



# Audit of the Federal Bureau of Prisons' Efforts to Maintain and Construct Institutions



AUDIT DIVISION

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REDACTED FOR PUBLIC RELEASE

Consistent with our standard practice, we provided a draft of this report to the Department for review prior to release. In response, the Department asserted a deliberative process privilege over portions of the report. At the Department's request, portions of pages 7 and 15 of the report are redacted on the basis that they contain pre-decisional budget information protected by the deliberative process privilege asserted by the Department.



# EXECUTIVE SUMMARY

## Audit of the Federal Bureau of Prisons' Efforts to Maintain and Construct Institutions

### Objectives

The objectives of our audit were to evaluate the Federal Bureau of Prisons' (BOP) planning for: (1) maintenance of existing institutions, including how the BOP identifies and implements modernization and repair projects; and (2) construction of new institutions, as well as expansion of existing institutions.

### Results in Brief

We found that the BOP's infrastructure planning efforts were negatively impacted by two major factors: the absence of a well-defined infrastructure strategy and a mismatch between available and needed funding. The absence of a clear strategy makes it more challenging for the BOP to plan comprehensively and communicate its resource needs to Executive Branch leadership and Congress. Further, due to, in part, its lack of a strategy as well as limitations imposed on the BOP by the Executive Branch budget process, BOP budget requests have been far below its own estimates of its resources needs, and therefore it has not received the funding to address these infrastructure challenges. This results in increasingly costly maintenance and repairs, and, in the most extreme circumstances, closing institutions that become unsafe.

At the same time, Congress has set aside over \$1 billion for the BOP to construct new institutions, but these funds remain largely unspent, the projects have been in the planning stages for over a decade, and the BOP's requests each year—made at the direction of the Department of Justice and the Office of Management and Budget—that Congress cancel one of these projects and rescind the funds have not been acted on.

### Recommendations

Our report contains two recommendations to assist the BOP in improving the effectiveness of its facilities management planning.



The Food Services area in complete disrepair, including exposed and corroded rebar in the ceiling, MCC New York.  
Source: OIG, March 2022 (institution closed at time of photo)



Cracking and separation in the powerhouse floor, where the boilers are located, FCI Terminal Island. Source: OIG, April 2022

## Audit Results

The BOP is responsible for ensuring that around 160,000 federal inmates serve their sentences of imprisonment in facilities that are safe and secure. To that end, the BOP manages 123 institutions covering over 66 million square feet on 46,000 acres of land. The BOP is responsible for all aspects of management for these facilities, including interior and exterior finishes, roofs, grounds, fences, lighting, plumbing, electrical, utility systems, communication systems, and fire protection.

The condition of infrastructure in a correctional setting, which is continuously occupied by staff and inmates, is critically important to its operation and security. The BOP has three major types of facilities management activities: maintaining existing institutions, closing institutions, and constructing or expanding institutions.

As of May 2022, the BOP had identified a large and growing list of unfunded modernization and repair needs with a total estimated cost approaching \$2 billion. We found that the BOP's ability to address its infrastructure requirements is impacted by its lack of an infrastructure strategy and not requesting adequate funding to meet its infrastructure needs. As a result, the BOP is limited by insufficient funding. This results in increasingly costly maintenance and, in the most extreme circumstances, having to shutter institutions and relocate inmates because the needed maintenance and repairs result in unsafe conditions. The BOP uses newly constructed facilities as a way to replace aging infrastructure, but funding and various other challenges mean the BOP has been slow to build over the last decade.

## The BOP Needs an Infrastructure Strategy to Address Numerous Facilities Management Challenges and to Support Its Budget Requests

The BOP's lack of a well-defined infrastructure strategy compounds its inability to keep pace with its maintenance and repair needs, as well as to obtain the funding it needs to address this challenge. The BOP estimates it needs almost \$2 billion to address its modernization and repair needs, yet the BOP sought less than \$200 million for its infrastructure needs from Congress in FY 2022 and Congress appropriated \$59 million. Indeed, the BOP's annual fundings requests have regularly been far below the amount recommended by the Federal Facilities Council's (FFC) longstanding guidance for maintaining existing prisons, which the BOP says it follows. The FFC recommends funding federal facilities maintenance programs at a minimum of 2 to 4 percent of their current replacement value on an annual basis, which for the BOP equated to \$675 million to \$1.3 billion for FY 2022.

We found that the BOP's existing strategic plan includes a security and facility management goal with the broad objective to maintain its facilities in operationally sound conditions and in compliance with security, safety, and environmental requirements. However, the plan does not have a well defined infrastructure strategy to provide the framework for meeting this objective. Such a framework would assist Executive Branch leadership and Congress in assessing the BOP's budget needs and help ensure BOP management can identify solutions and make sound decisions by providing a framework that recognizes multiple priorities, including both long-term and short term needs; aligns individual facilities' projects with the BOP's larger mission; and promotes realistic planning based on the BOP's actual, available resources.



### Infrastructure Needs at Existing Institutions

The BOP's modernization and repair program focuses on critical repair and security projects. The BOP prioritizes projects that protect life and safety, while recognizing that priorities change as emergencies arise, equipment and systems fail, and the BOP's growing needs far outweigh the BOP's funding. At three institutions we observed various issues, including cracking and separating concrete, housing units with no air conditioning, failed equipment, small water leaks in ceilings, outdated albeit operational temperature controls, and a roof with soft spots and blisters. The infrastructure needs at these locations were not visibly disrupting operations; however, these issues, along with general wear and tear, will need to be addressed to prevent problems in the future. Our observations illustrate the state of and growing problem presented by the BOP's deteriorating infrastructure.

### Closed and Partially Closed Institutions

At the most extreme end of the modernization and repair program are infrastructure issues that are so significant that they require the BOP to cease some or all of an institution's operations. Currently, a Federal Correctional Institution in Estill, South Carolina, is partially closed after a tornado hit the facility, and a Correctional Institution in Taft, California, and a Metropolitan Correctional Center in New York, New York, were closed after major infrastructure issues were identified and the institutions were deemed no longer safe to occupy. The futures of all three locations are unknown, as the BOP has not secured adequate funds to complete all the needed repairs. We did find that the BOP has collected sufficient information about the scope and scale of needed repairs at these three institutions. However, we did not see evidence that the BOP has a strategic approach for determining whether to rehabilitate or permanently close a non-operating location, and thus cannot easily determine in each instance which action would better serve the BOP's short and long-term mission goals and operational needs.

### New Construction Projects and Expansions

Even as the BOP's significant and pervasive maintenance issues at the existing institutions remain unfunded, the agency currently has close to \$1.025 billion in unspent funds that Congress appropriated to build two new institutions in Letcher County, Kentucky, and Leavenworth, Kansas. Both projects have been in development for over a decade, and the BOP has made repeated, unsuccessful requests to cancel the Letcher County project, pointing to difficulties in identifying a building site and recent declines in the inmate population. Meanwhile, while overcrowding persists in the BOP's medium and high security institutions (despite an overall declining federal inmate population), the BOP has not added permanent bed space to any of its facilities in the last 5 years. Congress ultimately decides if the BOP moves forward with any new construction project; however, the

BOP can advocate for desired outcomes based on its expertise in managing the federal prison system, and it would be better positioned to do so if it had a well defined infrastructure strategy that better articulated how specific new construction and expansion projects would, or would not, fit with the BOP's infrastructure goals and mission needs.



Wall separation in the mechanical room allows daylight to be seen from the building's interior, CI Taft. Source: OIG, April 2022 (institution closed at time of photo)



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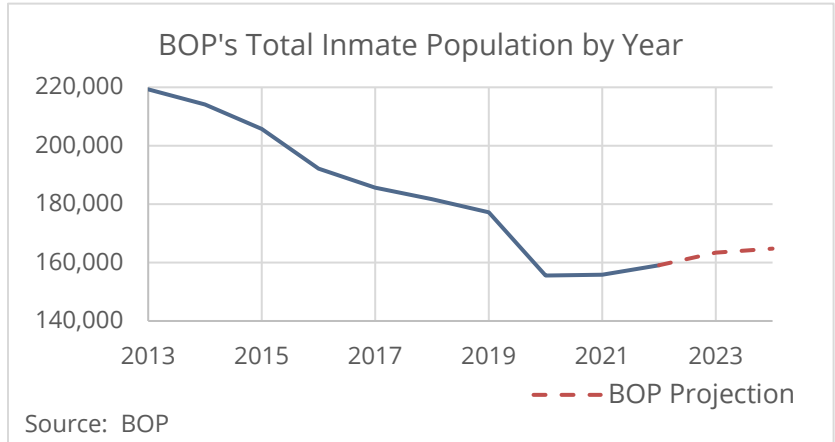
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# Introduction

The Federal Bureau of Prisons (BOP) is responsible for ensuring that federal offenders serve their sentences of imprisonment in facilities that are safe, humane, and secure. The condition of the infrastructure in a correctional setting is critically important. The buildings are continuously occupied by staff and inmates, leaving no option but to ensure that the buildings and buildings' systems operate without interruption. Even temporary disruptions, such as a heating system failure, can impact the safety and well-being of staff and inmates.

The BOP must also ensure that it has adequate space to house its inmate population. The BOP's inmates are confined in institutions across the United States, which are comprised of 5 different security levels, including minimum, low, medium, high, and administrative facilities. After rising from an inmate population of roughly 25,000 inmates in 1980 to an inmate population of about 219,000 in 2013, the BOP's total inmate population has declined significantly over the last



decade to a current population of approximately 159,000.<sup>1</sup> Despite this recent decline, parts of the system are overcrowded.<sup>2</sup> At the end of fiscal year (FY) 2022, medium and high security male institutions were 35 and 26 percent overcapacity, respectively. Additionally, the BOP's capacity projection through FY 2024 shows increases in both the population and crowding levels.<sup>3</sup> The projection includes ongoing crowding at medium and high security male institutions, as well as a significant increase in crowding—from 6 percent under capacity in FY 2021 to 9 percent over capacity in FY 2024—at low security male institutions. The BOP partly attributes the projected increase to the BOP no longer using contract prisons to house federal inmates, requiring BOP institutions to absorb an estimated additional 7,941 low-security inmates in that time frame.<sup>4</sup>

According to the BOP, round-the-clock use and crowding at its institutions increases wear and tear and results in premature deterioration. At the same time, infrastructure problems that render space even temporarily unusable can compound problems arising from overcrowding. This dynamic underscores the

<sup>1</sup> Part of the reason for the decrease in the BOP's inmate population from 2019 to 2020, according to U.S. Sentencing Commission data, was the substantial decline in prosecutions and sentencings due to the COVID-19 pandemic.

<sup>2</sup> According to the BOP, crowding levels are based on a mathematical ratio of the number of inmates divided by the rated capacity of the institutions at each of the specific security levels.

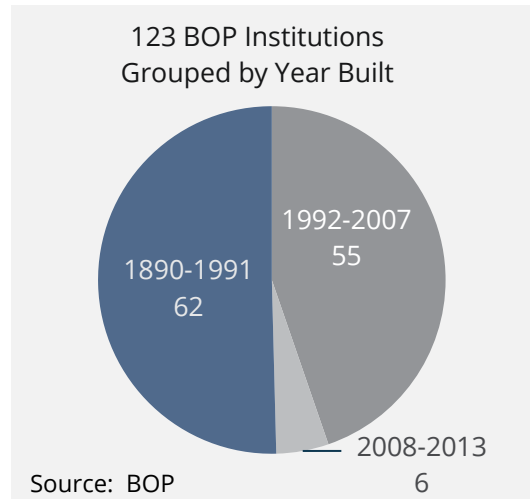
<sup>3</sup> Inmate capacity projections are limited to FY 2024 because the BOP considers longer-range predictions to be unreliable given the recent executive and legislative changes impacting the federal inmate population.

<sup>4</sup> A January 2021 Executive Order instructed the Attorney General to not renew Department of Justice contracts with privately operated criminal detention facilities. All 11 contract prisons—institutions operated by private corporations—operating at that time were closed by the end of November 2022.

critical role of facilities management in ensuring that the BOP can house the federal inmate population at institutions that are safe, humane, and secure moving forward.

## Maintenance and Construction

The BOP has a large physical footprint. As of February 2022, the BOP reported occupying 46 thousand acres of land and approximately 66 million square feet of floor area at 123 institutions in 99 locations throughout the United States, with an estimated replacement value of \$35 billion.<sup>5</sup> Facilities management encompasses both buildings and systems, including, but not limited to, interior and exterior finishes, roofs, grounds, fences, plumbing, electrical, lighting, utility systems, communication systems, and fire protection. Over half of the BOP's 123 institutions are more than 30 years old and less than 5 percent of the institutions were constructed in the last 15 years. According to the BOP, the older the infrastructure, the greater the need in terms of repairs and replacements.



The BOP has three major types of facilities management activities, each of which impacts the number of inmates the BOP can safely house. The BOP can: (1) maintain existing institutions, (2) close institutions, and (3) construct new institutions or expand existing institutions, as shown in Figure 1.

Figure 1

### Facilities Management Activities

#### Maintenance

Maintain existing facilities in an adequate state of repair to provide a safe and secure environment. Allows the BOP to maintain existing capacity.



#### Closure

Eliminate costs associated with continued operations. Requires the BOP to either reduce capacity or replace with new capacity.



#### New Construction or Expansion

Acquire or construct new prison facilities, or expand existing facilities. Allows the BOP to either expand capacity or replace existing capacity.



Source: Office of the Inspector General (OIG) analysis of the BOP's facilities management

<sup>5</sup> The BOP has 123 facilities, including two closed institutions—Metropolitan Correctional Center New York and Correctional Institution Taft, which was contractor-operated when it was open.

The BOP pays for the maintenance and construction of its institutions from two funding sources.

- 1) The annual Salaries and Expenses appropriation funds the Institution Maintenance program, which includes regular maintenance and minor improvements.
- 2) The no-year Buildings and Facilities appropriation, which remains available until expended, includes:
  - a) modernization and repair (M&R) funding, used to maintain existing institutions in an adequate state of repair; and
  - b) new construction funding, used to expand existing institutions and acquire or construct new institutions.

The Institution Maintenance and M&R programs fall under the Facilities Management Branch, which is responsible for facilities management at all BOP institutions. The M&R program is also responsible for managing closures of facilities, including rehabilitation or disposal. The institutions' Facilities Departments, Regional Facilities Offices, and Central Office manage different facets of the programs based on the type and cost of the work. New construction falls under the Construction and Environmental Review Branch, which is responsible for the design and construction of new facilities. New construction funds are generally designated for specific projects as directed by Congress. Appendix 2 contains further details on funding facilities management at existing institutions.

