMB Administrator will issue a memorandum to RRM staff providing detailed guidance on hiring procedures. The memorandum will include language directing RRM staff to provide training to contractors which highlights hiring procedures and the importance of conducting a thorough review of all applicants' qualifications and relevant supporting documents prior to submission to the BOP.

Recommendation 8: Develop practices and procedures to ensure the BOP's verification of contract employees submitted to work in RRCs is adequately documented and maintained, including controls surrounding the limited use of employment qualification waivers.

BOP Response: The BOP concurs with this recommendation and will develop practices and procedures to ensure the BOP's verification of contract employees submitted to work in RRCs is adequately documented and maintained, including controls surrounding the limited use of employment qualification waivers. The RRMB Administrator will issue a memorandum to staff to require a thorough review of contractor employee documentation and will indicate that documentation related to hiring be maintained in accordance with all applicable requirements and records retention mandates. The memorandum will specify that employment qualification waivers are to be used on a limited basis and require review by the Sector Administrator overseeing each respective RRM office.

Recommendation 9: Ensure its written guidance to contracting personnel requires adequate documentation of appropriate and sound price reasonableness justifications when not opting to require certified cost and pricing data from RRC contractors.

BOP Response: The BOP concurs with this recommendation. The RRMB Administrator will provide guidance and training to all RRC contracting staff, reiterating the requirement for contracting officers to determine fair and reasonable prices by adequately and thoroughly documenting price reasonableness determinations when not utilizing certified cost and pricing data.

Recommendation 10: Review the questioned costs of approximately \$30 million in expenditures as of May 2025, determine the value lost to the government from not receiving contracted reentry services using fully qualified personnel, and remedy an appropriate amount of the questioned costs, such as through recovery, equitable adjustment, or other options.

BOP Response: The BOP concurs with this recommendation. The BOP will review invoices received from Kintock to determine the value lost and seek an appropriate amount through recovery. The BOP will improve oversight of program offerings and documentation to support programming, provide training to RRM and contracting staff on appropriate IPPs and monitoring of contract performance, and will implement enhanced monitoring procedures for the hiring of qualified personnel.

Recommendation 11: Ensure that Kintock takes sufficient corrective action to ensure that it is providing the required services using fully qualified personnel, thereby putting an estimated \$38 million in remaining available funds for these contracts to better use.

BOP Response: The BOP concurs with this recommendation. The RRMB Administrator will issue a memorandum to all RRM and COSs requiring a thorough review of contractor employee documentation, including a review of the TP, in addition to the SOW, to ensure reentry services outlined in both are offered, ensuring appropriate use of the \$38 million in remaining contract funds.

APPENDIX 7: Office of the Inspector General Analysis and Summary of Actions Necessary to Close the Audit Report

The Office of the Inspector General (OIG) provided a draft of this audit report to the Federal Bureau of Prisons (BOP) and The Kintock Group, Inc. (Kintock). The BOP's response is incorporated in Appendix 6. Kintock opted not to provide the OIG with a response. The BOP concurred with all 11 of our recommendations. As a result, the status of the audit report is resolved. The following provides the OIG analysis of the response and summary of actions necessary to resolve the report.

Recommendations for the BOP:

- 1. Strengthen its Residential Reentry Center (RRC) contractor performance monitoring practices and procedures to ensure that the BOP adequately assesses contractor performance to the specific requirements of the contract and receives the full scope of services it has contracted with providers to deliver.**

Resolved. The BOP concurred with our recommendation and stated in its response that it will take appropriate corrective action to strengthen its RRC contractor performance monitoring practices and procedures to ensure the assessment of contractor performance includes the evaluation of the specific requirements of the contract and that the BOP is receiving the full scope of the services agreed to by the contractor. The BOP also stated that Residential Reentry Management (RRM) staff will be directed to review contractor performance, including a review of specific program offerings specified in the contractor's proposals, as well as for Contract Oversight Specialists (COS) to document and review programs that are offered off-site. In addition, the BOP stated that the RRM and COS will be trained on the review of technical proposals and Statement of Work requirements as they relate to services provided at the RRC and reflected on Individualized Program Plan evaluations.

This recommendation can be closed when we receive evidence that the BOP has taken steps to ensure that it adequately assesses contractor performance to the specific requirements of the contract and receives the full scope of services it has contracted with providers to deliver.

- 2. Work with Kintock to immediately begin providing all classes and services detailed in the contract proposal and ensure it has adequate policies and procedures for documenting its compliance with contract terms and conditions.**

Resolved. The BOP concurred with our recommendation and stated in its response that a memorandum will be issued to RRM staff providing instruction regarding contract monitoring activity, including review and assessment of course and program offerings specified to the technical proposals for the contract. In addition, the BOP stated the memorandum will direct RRM staff to compare the programs included within the technical proposal with those offered at the RRC.

This recommendation can be closed when we receive evidence that the BOP has worked with Kintock to ensure all classes and services detailed in the contract proposal are provided and

polices and procedures for documenting Kintock is in compliance with contract terms and conditions.

- 3. Update its standardized Individualized Program Plan (IPP) form to ensure it adequately addresses all requirements as outlined in the Statement of Work (SOW).**

Resolved. The BOP concurred with our recommendation and stated in its response that it will update the Individualized Program Plan (IPP) to include language directing staff to include course or program enrollment in each area and progress toward achievement. In addition, the BOP stated it will issue a memorandum to RRM staff to reinforce the necessity of documenting specific programming and educational needs, and of documenting follow-up IPPs to demonstrate progress toward completion. The BOP also stated it will update the IPP for inclusion in future RRC solicitations and provide training to contractors on better documentation of programs and courses that comply with a contract's technical proposal and SOW using the current IPP.

