The Department of Justice Office of the Inspector General (OIG) announced today the release of a report examining a Federal Bureau of Prisons (BOP) contract to house up to 2,407 federal prison inmates in the Reeves County Detention Center compounds R1 and R2 (RCDC I/II). The contract, which since 2014 has been the Department of Justice’s second largest, has an estimated value of $493 million. It was awarded in 2007 and runs through January 2017. Reeves County subcontracted with The GEO Group, Inc., a Florida-based corporation, to manage RCDC I/II and subcontracted with Correct Care Solutions, LLC (CCS), a Tennessee-based company, to provide comprehensive healthcare services to RCDC I/II inmates. In January 2009, there was an inmate riot at RCDC I/II.

The OIG’s report identified several concerns relating to compliance with the contract’s requirements, the BOP’s approach to minimum staffing requirements, and the policies and procedures governing the operations of a “modified monitoring unit” at the facility called the “J-Unit,” which is more restrictive than general population housing.

The specific findings in today’s report include:

- The BOP rated RCDC I/II “deficient” or “unsatisfactory” in 6 of 12 award fee evaluation periods between February 1, 2007 and December 31, 2014. BOP’s award fee rating reports reflected that RCDC I/II consistently struggled to meet or exceed baseline contractual standards; received an unacceptable number of deficiencies and notices of concern; was unresponsive to BOP inquiries; struggled with staffing issues in health services and correctional services; and frequently submitted inaccurate routine paperwork, including erroneous disciplinary hearing records and monthly invoices. The BOP reports repeatedly described RCDC I/II’s quality control program as minimally or marginally effective. However, BOP reports indicated that performance improved over time, particularly in 2014 when the contractor received a “very good” rating.

- From the start of the contract in January 2007 to March 2009, there were no minimum staffing requirements for the facility. BOP officials told us they removed the staffing requirements to achieve cost savings and grant the contractor flexibility and discretion to manage the staffing of the facility. However, shortly after an inmate riot at RCDC I/II in January 2009, the BOP reincorporated the staffing requirements. We found that during the period where there were no staffing requirements, the number of Correctional Officers was significantly below the minimum requirement that was later reincorporated into the contract. We also found that from April 2007 to March 2009, Reeves County would have spent an additional $4.67 million in order to fill enough Correctional Officer positions to meet the Staffing Plan thresholds that were later reincorporated in the contract after the January 2009 riot.

- We found that RCDC I/II has also had significant issues staffing its health services unit. In December 2010, the BOP added to all contracts with privately managed correctional facilities a requirement that the contractor staff its health services unit so that staffing levels equaled or exceeded 85 percent of the contract


requirement. However, from December 2010 through December 2013, a period spanning 37 months, RCDC I/II failed to meet the 85 percent threshold in 34 of the 37 months. After we expressed our concerns with these staffing issues, CCS began a concerted effort to adequately staff RCDC I/II and has exceeded the 85 percent threshold from September 2014 through February 2015.

- Reeves County failed to comply with provisions of the Service Contract Act of 1965 (Service Contract Act). As a result, we identified almost $3 million that we either questioned as unallowable or unsupported, or believe should be put to better use. This included nearly $2 million incorrectly claimed for health and welfare benefit-related price adjustments, payroll tax reimbursements, and workers’ compensation insurance reimbursements, as well as savings of nearly $1 million that can be achieved through reductions in future invoices to address these problems. We also identified fringe benefit underpayments to 12 current and former CCS employees totaling $22,628. We concluded that the noncompliance was not identified previously because the BOP and the contractors did not have an accurate understanding of certain fundamental requirements of the Service Contract Act.

- RCDC I/II officials converted a general population housing unit into a “modified monitoring unit” referred to as the “J-Unit,” but did not implement specific policies and procedures that addressed important aspects of the J-Unit’s operations. The purpose of the J-Unit is to isolate from the rest of the compound’s population inmates found to be coercing other inmates to join demonstrations, and whose behavior creates institutional security problems capable of jeopardizing the safety of RCDC I/II staff and inmates. J-Unit inmates have more restricted movement and less access to institutional services than general population inmates. Specifically, RCDC I/II lacked guidance on what evidence is necessary to place an inmate into the J-Unit, procedures to ensure inmates can challenge their placement in the J-Unit, monitoring or oversight mechanisms to ensure the J-Unit is used as intended, and safeguards to ensure inmate rights are consistent, to the maximum extent possible in light of security concerns, with inmates in other general population housing.

Today’s report makes 18 recommendations to the BOP to address the OIG’s dollar-related findings and improve oversight of RCDC I/II operations. The BOP generally agreed with 17 of the recommendations but did not concur with the OIG’s recommendation regarding the need for more formal policies and procedures for the J-Unit. The GEO Group, on behalf of Reeves County, indicated its agreement with the report’s recommendations as to all matters except compliance with the Service Contract Act and the management of the J-Unit.

Today’s report can be found on the OIG’s website at the following link:  http://www.justice.gov/oig/reports/2015/a1515.pdf.