## OIG Audit Approach

The objectives of this audit were to evaluate the BOP's planning for: (1) maintenance of existing institutions, including how the BOP identifies and implements M&R projects; and (2) construction of new institutions, as well as expansion of existing institutions. The scope of the audit includes facilities management activities at all 123 BOP-owned institutions and 2 pending new construction projects. Unless otherwise specified, the scope includes FYs 2017–2022.

To accomplish these objectives, we evaluated information related to the BOP's facilities maintenance and new construction programs. This included reviewing budget documents, internal and external communications, facility assessments, and work order and project tracking documents. We used data from the BOP's computerized maintenance management system; SENTRY, the BOP's inmate information system; and the accounting systems. We conducted site work at five BOP institutions.<sup>6</sup> This includes U.S. Penitentiary (USP) Atlanta; Metropolitan Correctional Center (MCC) New York; Federal Transfer Center (FTC) Oklahoma City; Correctional Institution (CI) Taft in Taft, California; and Federal Correctional

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<sup>6</sup> In March and April 2022, the OIG conducted site visits at five BOP facilities to better understand the challenges faced by the BOP and the impact infrastructure issues have on inmates, staff, and BOP leadership. Photos and videos of those facilities can be viewed on our website at <https://oig.justice.gov/reports/federal-bureau-prisons-efforts-maintain-and-construct-institutions>.



Institution (FCI) Terminal Island in San Pedro, California.<sup>7</sup> We also interviewed BOP officials from the Central Office, each of the BOP's six Regional Offices, and Facility Managers at several institutions.

We sampled various attributes of the BOP's facilities maintenance program, including identifying and tracking maintenance projects. Additionally, we reviewed supporting documentation related to two pending new construction projects and three full or partial institution closures. Appendix 1 contains further details on our audit objectives, scope, and methodology.

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<sup>7</sup> CIs are prisons operated by private corporations, also known as contract prisons. FCIs, along with USPs, MCCs, and the FTC, are BOP-owned and operated.

## Audit Results

The BOP projects that the inmate population, along with overcrowding in certain parts of the system, will increase through at least FY 2024. At the same time, the BOP's institutions are aging and deteriorating. As of May 2022, the BOP identified a large and growing list of unfunded modernization and repair needs with an estimated cost approaching \$2 billion. We found that the BOP's ability to address its infrastructure requirements is limited by the absence of a well-defined infrastructure strategy and the limited amount of funding it has requested through the budgeting process, and therefore received from Congress. This resource challenge affects the BOP's ability to modernize its facilities and results in increasingly costly maintenance and repairs and, in the most extreme circumstances, shuttering institutions and relocating inmates when the inability to complete the needed maintenance and repairs results in unsafe conditions.

The BOP identifies newly constructed facilities as a possible solution to infrastructure problems because new institutions can address overcrowding and replace aging infrastructure, but environmental concerns and other challenges have resulted in the BOP being slow to build new institutions over the last decade. While a well-defined strategy would not guarantee that the BOP will secure adequate funding for its infrastructure needs or achieve all its infrastructure goals, it would position the BOP to approach its planning more comprehensively and allow officials to communicate its needs more clearly and persuasively to relevant decision makers, including Department of Justice leadership, the Office of Management and Budget, and Congress.

### **The BOP Needs an Infrastructure Strategy to Address Numerous Facilities Management Challenges and to Support its Budget Requests**

According to the BOP, delays in completing repairs have increased the number and cost of unfunded projects, as well as contributed to additional deterioration of the BOP's aging and failing infrastructure. The issues are both seen—including buckling concrete, crumbling façades, and water leaks—and unseen, including poor ventilation and energy inefficiencies. At the most extreme end of this problem are infrastructure issues so significant that the BOP must close an institution, as was the case when the BOP shuttered MCC New York in October 2021 after an in-depth conditions assessment found that substantial building deficiencies jeopardized the safety and security of the staff and inmates who occupied the building.

Undoubtedly, the BOP's most significant resource constraint is funding. The BOP has a large and growing list of unfunded major projects—which the BOP defines as those projects costing more than \$300,000—at institutions throughout the United States. The list includes projects such as repairing and replacing life safety systems to comply with fire codes; modernizing and improving equipment, buildings, and utilities; and abating hazardous waste. As of May 2022, the unfunded list, which excludes projects less than \$300,000, had a total estimated cost approaching \$2 billion, an amount that far outweighs the BOP's available resources. According to the BOP's Congressional Budget Submissions, for modernization and repair (M&R) funding the BOP tries to follow the Federal Facilities Council's longstanding guidance for maintaining existing prisons.<sup>8</sup> The Council recommends funding federal facilities maintenance programs at

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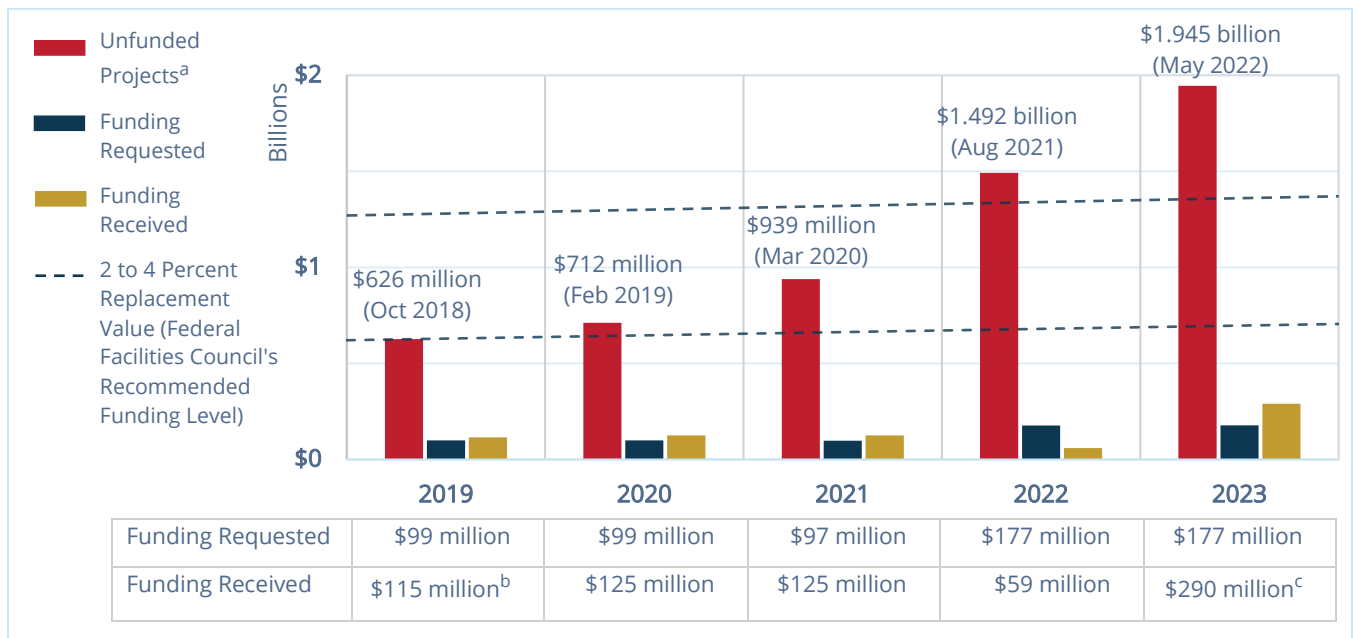
<sup>8</sup> The Federal Facilities Council is an association of federal agencies that focuses on federal facilities management.

a minimum of 2 to 4 percent of their current replacement value on an annual basis, which for the BOP equated to \$675 million to \$1.3 billion for FY 2022.<sup>9</sup>

While the BOP’s Budget Development Branch tracks this calculation, the BOP’s actual annual M&R budget request to Congress is typically far less than both the estimated cost of the BOP’s unfunded needs and the Council’s recommended funding level. For example, in FY 2022, the BOP’s budget M&R budget request to Congress was just \$177 million and it received \$59 million as an appropriation. Figure 2 shows a comparison of the M&R amount the BOP requested, the amount it was appropriated, and the amount of its unfunded projects.

Figure 2

Comparison between the BOP’s M&R Funding Needs and Its Annual M&R Budget in FYs 2019 to 2023



<sup>a</sup> The Chief of the Facilities Management Branch attributed the growing unfunded list to both an increase in M&R needs and an effort to update the list to include existing issues that were not previously included.

<sup>b</sup> The FY 2019 funding received includes \$87 million M&R appropriation plus \$28 million in hurricane supplemental funds for repairs related to Hurricanes Florence and Michael and Typhoon Yutu.

<sup>c</sup> The Consolidated Appropriations Act, 2023 was signed into law on December 29, 2022, and included \$108 million as part of regular appropriations and \$182 million as part of the Disaster Relief Supplemental Appropriations Act, 2023, which provides a total of \$27 billion in emergency funding to recover from and prepare for natural disasters and extreme weather events. Our audit scope ended prior to December 2022, and, as such, does not address these funds.

Source: BOP’s budget and appropriation data

<sup>9</sup> The BOP calculates the M&R replacement value by multiplying the institutions’ capacity with the current construction cost per bed, minus 10 percent for land costs.

The BOP's ability to address its infrastructure requirements is impacted by its lack of an infrastructure strategy, which we discuss below, and not requesting adequate funding for infrastructure during the federal budget process. Before the President transmits the budget request to Congress and Congress appropriates funds, the Department of Justice (Department or DOJ) and then the Office of Management and Budget (OMB) analyze and make decisions regarding the BOP's budget proposal. As exemplified in the timeline for the FY 2022 budget process shown in Figure 3, the BOP requested an amount of M&R funding that was far below both the estimated cost of the BOP's unfunded needs and the Federal Facilities Council's recommended funding level.

**Figure 3**

**BOP's FY 2022 Buildings and Facilities Budget**

<b>BOP's Budget Proposal Submitted to DOJ in June 2020</b>	<b>DOJ's Budget Proposal Submitted to OMB in September 2020</b>	<b>President's Budget Request Submitted to Congress in May 2021</b>	<b>March 2022 Budget Enacted by Congress</b>
\$124 million, including: \$122 million for M&R (includes \$24.7 million to repair tornado damage at FCI Estill) \$2 million for new construction.	██████████, including: ██████████ for M&R (excludes funds to repair tornado damage at FCI Estill) ██████████ for new construction.	\$179 million, including: \$177 million for M&R (includes \$39 million for energy saving projects) \$2 million for new construction.	\$235 million, including: \$59 million for M&R "to reduce [BOP's] longstanding M&R backlog." \$176 million for new construction.

Note: We did not include the FY 2022 rescission request but discuss rescissions in other sections of this report.

Source: Justice Management Division, BOP, and Congress.gov

According to the Justice Management Division, for FY 2022, OMB directed the BOP, along with the other DOJ components, to request no more than its FY 2021 President's Budget Level in the budget submitted to Congress, which was \$99.5 million. OMB subsequently increased the amount for the BOP; however, the figure remained well below the estimated cost of the BOP's unfunded needs and the Federal Facilities Council's recommended funding level. The FY 2022 enacted budget passed by Congress included \$59 million for M&R, which was one-third of the President's Budget request. Information related to M&R funding in FY 2022, along with other infrastructure funding, is included in Table 1 below.



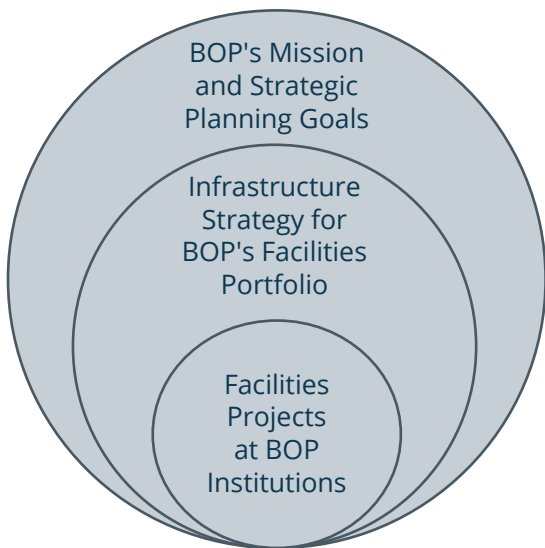
Table 1

BOP's FY 2022 Enacted Budget<sup>a</sup>

Salaries & Expenses	
\$7.865 Billion	The FY 2022 enacted budget for Salaries and Expenses included \$745 million for institution maintenance, which is the part of the facilities management program responsible for supporting routine maintenance at the BOP's institutions, such as inspecting, repairing, and replacing parts and equipment. The unfunded needs discussed above are issues above and beyond what can be addressed as part of everyday institution maintenance and, apart from emergencies, are required to be funded using M&R funds.
\$745 million of this total is for routine institution maintenance (separate from the M&R program)	
Buildings & Facilities	
\$235 Million	The FY 2022 enacted budget for Buildings and Facilities was \$235 million. Of that total, \$176 million is for new construction, which is \$174 million more than requested, a topic we discuss in detail in the New Construction section of this report. The remaining \$59 million is for M&R. These funds, resulting from the BOP's \$177 million request, represent 3 percent of the estimated cost of the BOP's unfunded needs as of May 2022 and less than 0.2 percent of the \$35 billion replacement value of the BOP's prisons.
\$176 million for new construction	
\$59 million for M&R	

<sup>a</sup> Appendix 2 contains further details on facilities management at existing institutions.

Source: Pub. L. No. 117-103 and BOP



A key factor in the BOP's inability to effectively address the deterioration of its facilities is the absence of a well-defined infrastructure strategy, which should align individual facilities projects at the institutions with the BOP's larger mission and its budgeting needs. The BOP's mission-level strategic plan includes a security and facility management goal with the broad objective to maintain its facilities in operationally sound conditions and in compliance with security, safety, and environmental requirements. A well-defined infrastructure strategy should provide the framework for meeting this objective. The BOP does not have such a framework. Rather, the BOP's brief M&R strategy, which is included as part of the BOP's FY 2022 Congressional Budget Submission, includes two primary elements: (1) the use of the replacement value method to request funds; and (2) the implementation of a 3-year time limit policy for M&R projects, after which the project is cancelled so that the funds can be applied to another high-priority project.