This recommendation can be closed when we receive evidence that the BOP has updated the IPP to ensure that it adequately addresses all requirements as outlined in the SOW.

- 4. Update its standardized RRC contract SOW to include detailed quality standards for the rehabilitation services provided and appropriately defined performance standards.**

Resolved. The BOP concurred with our recommendation and stated in its response that it is in the process of updating its standardized RRC contract SOW to include detailed quality standards for the rehabilitation services provided and appropriately defined performance standards. The BOP further stated that the SOW will require that progress reviews are comprehensive and substantive and that they indicate a resident's progress. This update is to clarify the requirement for contractors to identify each specific recommendation for residents and identify progress made toward completion of each recommended course.

This recommendation can be closed when we receive evidence that the BOP has standardized RRC contract SOW to include detailed quality standards for the rehabilitation services provided and appropriately defined performance standards.

- 5. Update its training of monitoring staff to help ensure the adequacy of its monitoring activities, including IPP evaluations, and other contractor performance quality evaluations.**

Resolved. The BOP concurred with our recommendation and stated in its response that it plans to update training of monitoring staff to help ensure the adequacy of its monitoring activities, including IPP evaluations and other contractor performance quality evaluations when funding becomes available to do so. Additionally, the BOP stated it will issue a memorandum to RRM staff directing them to complete a more detailed review of the IPP, which will specify the type of educational and reentry programs recommended for residents and ensure notes reflecting progress toward completion of each recommended program are documented.

This recommendation can be closed when we receive evidence that the BOP has updated its training of monitoring staff to help ensure the adequacy of its monitoring activities, including IPP evaluations, and other contractor performance quality evaluations.

6. Ensure contractors are adequately informed of the BOP's expectations of a complete IPP.

Resolved. The BOP concurred with our recommendation and stated in its response that it will direct RRM staff to provide training to contractors on completion of thorough and detailed IPPs, and direct RRC staff to complete a more detailed review of the IPP, which will specify the type of educational and reentry programs recommended for residents and include notes reflecting progress toward the completion of each recommended program goal.

This recommendation can be closed when we receive evidence that the BOP has completed the training of contractor staff on expectations of IPP documentation.

7. Work with Kintock to update its hiring procedures to ensure that only qualified employees are recommended to the BOP for staffing key positions.

Resolved. The BOP concurred with our recommendation and stated in its response that it will work with Kintock to update hiring procedures to ensure that only qualified employees are recommended to the BOP for staffing key positions. In addition, the BOP stated it will issue a memorandum directing RRM staff to provide training to contractors which highlights hiring procedures and the importance of conducting a thorough review of all applicants' qualifications and relevant supporting documents prior to submission to the BOP.

This recommendation can be closed when we receive evidence that the BOP has updated its hiring procedures to ensure that only qualified employees are recommended to the BOP for staffing key positions.

8. Develop practices and procedures to ensure the BOP's verification of contract employees submitted to work in RRCs is adequately documented and maintained, including controls surrounding the limited use of employment qualification waivers.

Resolved. The BOP concurred with our recommendation and stated in its response that it will develop procedures to ensure the BOP's verification of contract employees submitted to work in RRCs is adequately documented and maintained, including controls surrounding the limited use of employment qualification waivers. The BOP further stated that staff will be required to perform a thorough review of contractor employee documentation and note that documentation related to hiring be maintained in accordance with all applicable requirements and records retention mandates. Additionally, the BOP noted that employment qualification waivers are to be used on a limited basis and require review by the Sector Administrator overseeing each respective RRM office.

This recommendation can be closed when we receive evidence that the BOP has developed practices and procedures ensuring its verification of contract employees submitted to work in RRCs is adequately documented and maintained, including controls surrounding the limited use of employment qualification waivers.

9. **Ensure its written guidance to contracting personnel requires adequate documentation of appropriate and sound price reasonableness justifications when not opting to require certified cost and pricing data from RRC contractors.**

Resolved. The BOP concurred with our recommendation and stated in its response that it will provide guidance and training to all RRC contracting staff, reiterating the requirement for contracting officers to determine fair and reasonable prices by adequately and thoroughly documenting price reasonableness determinations when not utilizing certified cost and pricing data.

This recommendation can be closed when we receive evidence that the BOP has updated its guidance to contracting personnel requiring adequate documentation of appropriate and sound price reasonableness justifications when not opting to require certified cost and pricing data from RRC contractors.

10. **Review the questioned costs of approximately \$30 million in expenditures as of May 2025, determine the value lost to the government from not receiving contracted reentry services using fully qualified personnel, and remedy an appropriate amount of the questioned costs, such as through recovery, equitable adjustment, or other options.**

Resolved. The BOP concurred with our recommendation and stated in its response that it will review invoices received from Kintock to determine the value lost and seek an appropriate amount through recovery. Additionally, the BOP stated that it will improve oversight of program offerings and documentation to support programming, provide training to RRM and contracting staff on appropriate IPPs and monitoring of contract performance, and implement enhanced monitoring procedures for the hiring of qualified personnel.

This recommendation can be closed when we receive evidence that the BOP has completed its review and remedied the appropriate amount of questioned costs.

11. **Ensure that Kintock takes sufficient corrective action to ensure that it is providing the required services using fully qualified personnel, thereby putting an estimated \$38 million in remaining available funds for these contracts to better use.**

Resolved. The BOP concurred with our recommendation and stated in its response that it will require all RRMs and COSs to perform a thorough review of contractor employee documentation, including the technical proposal and SOW, to ensure that reentry services outlined in both are offered and that the \$38 million in remaining contract funds are used appropriately.

This recommendation can be closed when we receive evidence that the BOP has completed appropriate steps to ensure that Kintock is providing the required services and programing, using qualified staff, and taken steps to remedy any costs for services not provided.