The BOP's current M&R strategy is problematic in a few respects. First, the BOP's current M&R strategy does not include a vision of prison infrastructure 5, 10, or 20 years from now to help guide decision makers in DOJ, OMB, and Congress as they consider how to fund the BOP's current maintenance needs. During our audit, the BOP pointed to the magnitude of its existing needs as a factor that limits or dissuades the BOP from longer-range planning. The BOP's current priorities include emergency repairs and life safety projects,

such as corrective actions to comply with fire codes, which are urgent. However, in our judgment, a comprehensive strategy must address both short-term needs and longer-range planning goals.

Second, although the BOP identifies the recommended funding levels using the replacement value method in its budget submissions for informational purposes, its actual requests (and therefore its enacted M&R budgets) have been significantly less than the replacement value amounts identified. This severely restricts the number of M&R projects that the BOP can complete. Third, the BOP's time limit policy emphasizes outputs (the number of active and completed projects) versus outcomes (the actual impact of agency efforts). In its budget submission, the BOP states that its strategy creates positive incentives for managers to plan projects concurrently based on projected availability of funds, and to complete them in a timely manner. However, the M&R strategy does not clearly align individual projects with the BOP's broader mission. Finally, the infrastructure strategy should encompass all of the BOP's facilities management activities, which in addition to maintenance includes closures and new construction since all three impact the facilities portfolio. We discuss these activities and their relationship to strategic planning in the Closures and New Construction sections of this report.

For guidance related to developing a federal infrastructure strategy, we sought relevant authoritative sources and identified defined business practices developed by the aforementioned Federal Facilities Council. The Federal Facilities Council is a cooperative association of more than 20 federal agencies operating under the auspices of the National Research Council. Its mission is to identify and advance technologies, processes, and management practices that improve the performance of federal facilities over their entire life cycle, from planning to disposal. The National Research Council has published a technical report and studies that address federal facilities management strategies, which we reference throughout this report. Appendix 3 contains further details on these publications.

The purpose of an infrastructure strategy is to increase the effectiveness of facilities management by assisting Executive Branch leadership and Congress in assessing the BOP's budget needs and helping ensure BOP management can identify solutions and make sound decisions. The absence of such a strategy increases the risk of negative outcomes. The National Research Council highlights potential negative outcomes of poor facilities management, including inadequate facilities to support functional requirements, cost-inefficient facilities that waste available resources, aging facilities that become increasingly costly to maintain and less supportive of mission, and unavailable or inadequate facilities to meet anticipated needs. Some of these issues are evident at the BOP, particularly aging institutions and the increasing costs associated with their maintenance.

We discussed developing an infrastructure strategy with the BOP and the BOP provided the following:

Currently, a detailed infrastructure strategy is being developed to implement additional stakeholders in the review and approval process to target needs of environmental, life safety, and infrastructure concerns for immediate, short to mid-term, and longer-range project needs. This collaborative approach will include an annual review by the Executive Staff to ensure that priorities are identified, evaluated, and addressed, including additional project oversight and plans of action for needed projects.

Additionally, after our discussions with the BOP, the BOP reported making additional progress in developing an infrastructure strategy by issuing a Sources Sought Announcement that closed on February 1, 2023, specifically concerning the provision of strategic planning services for BOP's infrastructure requirements. The Sources Sought Announcement is part of the BOP's market research—collecting and analyzing information about capabilities within the market to satisfy agency needs—in anticipation that a contract solicitation will be issued for the provision of strategic planning services to prioritize the M&R backlog.

The BOP's efforts to develop an infrastructure strategy is a positive step forward. As such, we recommend that the BOP continue its efforts and develop an infrastructure strategy to increase the overall effectiveness of facilities management. The strategy should align infrastructure decisions with the BOP's mission; include one or more methodologies for allocating resources; and include short, medium, and long-range planning goals. The following sections of this report outline the challenges specific to facilities maintenance, closures, and new construction, as well as the value of an infrastructure strategy in relation to each one. We identify several strategic models and components that, in our judgment, may help the BOP in developing and refining an infrastructure strategy to help realize a more effective and sustainable operation. Specifically, as part of this strategy, the BOP should consider incorporating a portfolio-based repair model; a retention or disposal decision model; and business case analysis for new construction, as appropriate.

## Infrastructure Needs at Existing Institutions

The M&R program focuses on critical repair and security projects. To identify the institution's needs and establish regional and BOP-wide priorities, each institution conducts an annual Buildings and Grounds Condition Assessment, which entails visually inspecting all areas of the institution and documenting a course of action for deficiencies. The institution uses the assessment, along with other relevant information, to formulate its annual budget submission. Next: (1) each institution creates and submits an annual projects list, including cost estimates, to the regional office; (2) the Regional Facilities Office identifies regional priorities, selects projects the region intends to fund in the upcoming fiscal year, and submits the region's major projects priorities to the Central Office; and (3) the Facilities Management Branch identifies nationwide priorities, selects projects the Central Office intends to fund in the fiscal year after next, and includes unfunded projects on the Unfunded Priorities list. The institutions classify each M&R project into one of five general categories, including life safety, general improvements, infrastructure improvements, hazardous waste, and energy savings.<sup>10</sup> The BOP prioritizes projects that protect life and safety, while recognizing that priorities change as emergencies arise, such as when equipment and systems fail, and the BOP's growing needs far outweigh the BOP's funding. Information related to funded projects created in FYs 2017–2021, as well as unfunded projects as of May 2022, are included in Table 2 below.

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<sup>10</sup> According to the BOP, life safety projects are defined as those executed to comply with items such as applicable fire code standards. General improvement projects modernize and improve equipment, entire rooms, such as kitchens, or buildings that require total rehabilitation of structures, including walls, floors, and windows. Infrastructure improvement projects modernize or replace utilities, such as water pipes, and electrical systems. Hazardous waste projects abate hazardous waste, such as asbestos, through removal, encapsulation, and other methods as necessary. Energy savings projects conserve energy by using more energy efficient equipment and systems, and the projects are also required to meet pertinent energy conservation laws and regulations.

Table 2

Summary of Recent Funded and Unfunded Modernization and Repair Projects

Funded Projects in FYs 2017–2021 <sup>a</sup>	Unfunded Projects as of May 2022
<p>BOP had 2,119 active and completed projects, \$816 million allotted and \$487 million obligated, and all BOP locations were included.</p> <p>\$234 million, or 29 percent allotted and \$4 million obligated were for Energy Savings Performance Contracts (ESPC).<sup>b</sup></p> <p>The North Central Region had the most dollars allotted totaling \$112 million, or 19 percent; and the Mid-Atlantic Region had the fewest dollars allotted totaling \$59 million, or 10 percent. (Excludes ESPCs.)</p> <p>The top 3 project areas were roofs with \$99 million allotted, security and communication with \$79 million allotted, and heating, ventilation, and air conditioning (HVAC) with \$64 million allotted. (Excludes ESPCs.)</p> <p>Kitchen and laundry equipment replacements were the most frequent type of project.</p>	<p>BOP had 559 unfunded projects with a total estimated cost of \$1.945 billion.</p> <p>The Western Region had the most unfunded needs totaling \$426 million (25 percent); and the North Central and Southeast Region had the fewest unfunded needs totaling \$183 million (11 percent) and 180 million (11 percent) respectively. (Excludes closed institutions.)</p> <p>The top 3 areas of need in terms of estimated costs were roofs with \$219 million, HVAC with \$212 million, and electrical/power with \$199 million. (Excludes closed institutions.)</p> <p>FCI Terminal Island—a low security institution in California built in 1938—had the most expensive total need, \$104 million. FCI Fort Dix—a low security institution in New Jersey built in 1946—had the most expensive single project, \$40 million to upgrade housing units. (Excludes closed institutions.)</p> <p>5 of 99 locations had no projects on the unfunded list, including 3 FCIs and 2 Federal Prison Camps built from 1930–2014.</p>

<sup>a</sup> This table refers to allotments and obligations as of October 2021.

<sup>b</sup> An ESPC is a government contract with an energy service company, who identifies energy conservation measures and arranges the necessary funding. The energy cost savings then pay for the project over the term of the contract up to 25 years. After the contract ends, additional cost savings accrue to the agency.

Source: BOP's Facilities Management Branch and Total Maintenance System

We evaluated the BOP's process for identifying and tracking M&R projects to determine whether the annual process effectively captures the BOP's infrastructure needs. Our review of work planning documents from a judgmentally selected sample of institutions—including the institutions we visited—did not identify any significant issues with the annual process for identifying and tracking M&R projects. Our work included reviewing BOP policy, which limits the number of projects an institution may submit to the Regional Facilities Office as part of its annual submission. Specifically, the Facilities Operations Manual states that each institution can submit a maximum of 5 repair and improvement projects (M&R projects costing \$300,000 or less) and 3 major projects (M&R projects costing more than \$300,000). However, staff at Regional Facilities Offices indicated that they generally do not enforce these limits. The Western Region goes further by encouraging its institutions to submit all their project needs. Additionally, the Facilities Management Branch's instructions for the FY 2022/FY 2023 submission state that the regional offices should not limit the number of major projects each institution submits to better capture the BOP's needs. While we did not identify any specific issues related to this policy during our audit, the policy's existence increases the potential risk that institutions will not inform the regional and central offices about all significant maintenance and repair needs and those needs will not be properly tracked.



Additionally, as we discussed, a large majority of the needs identified and tracked by the BOP remain unfunded.<sup>11</sup> As such, we also evaluated the BOP's unfunded facilities issues, with an estimated cost of \$1.945 billion as of May 2022, in terms of their prevalence to identify trends. The existing needs are so numerous that prevalence can be framed in several ways. For example, we can point to specific types of issues, such as aging and deteriorating roofs and mold. Roof repairs and replacements are the most common project on the BOP's May 2022 unfunded list both in terms of estimated cost and number of projects. This is despite roofs also representing the highest funded M&R project type both in terms of allotments and obligations in FYs 2017–2021. An added challenge related to roof repairs is the potential increases between the BOP's preliminary cost estimates and estimates based on more in-depth architect and engineer assessments. For example, FCI Bastrop's estimated cost to replace its roof is \$2.9 million, while a comprehensive architect and engineer assessment estimate was more than three times that amount. Mold is often symptomatic of a larger infrastructure issue not being addressed. The May 2022 unfunded list included two large mold remediation projects at Federal Correctional Complex Oakdale and FCI Estill with estimated costs of \$12 million and \$1.5 million respectively. The BOP also initiated a small number of M&R projects related to mold remediation in FYs 2017-2021.

## MOLD

A June 2015 memorandum from the BOP's Occupational and Employee Health Branch states that the presence of mold can indicate various infrastructure issues, such as roof or interior plumbing leaks, and requires affected surfaces, such as drywall and ceiling tiles, to be cleaned or removed. We reviewed reports related to mold at BOP institutions, including Occupational Safety and Health Administration inspections and complaints submitted to Congress, the U.S. Office of Special Counsel, and the BOP's Office of Internal Affairs. The reports make clear that mold contamination can result in unsafe and unsanitary working and living conditions, and the issues were not always adequately addressed. As an example, in April 2022, the U.S. Office of Special Counsel found a substantial likelihood of wrongdoing at FCI Dublin based on an allegation that various areas in FCI Dublin have been contaminated with asbestos debris and mold, and when the issues were brought to the attention of the institution's management, they remained unresolved. The adequacy of BOP management's actions related to mold abatement is outside of the scope of this audit; however, the inability to address a mold issue is consistent with the fact that a large majority of infrastructure needs remain unfunded.

Another way to frame the prevalence of unfunded needs is by location. The Western Region's 15 locations account for 25 percent of the estimated cost of unfunded projects (this excludes closed institutions), but only 15 percent of the BOP's locations. A member of the Western Regional Facilities staff stated that in the absence of longer-range planning, the regional office asks the institutions to identify all their needs, regardless of funding availability. Additionally, the Chief of the Facilities Management Branch stated that the Western Region developed and initiated a project to review its institutions' life cycles and update their institutional drawings. The high-dollar unfunded needs Western Region locations underscore the region's expansive approach to identifying and tracking M&R projects. This includes unfunded estimated costs of

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<sup>11</sup> The BOP's annual financial statements, which are outside the scope of this audit, include a reporting requirement related to the BOP's deferred maintenance and repairs. Such information is the responsibility of management and, although not a part of the basic consolidated financial statements, is required by the Federal Accounting Standards Advisory Board. The financial statement auditors do not express an opinion or provide any assurance on the information. See the BOP's FY 2021 annual financial statements for more information. U.S. Department of Justice (DOJ) Office of the Inspector General (OIG), [Audit of the Federal Bureau of Prisons Annual Financial Statement, FY 2021](https://oig.justice.gov/reports/audit-federal-bureau-prisons-annual-financial-statements-fiscal-year-2021), Audit Report 22-019 (December 2021), <https://oig.justice.gov/reports/audit-federal-bureau-prisons-annual-financial-statements-fiscal-year-2021>.

\$104 million at FCI Terminal Island, \$61 million at Federal Correctional Complex Lompoc, \$50 million at Federal Correctional Complex Victorville, \$49 million at FCI Dublin, and \$37 million at MCC San Diego, all of which are in California.

This approach is similar to the BOP's former Long Range Master Plan Program, which is no longer used. The Facilities Operations Manual describes the now-inactive program as a management tool for determining physical plant and infrastructure requirements of the older institutions and corresponding funds that will be needed to make and keep them operational for the next 25–30 years. The program objective was to establish a comprehensive long-range master plan, which identified short- and long-term efforts needed to renovate the entire physical plant. It also provided a logical sequence for funding and renovating in phases. When we asked the Facilities Management Branch Chief about the program, he stated that it was used in the 1990s and over 20 institutions had a plan. However, the program excluded many locations, which also have requirements, and a lack of funding meant the program was not sustainable. The Chief told us he would like to reintroduce longer range planning to capture the BOP's true needs but pointed to funding as a limitation.

Finally, we assessed the prevalence of issues at select BOP institutions. The purpose of our assessment was to evaluate the infrastructure needs at three specific institutions; however, we are not suggesting that the BOP prioritize the needs at these three institutions over the needs at institutions we did not evaluate. We selected FCI Terminal Island because it had the most expensive overall need and most expensive single project on the BOP's August 2021 unfunded list excluding closed institutions. For comparison, we selected two additional institutions. This included USP Atlanta because it is one of the BOP's oldest institutions and because a series of security concerns—namely the introduction of large amount of contraband—led to a temporary disruption in operations.<sup>12</sup> We also selected FTC Oklahoma because BOP officials identified it as an example of a facility in good condition. We summarize the needs of these institutions in Table 3 below. More detailed descriptions of the conditions at each institution, along with our observations, are included in Appendix 4. OIG photos and videos of these facilities can also be viewed on our website at <https://oig.justice.gov/reports/federal-bureau-prisons-efforts-maintain-and-construct-institutions>.

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<sup>12</sup> In the summer of 2021, the majority of USP Atlanta's inmates were transferred elsewhere and the facility then underwent a rehabilitation and security realignment from medium security to low. The institution now primarily houses low-security inmates, and while it also houses minimum security inmates, the camp remains closed.

**Table 3**

**Conditions at Three BOP Institutions**

	<b>FCI Terminal Island</b> San Pedro, California	<b>USP Atlanta</b> Atlanta, Georgia	<b>FTC Oklahoma City</b> Oklahoma City, Oklahoma
<b>Description</b>	Low-security prison  Built: 1938  Capacity: 771 inmates	Medium-security prison housing low and minimum-security inmates  Built: 1905  Capacity: 1,440	Administrative federal transfer center  Built: 1995  Capacity: 1,065
<b>Unfunded Needs as of May 2022</b>	\$104.4 million, including: <ul style="list-style-type: none"> <li>• Upgrade HVAC</li> <li>• Upgrade water and waste distribution</li> <li>• Upgrade roofs</li> <li>• Replace fence</li> <li>• Construct/upgrades (visiting room, showers, and radio)</li> </ul>	\$14.9 million, including: <ul style="list-style-type: none"> <li>• Repair/replace electrical infrastructure</li> <li>• Replace high mast lights</li> <li>• Replace roofs</li> </ul>	\$12.4 million, including: <ul style="list-style-type: none"> <li>• Upgrades (control center and bathrooms)</li> <li>• Replace roof</li> <li>• Install automated HVAC controls</li> <li>• Replace jet bridge</li> </ul>

Source: BOP, OIG Site Visits

The Facility Manager at each of the three locations was able to walk us through the unique needs of their respective institution. All three locations had unfunded roof repair needs. The ongoing infrastructure needs at both FCI Terminal Island and USP Atlanta were not visibly disrupting operations; however, we observed wear and tear throughout both institutions that are likely to get worse in the absence of repair funding. FTC Oklahoma City’s facilities appeared generally in good working order, but the absence of significant infrastructure issues does not mean that FTC Oklahoma does not need infrastructure investments. The institution’s most recent Buildings and Grounds Assessment flagged the roof as being at the end of its useful life and in poor condition. The assessment states that the roof is a good candidate for repair before further deterioration causes leaks and requires a more costly replacement.

The Chief of the Facilities Management Branch made it clear that the unfunded list will certainly grow as new projects are added and the cost estimates for existing projects increase. According to the BOP’s FY 2023 Congressional Budget Submission, every year a project is not completed, the amount required for that project increases by an average of 5 percent due to inflation and further deterioration. Moreover, the Facilities Management Branch Chief stated that in addition to standard construction price increases, which may be around 7 to 14 percent each year, the COVID-19 pandemic has resulted in larger increases in building material costs. Moving forward, a well-developed strategy would provide the BOP with a framework for managing its sizable and growing infrastructure needs.

**Use of a Portfolio-Based Repair Model**

One strategic approach for the BOP to consider is to establish priorities that are linked to strategic goals. The National Research Council outlines various models to establish priorities, including grouping projects by component, thereby making the benefits of investment and risks of noninvestment more apparent. This

may be particularly helpful given the extent of some of the BOP's needs, such as its roofing needs. The National Research Council expands on the roofs example, noting that aggregating maintenance and repair requirements increases transparency and operational efficiencies.

[A]n expert in roofing condition analysis will visit all plants in a region...The resulting information is used to set priorities for roof repairs throughout the organization, ensuring that facilities whose roofs are in the worst condition are addressed first. The...expert also trains local staff during the assessment visits, advising them of potential changes in roof maintenance practices, of the latest trends in roofing technology, and of which roofing type is most cost effective for their climate and particular plant conditions. [Another federal agency]...implemented a similar process...[It] resulted in improved condition of the...roofing portfolio; in increased average remaining service life; [and] in the replacement of 3 million square feet of roofs with more energy-efficient, sustainable roofs...<sup>13</sup>

This approach would shift the focus from completing roof projects at individual locations to a roofs portfolio that can be managed as a collective. We believe the BOP should consider a model that groups prevalent repair needs, or an alternative method, when developing its infrastructure strategy.

Recently, the BOP has taken steps to group some projects by component. The BOP's Spring Planning Submission for the FY 2023 budget included a [REDACTED] request to fund energy savings projects, which involve replacing obsolete equipment with energy efficient equipment at 14 institutions and hiring project managers at each of the 6 regions to oversee the work. The BOP's justification states that the projects would increase equipment reliability and reduce energy costs, and also reduce the number of projects on the unfunded list. However, the BOP's request was ultimately not included in the BOP's FY 2023 Congressional Budget Submission [REDACTED].

## Use of Performance Indicators in Strategic Management

Another important component of an infrastructure strategy is performance indicators. According to the National Research Council, the agency should establish organizational goals for facilities management and then develop indicators to track whether the agency is meeting those goals. The Congressional Budget Submissions identify performance measures related to M&R; however, the focus is on counting M&R activities and other simple quantifiers rather than the role of M&R in managing the BOP's facilities portfolio.<sup>14</sup> A more effective use of performance indicators, in line with the recommendations of the National Research Council, would go beyond the BOP's existing performance measures by capturing outcomes based on the current level of investment. As an example, the National Research Council identifies the most common performance indicator as the Facility Condition Index, which measures the current condition of facilities. The index, which can be measured using a range of techniques, would allow the BOP

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<sup>13</sup> National Research Council, [Predicting Outcomes of Investments in Maintenance and Repair of Federal Facilities](https://www.nationalacademies.org/reading-room/predicting-outcomes-of-investments-in-maintenance-and-repair-of-federal-facilities), (Washington, DC: The National Academies Press, 2012), [www.doi.org/10.17226/13280](https://www.doi.org/10.17226/13280), 70.

<sup>14</sup> Existing performance measures include the number of projects completed, number of active projects, number of facilities over 30 years old and 50 years old, and the dollar value of fines for violations.



to identify what constitutes an acceptable level of condition, rate facilities using a scale, and convey the results to relevant decision makers.<sup>15</sup>

The BOP has already implemented some tools that it can use to support the development of performance indicators. For example, one method for identifying risk entails establishing a risk rating for facilities components, which includes two elements: probability of failure and consequence of failure. The BOP's existing annual Buildings and Grounds Condition Assessment assigns a condition rating on a scale from 1 (good condition) to 4 (critical condition) for every component at an institution. This is comparable to the probability of failure rating and could be incorporated into a risk rating tool. This tool, or something similar, could be used to develop the Facility Condition Index or another performance indicator, which, according to the National Research Council, allows an agency to assess how much work, if any, is recommended to maintain or change the facility's condition to acceptable levels to support the mission.

We believe the BOP should develop and implement performance indicators as an extension of developing and implementing its infrastructure strategy. The specific indicators identified above are options; however, the BOP should identify and implement the performance indicators that align with its infrastructure goals. As such, we recommend that the BOP develop and implement key performance indicators to track whether the BOP is meeting its goals.

## Closed and Partially Closed Institutions

One alternative to maintaining an institution is to close it. The closure can be planned or in response to an emergency. It can also be temporary, for example to complete a large-scale rehabilitation. In our judgment, the BOP collects sufficient information to inform its response to infrastructure emergencies. The BOP's emergency closures are made in coordination with DOJ after careful consideration of a given institution's conditions and capacity to maintain a safe and secure environment. However, beyond that initial response, we identified several shortcomings. The BOP does not forecast when an institution will reach the end of its useful life. Rather, the Facilities Management Branch includes the life cycle of specific systems and equipment as part of its facilities management program; however, the life cycle of the whole institution is not reflected in this process. The BOP also does not have a framework for deciding if non-emergency or planned closures should be at least considered as part the BOP's facilities management plans.<sup>16</sup> And for existing closures, the BOP does not have a framework for deciding if a closure should be temporary or permanent, a problem that is compounded when the BOP does not have adequate funding to complete the maintenance and repairs required to bring the institutions back online. As a practical matter, the decision to close an institution is extremely challenging, whether it is a matter of securing significant rehabilitation funds or accepting the impacts of a temporary or permanent closure at both the local and national level. While an infrastructure strategy cannot fully alleviate these challenges or ensure an optimal outcome, the absence of a strategy diminishes the BOP's ability to manage closures.

The BOP's closures as of the time of our audit were all the result of emergencies, as opposed to planned rehabilitations or phase outs. As of October 2022, one BOP institution is partially closed, and two BOP

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<sup>15</sup> National Research Council, [\*Key Performance Indicators for Federal Facilities Portfolios: Federal Facilities Council Technical Report Number 147\*](#), (Washington, DC: The National Academies Press, 2005), [www.doi.org/10.17226/11226](http://www.doi.org/10.17226/11226), 17.

<sup>16</sup> While the remainder of this section of the report focuses on existing closures, the BOP can also consider the decision tree described below for any non-emergency or planned closures.

institutions are fully closed. FCI Estill was partially closed after a tornado hit the facility.<sup>17</sup> CI Taft and MCC New York were closed after major infrastructure issues were identified, and the institutions were deemed no longer safe to occupy. M&R funds cover rehabilitation costs, meaning all three institutions are subject to the same resource constraints as operating institutions. As a result, the BOP has not secured adequate funds to complete all the needed repairs, and the futures of all three locations is unknown. We provide an overview of each closure in Table 4. A detailed description of each closure and post-closure activity as of the summer of 2022, along with OIG photos of CI Taft and MCC New York, are included in Appendix 5.<sup>18</sup> OIG photos and videos of these facilities can also be viewed on our website at <https://oig.justice.gov/reports/federal-bureau-prisons-efforts-maintain-and-construct-institutions>.

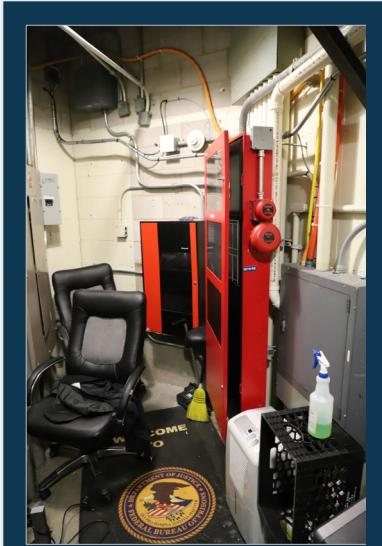
**Table 4**  
**Closed and Partially Closed Institutions**

	FCI Estill Estill, South Carolina	CI Taft Taft, California	MCC New York New York, New York
Description	Medium-security prison with minimum-security satellite camp  Built: 1993  Pre-closure Capacity: 1,024	Low-security, contract prison  Built: 1996  Pre-closure Capacity: 1,904	Administrative prison for pre-trial detainees  Built: 1975  Pre-closure Capacity: 451
Closure Date	April 13, 2020	April 30, 2020	October 2021
Reason Closed	FCI Estill was hit by a tornado. The main institution and work camp sustained major damages. Medium-security inmates were transferred to another institution.	Ongoing soil settlement led to structural damage. An assessment in 2019 concluded the institution was not safe to occupy, and the Attorney General ordered the institution to be vacated.	A comprehensive conditions assessment in 2021 identified significant life safety issues with the building. The BOP, in coordination with DOJ, closed the institution.
Status as of Summer 2022	Limited operations with less than 100 minimum-security inmates. Repairs were ongoing, but there were not sufficient funds to complete the repairs.	Closed. The BOP conducted an assessment for a detailed cost estimate for retrofits and improvements; however, Congress had not indicated whether the BOP should move forward with the “uniquely expensive” repairs.	Closed. The BOP did not plan to conduct any additional assessments or repairs until it secured funding.
Estimated Repair Costs as of Summer 2022	\$28.4 million, \$20 million of which was for the roof repairs.	Approaching \$200 million.	\$115.5 million, which included repairs identified as part of the 2021 assessment and additional projects identified by the BOP.

Source: BOP’s Administrative Division, Congressional Budget Submissions, and website

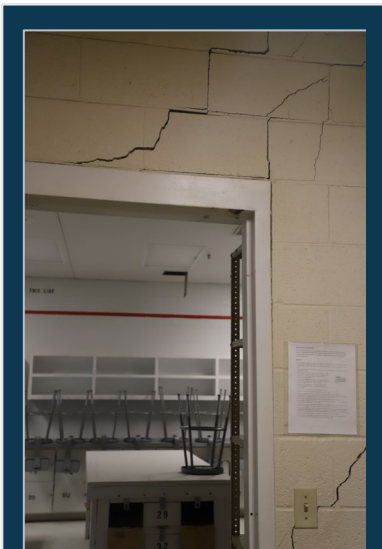
<sup>17</sup> A recent report by the U.S. Government Accountability Office (GAO) addresses how the BOP responds to and tracks natural disasters. The scope of this review included six institutions that experienced a disaster, including FCI Estill. GAO, *Enhanced Data Capabilities, Analysis, Sharing, and Risk Assessments Needed for Disaster Preparedness*, GAO-22-104289 (February 2022), [www.gao.gov/products/gao-22-104289](http://www.gao.gov/products/gao-22-104289).

<sup>18</sup> In March 2023, the BOP provided information related to activity at its three closed and partially closed institutions since the summer of 2022. This information is included in Appendix 5.



Electrical room at MCC New York

Source: OIG, March 2022  
(brand names blurred in photo)



Doorframe with cracks at CI Taft

Source: OIG, April 2022

Given the extent of the infrastructure issues identified in MCC New York's 2021 Existing Conditions Assessment, we evaluated the institution's recent master planning documents to determine whether the planning process successfully captured the same issues as the assessment. This included reviewing MCC New York's Buildings and Grounds Assessments, as well as the institution's and region's project priority lists from FYs 2019–2021. We found that the MCC New York's annual master planning accounted for the major issues that resulted in MCC New York closing, including issues related to fire protection, electrical, and mechanical systems. However, while the BOP's regular process identified the general issues, the in-depth conditions assessment found that the scale and cost of the fixes were significantly larger than what was captured in the annual submissions. This raises the possibility that an institution's actual infrastructure needs are far greater than what is captured by the annual planning process.

The BOP obtained detailed assessments and cost estimates for the major repairs at all three institutions and presented that information to the Department, OMB, and Congress through the budget process. Ultimately, Congress will determine whether these institutions reopen by either funding or not funding the needed projects. Based on our discussions with BOP officials and review of the BOP's budget submissions, the BOP's position is that FCI Estill and MCC New York should be rehabilitated and reopened. When we discussed CI Taft with BOP officials, they did not take a position. The budget submissions indicate that the BOP, at the direction of DOJ and OMB, would not rehabilitate and reopen CI Taft.<sup>19</sup> As of FY 2022, the BOP has not secured adequate funds to rehabilitate FCI Estill, MCC New York, and CI Taft. Meanwhile, there are ongoing costs associated with these closures. The BOP is paying to keep FCI Estill partially operational, and even while not operating, CI Taft and MCC New York incur expenses, including minimal upkeep and maintenance, contracted security, and monthly utilities. In the first 9 months MCC New York was closed, the BOP expended around \$420,000 on utilities and costs are projected to increase as the BOP begins using contracted security to provide round-the-clock building security. More significantly, in the 25 months since closing CI Taft, the BOP reported expenses totaling almost \$8.6 million for contracted security and maintenance services and utilities. The National

Research Council found that "excess, underutilized, and obsolete facilities constitute a drain on the federal government's budget in costs and in forgone opportunities to invest in the maintenance and repair of mission-supportive facilities and to reduce energy use, water use, and greenhouse gas emissions."<sup>20</sup>

<sup>19</sup> In FY 2021, the BOP received \$27 million for repairs at CI Taft, a portion of which the BOP used for design work. In the FYs 2022 and 2023 Congressional Budget Submissions, the BOP includes \$15 million and \$19 million rescission requests respectively, which would cancel the unobligated balances for repairs at CI Taft. The BOP pointed to the extensive structural issues and "uniquely expensive" repairs, as well as the inmate population being absorbed by other facilities as reasons for cancelling the remaining funds. Congress did not rescind the funds in either FY 2022 or FY 2023.

<sup>20</sup> National Research Council, *Predicting Outcomes*, 81.

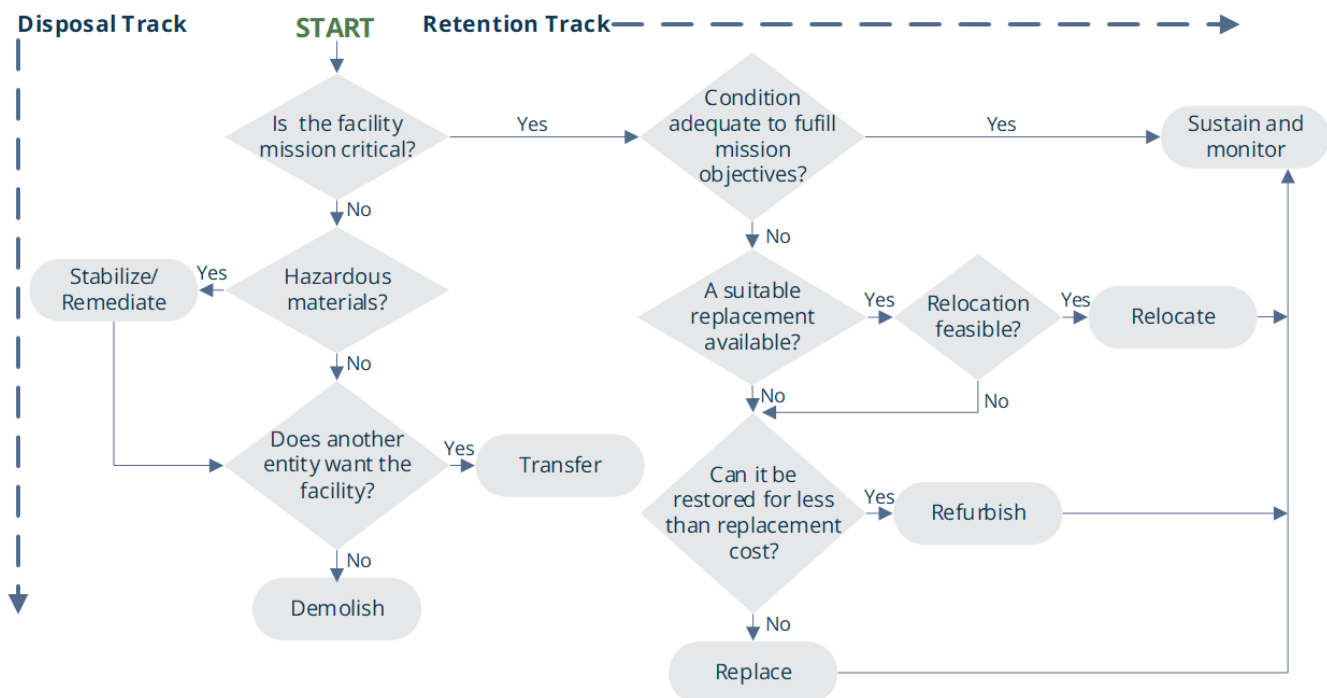
The BOP has collected sufficient information about the scope and scale of needed repairs at its three closed institutions, as evidenced by the detailed assessments and cost estimates we reviewed as part of this audit. We believe that this information, along with the BOP's robust inmate population and capacity data, provides a sufficient basis to make decisions regarding these closures. However, while the BOP has good information to make these decisions, we did not see evidence that the BOP has a strategic approach for determining whether to rehabilitate or permanently close a non-operating location. Meanwhile, closures due to facility maintenance issues present uncertainty, both in terms of the event itself and the aftermath. An infrastructure strategy cannot eliminate this uncertainty, but there are benefits to having a strategy: specifically, the BOP can determine what action—rehabilitation or closure—would better serve the BOP's short and long-term mission goals and operational needs, and the BOP can more actively advocate for a desired outcome by clearly communicating its strategy-informed position to decision-makers at DOJ, OMB, and Congress.

### A Retention or Disposal Decision Model

One strategic approach for the BOP to consider in these situations is using a decision-making process outlined by the National Research Council, which can be used by federal agencies to determine whether a facility should be retained or disposed. A version of this decision tree is in Figure 4.

Figure 4

Retention or Disposal Decision Tree



Source: Based on a figure from the National Research Council<sup>21</sup>

<sup>21</sup> National Research Council, Predicting Outcomes, 59-60.

As a preliminary example, CI Taft, which is BOP-owned but was privately operated, is not aligned with the BOP's existing mission, which excludes using privately operated facilities in accordance with the 2021 Executive Order to eliminate the use of private prisons. The decision process allows the BOP to address this incongruity and more clearly define what objective would be met by investing, or alternatively not investing, close to \$200 million in this institution. We believe the BOP should consider the use of a decision tree, or an alternative method, when implementing its infrastructure strategy.

## New Construction Projects and Expansions

The BOP has over \$1 billion in unspent funds for new construction, while significant and pervasive maintenance issues at the existing institutions remain unfunded. These funds are designated for specific new construction projects at the behest of decision makers outside of the BOP, and the BOP is required to incorporate these projects into its infrastructure plans. The BOP's ability to cancel or reprogram the funds for a different purpose are also determined by decision makers outside the BOP. We believe the BOP should develop and communicate information related to these projects in terms of a well-defined infrastructure strategy. This will allow the BOP to clearly message the ways in which these projects do or do not contribute to the BOP's ability to meet its infrastructure and mission goals.

In the past, the BOP justified new institution development as a way to increase capacity. In 2019, the BOP revised its Purpose and Need Statement to support new institutional development to include the need for new facilities to help address the BOP's aging correctional facilities and infrastructure. However, the BOP's ability to increase capacity or replace infrastructure is blunted by how long it takes to plan for and build new institutions, and the BOP's Construction and Environmental Review Branch, which is responsible for new construction and which operated with over 230 employees in the early 2000s, had just 11 employees as of May 2022.

The BOP has not constructed any new institutions in the last decade, and two current projects have been in development for well over a decade. The two projects are: (1) a medium security FCI (originally planned to be a high security USP) and Federal Prison Camp in Letcher County, Kentucky, with a total rated capacity of 1,408 inmates; and (2) a medium security FCI and Federal Prison Camp with a total rated capacity of 1,408 inmates to replace the existing medium security USP Leavenworth in Kansas. With the enactment of the FY 2022 budget, which provided additional funding for one of these previously planned new construction activities, the BOP has set aside over \$1 billion for these two projects.<sup>22</sup> At the same time, the BOP's Congressional Budget Submissions indicate that, if given the option, the BOP would cancel the Letcher County project. In each of the last 5 years, the BOP requested and Congress declined to return, or rescind, all unobligated funds for the project, as summarized in Table 5 below. According to the Assistant Director of the Administration Division, rescission requests are not initiated by the BOP; rather, they are included in budget submissions at the direction of DOJ and OMB.

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<sup>22</sup> The cost of the BOP's most recently constructed institutions, completed between 2010 and 2013, ranged from \$203 million to \$274 million each. The preliminary cost estimates for the two current projects, which both exceed \$500 million, are based on the anticipated availability of full construction funds, geographic location, historical and anticipated cost escalation, and allowances for uncertainty regarding actual sites to be developed.



Table 5

New Construction Budgets and Receipts for FYs 2018–2022

Fiscal Year	2018	2019	2020	2021	2022
Budget request	\$0	\$0	\$0	\$2 million	\$2 million
Rescission request	(\$444 million)	(\$50 million)	(\$505 million)	(\$505 million)	(\$535 million)
Details from the rescission request <sup>a</sup>	Cancel Letcher County, KY construction project	Cancel Letcher (additional funds)	Cancel Letcher	Cancel Letcher	Cancel Letcher and Leavenworth prison camp
Funds carried over from previous FY	\$516 million	\$513 million	\$689 million	\$871 million	\$849 million
Enacted budget <sup>b</sup>	\$0	\$177 million	\$183 million	\$2 million	\$176 million
<b>Total Funds Available</b>					<b>\$1.025 billion</b>

<sup>a</sup> The FY 2022 Congressional Budget Submission included a \$30 million rescission request, which would eliminate the construction of the FCI Leavenworth’s adjacent prison camp. We spoke with BOP staff, who disagreed with excluding the camp from the project. Congress did not rescind the money in the enacted FY 2022 budget.

<sup>b</sup> The FYs 2019, 2020, and 2022 enacted budgets include \$175 million, \$181 million, and \$176 million, respectively, for FCI Leavenworth. The remaining funds are for land payments, as well as salaries and administrative costs of staff.

Source: BOP’s Congressional Budget Submissions

### FCI Letcher County

The BOP received \$5 million in FY 2006 and an additional \$505 million in FYs 2015–2017 for \$510 million in total funding for the Letcher County project. As of March 2022, the BOP reported obligating around \$3.5 million, most of which funded the environmental review process. In 2018, the BOP’s Director signed a Record of Decision (ROD) selecting a former mountaintop coal mine in Roxana, Kentucky, for the land acquisition and development of a USP, citing the benefits of reducing crowding at high security male institutions within the BOP’s Mid-Atlantic Region. Subsequently, a group of Plaintiffs, including certain BOP inmates, filed suit against the BOP, citing alleged environmental degradation and the potential public health risks associated with the proposed site.<sup>23</sup> In 2019, the Plaintiffs agreed to dismiss the case following the BOP’s withdrawal of the ROD based on new information which may be relevant to the environmental analysis for the proposed action. In the spring of 2022, the BOP completed the procurement of an environmental services contract to oversee the environmental process and ensure National Environmental Policy Act compliance. In September 2022, the BOP published a Notice of Intent to prepare another Draft Environmental Impact Statement for development of an FCI and Federal Prison Camp at alternative locations in Letcher County.

<sup>23</sup> Barroca v. Bureau of Prisons, Case No. 1:18-cv-02740-JEB (D. DC 2018).

## Proposed Construction of FCI Letcher County

**2006**



Congress authorized and directed BOP to plan for a new institution in Letcher County.

**2015**



BOP publishes a draft Environmental Impact Statement (EIS).

**2018**



BOP's Director signs a Record of Decision.

**2019**



BOP withdraws the Record of Decision in anticipation of further environmental analysis.

**2022**



Published notice of the BOP's intent to prepare another draft EIS.

At the same time, the BOP, as directed by DOJ and OMB, has asked Congress to cancel the Letcher County project, citing two major factors. First, the BOP pointed to the increased costs and significant delays linked to the “unique topography” of the first proposed site. The Construction and Environmental Review Branch’s staff described the site’s remoteness, elevation, and significant soil remediation requirements as factors that would make it challenging to build the facility. The 2018 ROD identified one alternative location within the geographic area of interest; however, the location, a former surface and underground mine, needed much greater site preparation than the Roxana site, including extensive rock excavation and fill. Based on the BOP’s efforts thus far, it is unclear whether the BOP will be able to identify a site within Letcher County that will allow for the safe and cost-effective construction and operation of a new BOP institution.

Second, the BOP pointed to significant reductions in the inmate population and stated that the crowding levels at existing institutions are more manageable: the BOP’s FYs 2018–2022 Congressional Budget Submissions identify the proposed institution as a high security USP, and the rescission justifications in the FYs 2021 and 2022 submissions point to reductions in crowding at existing high security institutions. However, we found that while overcrowding at high security institutions has decreased significantly, these institutions are still overcrowded. Specifically, the BOP exceeded its rated capacity for high-security male inmates by 16 percent, or 2,521 inmates in September 2021, and the BOP’s capacity projection as of December 2022 shows high-security capacity increasing to 32 percent over capacity through FY 2024.

We also noted that the FY 2023 Congressional Budget Submission and supplemental documents identify the proposed institution as a medium-security FCI, a change the prior submissions where it was labeled a high-security USP. We asked BOP officials about the change. The BOP responded that Congress is amenable to “an alternative project that would have an equivalent economic impact,” citing possible litigation and restating that the BOP does not need another high security institution. As such, the BOP, in coordination with DOJ leadership, is proceeding with a medium-security FCI. The BOP’s rescission justification in the FY 2023 budget submission is more general than past years, stating that the project was designed to reduce overcrowding and pointing to system-wide decreases in the inmate population over the past few years. However, we found that, like high security institutions, medium security institutions are still overcrowded: the BOP exceeded its rated capacity for medium-security male inmates by 21 percent, or 8,417 inmates in September 2021, and the BOP’s capacity projection as of December 2022 shows medium-security capacity increasing to 42 percent over capacity through FY 2024.

Almost a decade after the BOP first published a Notice of Intent to prepare an Environmental Impact Statement concerning a proposal to develop a new BOP institution in Letcher County in 2013, there remains significant uncertainty surrounding this project. The BOP has encountered substantial challenges related to identifying and acquiring a building site, the nature of the project, including the security designation and type of institution to be constructed, has changed, and the BOP, as directed by DOJ and OMB, has


unsuccessfully tried to cancel the project. At the same time, overcrowding continues at the BOP’s medium and high security institutions, and the BOP’s existing institutions continue their ongoing deterioration. We believe these circumstances underscore the importance of including new construction as an option in the BOP’s facilities management portfolio, and accounting for this option in a comprehensive infrastructure strategy.

### FCI Leavenworth


The FCI Leavenworth project more obviously addresses the BOP’s Purpose and Need Statement to support new institutional development, which states that new facilities should help address the issue of aging facilities. The proposed FCI would replace the existing USP Leavenworth, which was built in 1906 and is one of the BOP’s oldest institutions. The BOP has received \$540 million in total funding in FYs 2001, 2009, and 2019–2022 for this project and reported obligating around \$4.4 million as of March 2022, most of which funded the environmental review process.<sup>24</sup> In November 2011, the BOP published a draft Environmental Impact Statement concerning a proposal to develop a new FCI within USP Leavenworth’s existing property. In May 2021, the BOP’s Director signed an ROD to construct and operate the new FCI, citing the need both for modern correctional facilities and to replace USP Leavenworth’s existing, aged facilities. In June 2022, the BOP published a solicitation for a design-build contract for the design and construction of the FCI. The anticipated performance period is 3 years and is anticipated to begin in FY 2023. As such, barring additional delays and extensions, the planning and construction process will have taken around 15 years. Given the dynamic nature of inmate populations and the BOP’s correctional needs, such an extended timeframe inevitably limits a project’s potential value as a facilities management tool in the short to medium term, since from the time the BOP determines it will replace aging infrastructure, the Facilities Management Branch may still have to maintain the existing facility for an additional 10 to 20 years. Absent a clear path to accelerating the process, any BOP infrastructure strategy will have to account for this timeframe.<sup>25</sup>

**Proposed Construction of FCI Leavenworth**


**2011**

 BOP publishes a draft EIS.


**2015**

 The final EIS is published; however, a decision whether to proceed is delayed.


**2021**

 After the resumption of the EIS process, BOP’s Director signs a Record of Decision.

**2022**

 BOP solicits a Design-Build contract and intends to award the project in FY 2023.

**2026**

 Complete construction based on anticipated contract performance period of 1,095 days.

<sup>24</sup> The FY 2023 Congressional Budget Submission includes a \$361 million rescission request, which would cancel the FCI Leavenworth construction project. The submission was developed in advance of the passage of the FY 2022 budget, which included an additional \$176 million for this project, bringing total funding to \$540 million, which is the preliminary cost estimate for this project. The BOP is moving forward with the now fully funded project and Congress declined to rescind funds for FCI Leavenworth in the FY 2023 appropriation.

<sup>25</sup> The existing USP Leavenworth has 9 projects on the May 2022 unfunded list with a total estimated cost of \$27.8 million, including masonry restoration, upgrading the fire alarm, roof and ceiling repairs, water and steam main replacements, and correcting life safety deficiencies.

## Use of a Business Case Analysis in New Construction Strategic Management

Congress ultimately decides if the BOP moves forward with any new construction project; however, the BOP, in concert with DOJ and OMB, can more effectively communicate a strategy-informed position to Congress. We did not see evidence that the BOP has a strategic approach for developing its position. Rather, the BOP adopts its position from DOJ and OMB, and the BOP's corresponding justification for that position—namely, system-wide inmate capacity requirements and the need to replace aging infrastructure—are overly general. A strategy-informed position would evaluate the project—the construction of a new medium security FCI in Letcher County, for example—in relationship to the BOP's infrastructure and mission goals. The BOP may formulate its position with the assistance of a business case analysis, which the National Research Council recommends for all significant facilities investment proposals. The Council defines it as a tool for decision making that projects the consequences of a proposed action. According to the Council, the analysis should include the following:

(1) the organization's mission, (2) the basis for the requirement for the facility investment, (3) the objectives to be met by the facility investment and its potential effect on the entire facilities portfolio; (4) performance measures for each objective to indicate how well objectives will have been met, (5) identification and analysis of a full range of facilities investment and other alternatives to meet the objectives, including the alternative of no action, (6) descriptions of the data, information, and judgments necessary to describe anticipated performance of the alternatives in terms of performance measures, (7) a list of the value judgments (i.e., value trade-offs) made to balance achievement on competing objectives, (8) a logic for the overall evaluation of the alternatives, (9) strategies for exiting the investment, and (10) the names of the individuals and operating groups responsible for the analysis and accountable for subsequent performance.<sup>26</sup>

The BOP already collects and reports some of this information in its Environmental Impact Statements (EIS) during the planning stages of a project. This includes describing the purpose and need for each proposed project (similar to item 2 above) and consideration of a reasonable range of alternatives to accomplish the project's purpose (similar to item 5 above). While the purpose of a business case analysis is different than an environmental study, the BOP can still leverage this information to assist in developing a business case approach to advocate for the position that most closely aligns with the BOP's infrastructure and mission goals. We believe the BOP should consider including this business case analysis, or an alternative method, as a tool to be included as part of its infrastructure strategy.

## No Recent Expansions of Existing Institutions

The BOP's budget submissions state that from a cost perspective, the BOP considers the expansion of existing institutions to be a cost-effective technique for increasing prison capacity, and the BOP has added housing units at facilities where program space and systems infrastructure can absorb population increases. However, the BOP's budget submissions also state that where major program and support areas, such as food service and utilities, are at capacity, institutional expansion may be cost prohibitive. To assess the BOP's current efforts to expand existing institutions, we reviewed budget documentation, interviewed staff, including from the regional facilities offices and the Construction and Environmental Review Branch,

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<sup>26</sup> National Research Council, *Investments in Federal Facilities: Asset Management Strategies for the 21st Century*, (Washington, DC: The National Academies Press, 2004), [www.doi.org/10.17226/11012](http://www.doi.org/10.17226/11012), 51-52 and 102-104.

and reviewed recent Buildings and Facilities projects to identify projects that increased permanent bed space. We found that the BOP has neither requested nor received expansion dollars since FY 2018, and the BOP has not added permanent bed space in the last 5 years.

The BOP's most recent expansion project, which was completed in October 2017, added a new Federal Satellite Low (FSL) female facility at FCI Danbury in Connecticut; as of March 31, 2022, the FSL housed 114 inmates, or 59 percent of its rated capacity of 192 inmates. This project highlighted how continuing infrastructure deterioration can adversely impact the BOP's ability to increase capacity through expansion projects. Part of the initial plans in 2013 were to construct a new female federal prison camp and to convert an existing camp to the FSL. However, as described in our 2018 audit of this construction contract, the BOP subsequently determined the conversion effort was not feasible due to the existing camp's deteriorated condition, which would have necessitated approximately \$5 million in additional modifications that would have taken years to complete.<sup>27</sup> Instead, the BOP chose to convert the newly constructed camp to an FSL and build additional programming space (i.e., not housing units), which had the downsides of almost tripling the cost of the project and causing delays without addressing the ongoing maintenance needs at the existing camp, thus demonstrating how the absence of a comprehensive infrastructure plan can result in less timely and more expensive facilities management activities.<sup>28</sup> The same resource constraints that prevent the BOP from addressing infrastructure issues through its maintenance program, as discussed previously in this report can impact the BOP's efforts to expand its existing institutions.

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<sup>27</sup> Department of Justice (DOJ) Office of the Inspector General (OIG), [Audit of the Federal Bureau of Prisons' Contract Awarded to Sealaska Constructors, LLC, to Build Facilities at Federal Correctional Institution Danbury, in Danbury, Connecticut](https://oig.justice.gov/reports/audit-federal-bureau-prisons-contract-awarded-sealaska-constructors-llc-build-facilities), Audit Report 18-31 (September 2018), <https://oig.justice.gov/reports/audit-federal-bureau-prisons-contract-awarded-sealaska-constructors-llc-build-facilities>.

<sup>28</sup> The additional programs space provided a visitation area, kitchen, dining room, classrooms, offices, a conference room, and dental and health examination areas.



## Conclusion and Recommendations

Our audit evaluated the BOP's planning for maintaining and constructing institutions. We found that the BOP's planning efforts were negatively impacted by two major factors: the absence of a well-defined infrastructure strategy and a lack of funding.

The BOP's most fundamental obligation is the safety and security of the employees and inmates who occupy its facilities. The BOP has 123 institutions made up of many buildings and systems, which require maintenance ranging from routine inspections to large-scale replacements. Three of these institutions are in such critical stages of disrepair that they are fully or partially closed. Additionally, while many institutions do not have the same level of urgent need, we documented issues that, if not addressed, are likely to worsen over time, possibly increasing the number of institutions in critical stages of disrepair. However, the BOP has limited resources to address its extensive and growing maintenance needs, and in many cases, necessary repairs cannot be completed in a timely manner due to a lack of funding. At the same time, Congress has provided more than \$1 billion for construction of new institutions in Kansas and Kentucky, but these funds remain largely unspent, the projects have been held up in the planning stages for over a decade, and the BOP's requests each year—made at the direction of the DOJ and OMB—that Congress cancel one of these projects and rescind the funds have not been acted on. All together, these circumstances demonstrate that the BOP is facing an infrastructure environment where the requirements and resources do not align, meaning the BOP must make difficult decisions about its infrastructure priorities.

The BOP does not have a well-defined infrastructure strategy to assist with this process. We believe that the absence of a clear strategy makes it more challenging to obtain the necessary budgetary resources and increases the risk that the BOP's institutions will be increasingly costly to maintain and less supportive of the BOP's mission, whereas a well-defined strategy can improve facilities management by allowing the BOP to approach its planning more comprehensively and allow officials to communicate the BOP's needs more clearly to relevant decision makers, including DOJ leadership, OMB, and Congress. As part of this report, we identified several considerations that the BOP should address when developing an infrastructure strategy. We also identified several specific approaches that may be helpful in these efforts. As such, we present these approaches for the BOP's consideration as part of our recommendations, while recognizing there may be other approaches that either supplement or better address the BOP's unique needs and requirements.

We recommend that the BOP:

1. Develop an infrastructure strategy to increase the overall effectiveness of facilities management. The strategy should align infrastructure decisions with the BOP's mission; include one or more methodologies for allocating resources; and include short, medium, and long-range planning goals. As part of this strategy, the BOP should consider incorporating a portfolio-based repair model; a retention or disposal decision model; and business case analyses for new construction, as appropriate.
2. Develop and implement key performance indicators to track whether the BOP is meeting its infrastructure goals.

# APPENDIX 1: Objectives, Scope, and Methodology

## Objectives

The objectives of this audit were to evaluate the BOP's planning for: (1) maintenance of existing institutions, including how the BOP identifies and implements modernization and repair (M&R) projects; and (2) construction of new institutions, as well as expansion of existing institutions.

## Scope and Methodology

The scope of our audit included facilities management activities at all 123 BOP-owned institutions and 2 pending new construction projects. Unless otherwise specified, the scope included FYs 2017–2022. To accomplish our objectives, we evaluated information related to the BOP's new construction and facilities maintenance programs. We assessed whether the BOP complied with agency policies and procedures, including *Program Statement 4200.12, Facilities Operations Manual*. We also evaluated the BOP's new construction and facilities maintenance programs using guidance from the Federal Facilities Council, which outlines best practices in federal facilities management. Our work included reviewing the BOP's Congressional Budget Submissions from FYs 2018–2023 and the appropriations bills from FYs 2018–2022. We also reviewed the BOP's Buildings and Facilities pre-decisional budget submissions, including the BOP's Spring Planning Submission and DOJ's submission to OMB, as well as the allotments for FY 2022. We analyzed and summarized various data sets, including the institutions' age, rated and actual capacity, staffing in FY 2022, real property management holdings, computerized maintenance management system records from FYs 2017–2022, and unfunded projects as of August 2021 and May 2022.

We evaluated various attributes of the BOP's facilities maintenance program, including identifying and tracking maintenance projects. Our evaluation included internal and external communications, the institutions' annual Buildings and Grounds Assessments, project submissions, work order and project tracking documents, and architect and engineer assessments. We traced project lists from the institutions to the BOP's Central Office, including both funded and unfunded submissions. We also tested the institutions' compliance with policies and procedures related to work orders, projects, and maintenance and inspection. We compiled and reviewed infrastructure-related issues identified through Occupational Safety and Health Administration inspections, as well as complaints submitted to Congress, the U.S. Office of Special Counsel, and the BOP's Office of Internal Affairs. Finally, we reviewed training requirements and materials, as well as training activity in FYs 2021 and 2022.

We conducted site work at five BOP institutions: the Correctional Institution (CI) Taft in Taft, California; the Metropolitan Correctional Center (MCC) New York in New York City, New York; the Federal Correctional Institution (FCI) Terminal Island in San Pedro, California; the United States Penitentiary (USP) Atlanta in Atlanta, Georgia; and the Federal Transfer Center (FTC) Oklahoma City in Oklahoma City, Oklahoma. The purpose of the site visits was to obtain an institution-level perspective on facilities management and to visually document facilities' issues. For the three operating institutions—USP Atlanta, FTC Oklahoma City, and FCI Terminal Island—we also reviewed recent Building and Grounds Assessments and maintenance activity. For the two closed institutions—MCC New York and CI Taft—as well as FCI Estill, which is partially closed, we conducted a detailed assessment of the events surrounding the closure, as well as all activity since the closure.

We reviewed documents and data related to new construction and expansions, including the two pending new construction projects in Letcher County, Kentucky and Leavenworth, Kansas. This included several decision items, including Notices of Intent and Records of Decision posted in the Federal Register. We also identified and evaluated the most recently completed expansion projects and assessed their role in addressing capacity or other needs.

Finally, we interviewed BOP officials from the BOP's Central Office, each of the BOP's six Regional Offices, and several institutions. This included the Assistant Director for Administration, as well as staff from Administration Division, including the Facilities Management Branch, Construction and Environment Review Branch, and the Budget Development Branch. We also interviewed staff from the Research and Evaluation. At the regional level, we interviewed Regional Facilities Administrators and other regional facilities staff. At the institution level, we interviewed Facilities Department staff, including Facility Managers, foremen, and various specialists. This included staff from all the sites where we conducted fieldwork, as well as four additional locations, including FCI Beckley, FCI Greenville, Federal Correctional Complex Florence, and Federal Correctional Complex Yazoo.

### **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 to provide assurance on its internal control structure as a whole. BOP management is 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 internal control structure as a whole, we offer this statement solely for the information and use of the BOP.<sup>29</sup>

As discussed in the report, we identified deficiencies in the BOP's internal controls that we believe may adversely affect its ability to achieve its infrastructure goals. Specifically, we found that the BOP's facilities management program did not have a clearly defined infrastructure strategy. In the absence of a strategy, and the related program objectives, we found that the BOP's ability to identify and respond to risk and communicate internally and externally were diminished. 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.

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<sup>29</sup> This restriction is not intended to limit the distribution of this report, which is a matter of public record.

## Sample-Based Testing

To accomplish our audit objective, we performed sample-based testing for: (1) the institutions' FY 2021 Master Planning process, (2) the regions' FYs 2020 and 2021 major project submissions, (3) completed, active, and cancelled M&R projects from FYs 2017–2021, (4) completed, active, and cancelled work orders from FYs 2017–2021, and (5) various preventive maintenance and inspection requirements for FY 2021. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the areas we reviewed. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected.

## Computer-Processed Data

During our audit, we obtained information from the BOP's standard computerized maintenance management system, the Total Maintenance System (TMS). We assessed the reliability of the TMS data by (1) interviewing auditee officials knowledgeable about the data, (2) performing electronic testing of required data elements, and (3) verifying whether a sample work order and project records matched the supporting documentation. We determined that the data was sufficiently reliable for the purposes of this report. We also obtained and analyzed the BOP's data from SENTRY, the BOP's inmate information system, and the National Finance Center (NFC), which has staffing data. Given that the SENTRY and NFC data are used for background purposes or additional context, we did not assess their reliability.

## APPENDIX 2: Facilities Management at Existing Institutions

Salaries and Expenses Budget			Buildings and Facilities Budget for Modernization and Repair *		
Work Orders, \$10,000 or Less	Work Orders, Greater than \$10,000	Preventive Maintenance and Planned Event Work Orders	Repair and Improvements, \$300,000 or Less	Major Projects, Greater than \$300,000	Architect and Engineer (A&E) Services
Urgent and routine repairs.	For emergency circumstances or security threats, including camera upgrades.	Maintain equipment and systems, including inspections and testing.	Install or repair equipment. Repair or upgrade an existing facility.	Large dollar projects for infrastructure needs.	A&E services conducted in advance of large construction projects.
Institution	Approved by the Facility Manager.	Approved by the Warden.	Scheduled by the Facility Manager.	The Work Program Committee creates project priority lists and justifications, including cost estimates.	
	\$	\$	\$		
		Between \$10,001 and \$50,000 approved by the Regional Director.	Delays must be authorized by the Regional Facilities Administrator.	Funds distributed to the region's institutions based on project priorities identified by the Regional Facilities Office.	The Regional Facilities Office reviews the institutions' submissions and creates regional priority lists.
Regional Office			\$		\$
Central Office	More than \$50,000 approved by the Assistant Director for Administration.			Funds distributed to institutions nationwide based on project priorities identified by the Central Office.	The Facilities Management Branch Chief manages A&E services contracts for larger projects nationwide.
				\$	\$

\$ Responsible for funding the work order, project, or service.

\* B&F funds are also used for specific line-item projects identified in the congressional appropriation.

Source: OIG summary of information from BOP policy and interviews with BOP officials.



## APPENDIX 3: Reports Sponsored by the Federal Facilities Council

- The National Research Council's *Investments in Federal Facilities: Asset Management Strategies for the 21st Century* provides recommendations to improve decision-making and management processes so that federal facilities resources can be allocated more effectively and the results can be measured.<sup>30</sup> The report recommends that each federal agency adopt a framework of procedures, information, and valuation criteria for federal facilities investment and management decisions about individual projects relative to its entire portfolio of facilities. The framework's components include:

terminology that is agreed upon by the relevant decision-making and operating groups; a business case analysis; evaluation processes that are clearly defined and incorporate multiple decision points; performance measures; continuous feedback processes; methods for establishing accountability; and incentives for groups and individuals.<sup>31</sup>

- The National Research Council's *Predicting Outcomes of Investments in Maintenance and Repair of Federal Facilities* addresses how to make decisions about allocating limited resources.<sup>32</sup> The report states that "new approaches will have to identify specific outcomes that can result from a given level of maintenance and repair investment and identify the risks...associated with a lack of investment." The report recommends that federal agencies develop more strategic approaches that do the following:

identify and set priorities among the outcomes to be achieved through maintenance and repair investments and link them to achievement of agencies' missions and other public policy objectives; provide a systematic approach to performance measurement, analysis, and feedback; and provide for greater transparency and credibility in budget development, decision making, and budget execution.<sup>33</sup>

The report also addresses barriers to communicating outcomes and risks to decision-makers, including difficulty conveying the link between facilities investments and the organization's mission, and difficulty persuading decision-makers that investments are urgent. The report identifies several communication enhancement strategies. This includes grouping projects by component, such as roofs and fire protection, which helps decision makers evaluate and set priorities; linking funding requests to outcomes and linking outcomes to the organization's mission; and presenting the cost of protecting a system and the cost of a failure.

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<sup>30</sup> National Research Council, *Investments in Federal Facilities: Asset Management Strategies for the 21st Century*, (Washington, DC: The National Academies Press, 2004), [www.doi.org/10.17226/11012](http://www.doi.org/10.17226/11012).

<sup>31</sup> National Research Council, *Investments in Federal Facilities*, 94.

<sup>32</sup> National Research Council, *Predicting Outcomes of Investments in Maintenance and Repair of Federal Facilities*, (Washington, DC: The National Academies Press, 2012), [www.doi.org/10.17226/13280](http://www.doi.org/10.17226/13280).

<sup>33</sup> National Research Council, *Predicting Outcomes*, 7.

- The National Research Council's *Key Performance Indicators for Federal Facilities Portfolios: Federal Facilities Council Technical Report Number 147* identifies key performance indicators, or performance measures, that can be used by senior leaders to support informed decision making and improve facilities management.<sup>34</sup> The report identifies a series of questions, each of which can be answered using key performance indicators. These questions include:

What facilities do we have? What condition are they in? What facilities are needed to support the organization's missions? What problems and issues need to be addressed? How much are we investing and how much do we need to invest? What are the results or outcomes of those investments and what are the outcomes of decisions not to invest?<sup>35</sup>

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<sup>34</sup> National Research Council, [\*Key Performance Indicators for Federal Facilities Portfolios: Federal Facilities Council Technical Report Number 147\*](#), (Washington, DC: The National Academies Press, 2005), [www.doi.org/10.17226/11226](http://www.doi.org/10.17226/11226).

<sup>35</sup> National Research Council, *Key Performance Indicators*, 8.

## **APPENDIX 4: OIG Photos and Observations at BOP Institutions<sup>36</sup>**

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<sup>36</sup> Our audit included touring the institution with the institution's Facility Manager. Our observations are based on the outward appearance of the buildings and systems, as well as the descriptions provided by Facilities Department staff and applicable documentation. No architect and engineer assessments were completed as part of our audit. The information is as of the spring of 2022.

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## OIG Photos and Observations of Certain Conditions at Federal Correctional Institution Terminal Island, April 2022

- Low security federal correctional institution in San Pedro, California
  - Built: 1938
  - Capacity: 771 inmates
  - March 2022 Inmate population: 865 inmates
- 

The concrete floor in the powerhouse, where the boilers are located is in critical condition.



Deterioration in the pit wall



Cracking and separation (brand name blurred in photo)

Clean and orderly food service areas.

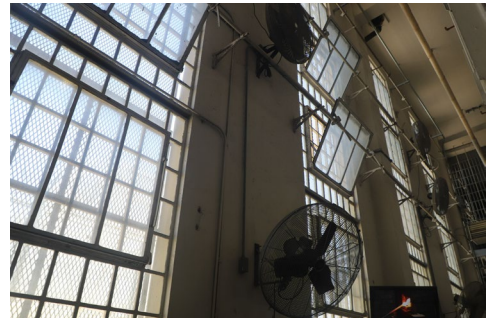


Dishwasher (brand name blurred in photo)



Dining

**Conditions:** The institution had an estimated \$104.4 million in unfunded repair needs as of May 2022. The powerhouse's concrete floor needs to be replaced. The existing HVAC system needs to be upgraded with a combined estimated cost approaching \$34 million. This includes adding air conditioning to the housing units, all but two of which do not have air conditioning. The Facilities Department is completing smaller projects that can complement future, large scale upgrades. Other major infrastructure needs include replacing roofs and the fence, as well as upgrades to the water and wastewater distribution systems.



Large, commercial fans and open windows in a housing unit with no air conditioning.

**OIG Observations:** We did not identify any issues with FCI Terminal Island's facilities management but confirmed that the facilities budget is underfunded. Staff were knowledgeable and maintained an organized tracking and filing system. While none of the unfunded needs currently compromise operations, they are extensive and could lead to future operation disruptions. In particular, the absence of air conditioning in inmate housing is notable.

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## OIG Photos and Observations of Certain Conditions at U.S. Penitentiary Atlanta, April 2022

- Medium security USP with a detention center housing low security inmates in Atlanta, Georgia
  - Built: 1905
  - Capacity: 1,440 inmates
  - March 2022 Inmate population: 792 inmates
- 

Ongoing rehabilitation of the housing units including new lighting and other security improvements.

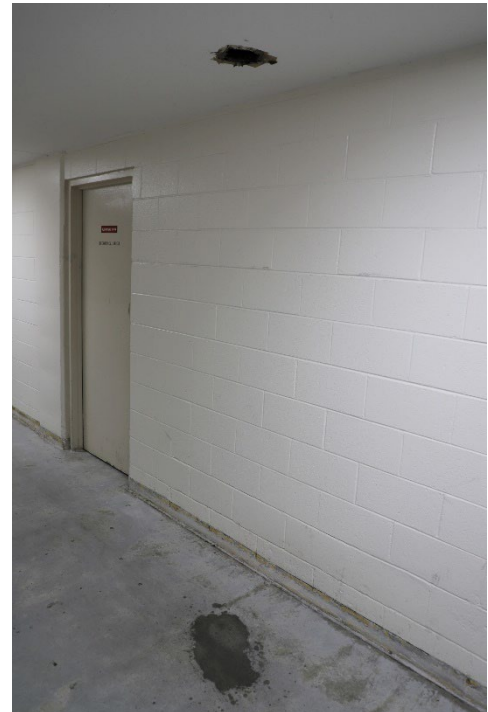


Rehabilitated cellblock



Rehabilitated cell

These boilers were installed by an energy service company as part of an energy savings performance contract (ESPC). The faceplates and connectors are removed because the equipment failed.



It rained during our visit and there were small water leaks throughout the institution.

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**Conditions:** The institution had an estimated \$14.9 million in unfunded repair needs as of May 2022, including replacing electrical infrastructure. Ongoing projects are addressing life safety issues. This includes replacing the fire alarm system, as well as several security improvements, which address the perimeter, lighting, and housing units. The Facility Manager identified issues with the HVAC system in the facility and powerhouse, including failed equipment. The equipment was installed by an energy service company as part of an ESPC. USP Atlanta's most recent Buildings and Grounds Assessment states that multiple roofs are failing and will be included in future work planning.

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**OIG Observations:** USP Atlanta's most critical safety and security issues are being addressed through ongoing projects. The security enhancements are essential considering the recent closure and realignment stemming from concerns with security at the institution. The BOP completed an assessment of the HVAC equipment installed as part of the ESPC to identify issues that will need to be addressed by the energy service company; however, the issue remains unresolved. It rained during our visit, and we saw small amounts of water pooling indoors, highlighting the issues with the roofs.

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## OIG Photos and Observations of Certain Conditions at Federal Transfer Center Oklahoma City, April 2022

- Administrative federal transfer center in Oklahoma City, Oklahoma
  - Built: 1995
  - Capacity: 1,065 inmates
  - March 2022 Inmate population: 1,076 inmates
- 

Both the housing units and major program areas were clean and orderly.



Cellblock

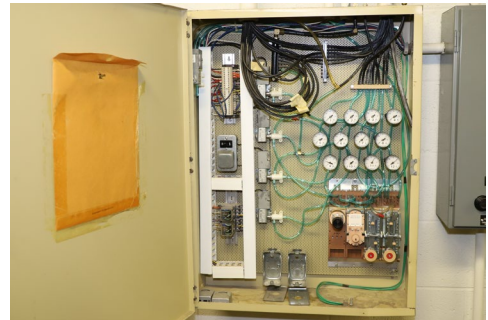


Kitchen

The mechanical areas were clean and orderly. The HVAC system is in good condition according to the most recent assessment. The pneumatic HVAC controls are outdated and labor intensive, but operational.



HVAC



Pneumatic HVAC control panel

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**Conditions:** The institution had an estimated \$12.4 million in unfunded repair needs as of May 2022. The institution's HVAC staff maintains a very outdated but functional HVAC control system. The Facilities Manager credited staff expertise with the system's good condition. The roof is at the end of its useful life and needs to be repaired or replaced. The estimated replacement cost is \$2.5 million.

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**OIG Observations:** We did not identify any significant issues. The Facility Manager credited good construction, good staff, and funding for projects when needs are identified. The staff we spoke with were knowledgeable and the facility working areas and systems appeared orderly. There are maintenance needs, and while some remained unfunded, they did not compromise operations.

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**The roof has soft spots and blisters; however, the overall appearance was not critical.**

## **APPENDIX 5: Details About Closed and Partially Closed Institutions**

## Federal Correctional Institution Estill

Facility Description	Closure Details
<p><u>Institution:</u> FCI Estill is an all-male, medium security federal correctional institution with an adjacent minimum security satellite camp.</p> <p><u>Location:</u> The facility is in Estill, South Carolina, approximately 100 miles south of Columbia and is part of the BOP's Southeast Region.</p> <p><u>Built:</u> 1993</p> <p><u>Rated Capacity:</u> 1,024 inmates, including 768 inmates at the FCI and 256 inmates at the camp.</p> <p><u>Pre-tornado Population:</u> Between April 2019 and March 2020, the 12 months before the partial closure, FCI Estill had as many as 1,259 inmates, or 123 percent of rated capacity, and as few as 1,174 inmates, or 115 percent of rated capacity.</p>	<p><u>Event:</u> On April 13, 2020, FCI Estill was hit by a category F4 tornado. Both the main institution and satellite camp sustained major damage. The satellite camp and all but one of its housing units were closed. Medium-security inmates were transferred to USP Lewisburg in Pennsylvania. The camp inmates were rehoused at a single housing unit at the FCI.</p> <p><u>Post-tornado Population:</u> As of March 2022, there were 63 minimum-security camp inmates at FCI Estill.</p> <p><u>System-wide Impact:</u> As of March 2022, the BOP reported BOP-wide, medium security overcrowding at 25 percent above rated capacity, which demonstrates the significance of the 768 beds being offline. Additionally, in regard to the inmate population at the Southeast Region's other nine medium security locations: (1) due to a re-alignment, USP Atlanta is housing fewer inmates, and those inmates are not designated as medium security; and (2) the 8 remaining institutions were overcrowded, ranging from 118 percent and 158 percent of rated capacity.</p>
Activity as of the Spring 2022	Funding Constraints <sup>a</sup>
<p><u>Staffing:</u> As of January 2022, 22 of 25 authorized positions at FCI Estill's Facilities Department positions were filled. The Southeast Regional Facilities Administrator stated that renovations are underway. We also saw evidence of routine maintenance, based on work orders and projects from a sample period in TMS.</p> <p><u>M&amp;R Projects:</u> The institution has secured around \$8 million of funding and is completing the following:</p> <ul style="list-style-type: none"> <li>• architect and engineer assessment and design services in advance of replacing systems, including the drawings and specifications for a new flat roof and metal roof system; and</li> <li>• projects to repair or replace the perimeter fence, sallyport, high mast lights, hot water boilers, sewage lift station, overhead doors, roof outside the warehouse, and walk-in freezers and coolers for food services.</li> </ul>	<p><u>No Disaster Funding:</u> The President made a major disaster declaration in May 2020 in the areas affected by the tornado; however, the BOP did not receive supplemental funds related to this disaster.</p> <p><u>No Budget Increase:</u> The BOP's Spring Planning Submission for the FY 2022 budget was completed in June 2020 and included an increase of \$24.7 million to repair the tornado damage. The request included, among other things, \$14.2 million for roofs, \$3 million for mechanical systems, and \$1.5 million for mold remediation. According to the Justice Management Division, the Department removed the repairs from the FY 2022 budget request, as difficult decisions were made around limited resources and priorities. The May 2022 Unfunded List updated the estimated costs to \$28.4 million, \$20 million of which is for the roof repairs.</p> <p><u>No FY 2022 Allotment:</u> Prior to the enactment of the FY 2022 budget, the BOP anticipated setting aside \$14 million to begin the full tear-off and replacement of the roof. However, the significant funding shortfall in the FY 2022 enacted budget, as discussed previously in this report, resulted in the BOP not funding this roof project.</p>

<sup>a</sup> March 2023 Update: In the FY 2023 funding plan, FCI Estill will receive funding to address the remaining, previously unfunded projects to repair the tornado damage. Items to be funded include projects to replace the damaged membrane and metal roof systems, address issues with the fire suppression system, mold remediation, interior repairs, and numerous electrical repairs.

Source: OIG summary of information provided by the BOP

## Correctional Institution Taft

Facility Description	Closure Details
<p><u>Institution:</u> CI Taft is federally owned but was contractor operated. It was an all-male private correctional institution operated by the Management and Training Corporation. CI Taft housed low-security criminal alien offenders and minimum-security U.S. person offenders.</p> <p><u>Location:</u> The facility is in Taft, California, approximately 115 miles north of Los Angeles and is part of the BOP's Western Region.</p> <p><u>Built:</u> 1996</p> <p><u>Rated Capacity:</u> 1,904 inmates</p> <p><u>Pre-closure Population:</u> In calendar year 2019, the last year that CI Taft was fully operational, CI Taft had as many as 2,095 inmates, or 110 percent of rated capacity, and as few as 1,338 inmates, or 70 percent of rated capacity.</p>	<p><u>Details:</u> Structural damage at CI Taft, including large building cracks, led to the condemnation of two buildings and a study that identified ongoing subgrade soil settlement and major deficiencies in all buildings to protect against seismic activity. In 2019, a contractor assessed repair options and the feasibility of remaining open. The Attorney General ordered CI Taft to be vacated because the risk to staff and inmates for continued occupancy was deemed too great and it is more cost effective to complete the repairs when vacant. The BOP completed transferring all inmates in April 2020.</p> <p><u>System-wide Impact:</u> As of March 2022, the BOP's system-wide, low security population was 1 percent below rated capacity, meaning the BOP was able to absorb the CI Taft population. A January 2021 Executive Order instructs the Attorney General to not renew DOJ contracts with privately operated criminal detention facilities. All 11 contract facilities operating at that time closed by the end of November 2022. Around this time, low-security male institutions were 4 percent over capacity.</p>
Activity as of the Summer 2022	Funding Constraints <sup>a</sup>
<p><u>Staffing:</u> As of August 2022, there was one full-time Facilities Operations Specialist at CI Taft. Contracted personnel provide round-the-clock site security and minimal maintenance services.</p> <p><u>Post-closure Expenses:</u> From June 2020–June 2022, the BOP reported expenses totaling almost \$8.6 million for contracted security and maintenance services and utilities (wastewater, water, electric, and natural gas).</p> <p><u>M&amp;R Projects:</u> The BOP has spent around \$6.6 million and completed:</p> <ul style="list-style-type: none"> <li>• architect and engineer assessment to develop the construction documents to make all repairs, including project drawings, specifications, and construction cost estimates; and</li> <li>• repairs, including shoring and fixing leaks and the fire suppression system's post indicator valve.</li> </ul> <p><u>Monitoring:</u> Crack monitors, which track horizontal and vertical crack movement, are located throughout CI Taft. The monthly readings show ongoing movement, including openings and closings.</p>	<p><u>Existing Funds:</u> In FY 2020, the BOP received \$27 million to address deficiencies at CI Taft. The BOP obligated around \$8 million for design work (see projects at left) but asked to rescind the remainder in both the FYs 2022 and 2023 Congressional Budget Submissions. The justification for canceling the construction is that the project is "uniquely expensive," and the BOP can instead leverage existing capacity at other institutions. Congress did not cancel the funds in FY 2022.</p> <p><u>Construction Costs:</u> The August 2021 Unfunded List included CI Taft structural repairs at an estimated cost of \$147 million, or 10 percent of the list's total. It was the most expensive project listed. The architect and engineer assessment provided a more detailed and accurate cost estimate for seismic retrofit and site improvements with the figure approaching \$200 million.</p> <p><u>Future Operations:</u> When this facility was opened, it was required to be contract-run. The January 2021 Executive Order prevents the BOP from using privately operated facilities. These diverging requirements will have to be reconciled prior to reopening.</p>

<sup>a</sup> March 2023 Update: After further analysis of damage to the existing buildings, the BOP determined repairs were not feasible. As a result, the BOP used architect and engineer services to develop a sequential demolition plan of some structures. Upon the completion of demolition, the BOP plans to do extensive soil analysis to determine the feasibility of reconstruction.

Source: OIG summary of information provided by the BOP



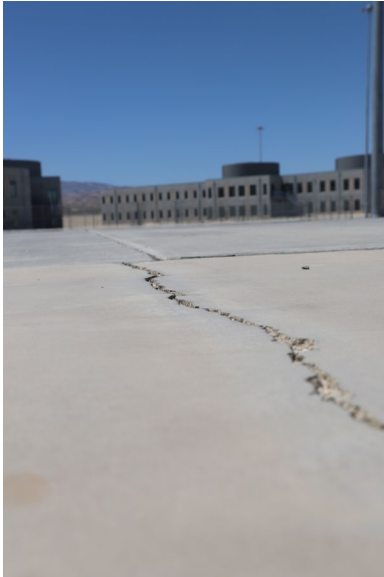
OIG Photos of Structural Damage at CI Taft, April 2022



Significant separation between adjoining walls



Crack in exterior wall with daylight visible



Cracks in outdoor concrete walkways



Crack in the library floor



Crack from the floor to the wall



Crack near a light fixture



Crack monitors, which track ongoing horizontal and vertical movement



The library has extensive damage, including the roof

## Metropolitan Correctional Center New York

Facility Description	Closure Details
<p><u>Institution:</u> MCC New York is an all-male (previously male and female), administrative metropolitan correctional center. It is a 12-story high-rise.</p> <p><u>Location:</u> The facility is in New York, New York; specifically, it is next to the U.S. District Court for the Southern District of New York in Lower Manhattan. It is part of the BOP's Northeast Region.</p> <p><u>Built:</u> 1975</p> <p><u>Rated Capacity:</u> 451 inmates, including 338 administrative inmates (including pre-trial offenders), 96 low cadre inmates, and 17 special unit inmates.</p> <p><u>Pre-closure Population:</u> In FY 2020, the year leading up to the closure, MCC New York had as many as 609 inmates, or 135 percent of rated capacity, and as few as 131 inmates, or 29 percent of rated capacity.</p>	<p><u>Details:</u> In the spring of 2021, a contractor completed a comprehensive conditions assessment of MCC New York and identified significant issues with the building's fire protection, electrical, and mechanical systems, all of which have exceeded their life cycle and need to be replaced. The assessment recommended that all operations be relocated during construction, given the extent of the repairs. The assessment included a detailed cost estimate for repairs of around \$80 million. The BOP relayed this information to DOJ in July 2021, highlighting critical life safety issues and, in concert with DOJ, closed the institution. The BOP completed transferring all inmates in October 2021.</p> <p><u>System-wide Impact:</u> The most relevant location in terms of capacity is the Metropolitan Detention Center Brooklyn, given that it is another administrative location, approximately 6 miles from MCC New York, and the location where the majority of MCC New York inmates were transferred. As of March 2022, MDC Brooklyn's inmate population was 1,706 inmates, or 96 percent of rated capacity, which suggests that the institution was able to absorb MCC New York's inmate population. The BOP indicated that inmates were also transferred to FCI Otisville in New York and Fort Dix in New Jersey, both of which were below their rated capacity as of March 2022.</p>
Activity as of the Summer 2022	Funding Constraints <sup>a</sup>
<p><u>Staffing:</u> As of August 2022, there is one full-time Construction Representative at MCC New York. Maintenance and inspections are performed by other BOP staff as needed.</p> <p><u>Post-closure Expenses:</u> From October 2021–June 2022, the BOP reported expenses totaling just over \$420,000 for utilities (wastewater, water, electric).</p> <p><u>M&amp;R Projects:</u> The BOP is not initiating new projects.</p> <ul style="list-style-type: none"> <li>• Additional architect and engineer services, including a more in-depth electrical systems assessment, are on hold.</li> <li>• No projects were initiated after MCC New York closed. The BOP has spent just under \$80,000 on various maintenance and repair projects in the first half of FY 2022.</li> </ul>	<p><u>Budget Request:</u> The FY 2023 President's Budget did not include resources for MCC New York.</p> <p><u>No Action:</u> The May 2022 Unfunded List identified an estimated \$115.5 million in repairs, which included repairs identified as part of the 2021 assessment and additional projects identified by the BOP. The Assistant Director of the Administration Division stated that while the BOP intended to reopen MCC New York, given the absence of funding, the BOP would not complete any more work until the BOP secured funds.</p>

<sup>a</sup> March 2023 Update: The estimated repair costs have increased to \$230 million based on the following factors: further analysis of the overall building condition, a recently identified requirement that the BOP will need a dedicated powerhouse, and the escalation of construction services and materials,

Source: OIG summary of information provided by the BOP



OIG Photos of Conditions at MCC New York, March 2022



Flooded pump room



Old insulation covering water and steam pipes  
(brand name blurred in photo)



Food Services in complete disrepair



Cell in need of repairs



Collapsed ceiling



Damaged wall in the rooftop recreation area

# 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

April 19, 2023

MEMORANDUM FOR JASON R. MALMSTROM  
ASSISTANT INSPECTOR GENERAL  
OF AUDIT

A handwritten signature in blue ink, appearing to read "Colette S. Peters", is positioned above the typed name of the Director.

FROM: Colette S. Peters, Director

SUBJECT: Response to the Office of Inspector General's (OIG) Draft Report: Audit of the Federal Bureau of Prisons' Efforts to Maintain and Construct Institutions

The Bureau of Prisons (BOP) appreciates the opportunity to formally respond to the Office of the Inspector General's above-referenced draft report. The BOP offers the following comments regarding the draft report and its recommendations.

**Recommendation One:** Develop an infrastructure strategy to increase the overall effectiveness of facilities management. The strategy should align infrastructure decisions with the BOP's mission; include one or more methodologies for allocating resources; and include short, medium, and long-range planning goals. As part of this strategy, the BOP should consider incorporating a portfolio-based repair model; a retention or disposal decision model; and business case analyses for new construction, as appropriate.

**BOP's Response:** The BOP concurs with this recommendation and will develop an infrastructure strategy to increase the overall effectiveness of facilities management. To that end, the BOP has developed a Statement of Objectives to solicit proposals, identify a qualified industry partner to assist it with the development of a strategic framework to increase the effectiveness of facilities management, and award a contract regarding the same. The framework will enable a facilities masterplan by compiling analysis of BOP's infrastructure requirements and developing methodologies that will provide the funding priorities for critical requirements, the identification of a cost benefit regarding replacement vs repair and a system by which the BOP can support its future budget requests for Modernization and Repair.

**Recommendation Two:** Develop and implement key performance indicators to track whether the BOP is meeting its infrastructure goals.

**BOP's Response:** The BOP agrees with this recommendation and will develop and implement key performance indicators to track whether the BOP is meeting its infrastructure goals.

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

The OIG provided a draft of this audit report to the Federal Bureau of Prisons (BOP). The BOP's response is incorporated in Appendix 6 of this final report. In response to our audit report, the BOP agreed with 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 close the report.

### **Recommendations for the BOP:**

- 1. Develop an infrastructure strategy to increase the overall effectiveness of facilities management. The strategy should align infrastructure decisions with the BOP's mission; include one or more methodologies for allocating resources; and include short, medium, and long-range planning goals. As part of this strategy, the BOP should consider incorporating a portfolio-based repair model; a retention or disposal decision model; and business case analyses for new construction, as appropriate.**

Resolved. The BOP concurred with our recommendation. The BOP stated in its response that it is soliciting proposals to identify a qualified industry partner to assist with developing a strategic framework, which will result in a "facilities masterplan." As a result, this recommendation is resolved.

This recommendation can be closed when we receive evidence that the BOP has developed an infrastructure strategy.

- 2. Develop and implement key performance indicators to track whether the BOP is meeting its infrastructure goals.**

Resolved. The BOP agreed with our recommendation. The BOP stated in its response will develop and implement key performance indicators to track whether the BOP is meeting its infrastructure goals. As a result, this recommendation is resolved.

This recommendation can be closed when we receive evidence that the BOP has developed and implemented key performance indicators to track whether the BOP is meeting its infrastructure goals.