

Hello. I'm Michael Horowitz, the Inspector General for the U.S. Department of Justice.

Each year, the OIG identifies the Top Management and Performance Challenges facing the Department of Justice. This year, one of the challenges is the Persisting Crisis in the Federal Prison System. It is a big challenge, and I will discuss it in two parts. In this first video, I discuss the challenge of containing the cost of the federal prison system.

Although the number of federal inmates decreased this year for the first time since 1980, federal prison costs continue to rise.

In 2000, the federal Bureau of Prisons', or BOP's, budget was \$3.8 billion, which accounted for 18 percent of the Justice Department's discretionary budget. In 2014, that budget reached \$6.9 billion, accounting for 25 percent of DOJ's discretionary budget. Over this time period, the rate of growth in the BOP's budget was almost twice the rate of growth of the rest of the Justice Department.

The BOP currently has more employees than any other Justice component – more than even the FBI – and the Department has acknowledged that BOP's rising costs threaten DOJ's ability to fulfill its responsibilities in other mission areas. Simply stated, unless the Justice Department's overall budget grows in the years ahead, continuing increases in the BOP's budget will require the Department to reduce spending in other areas.

The OIG has identified several specific reasons why prison costs continue to rise.

Inmate healthcare costs are growing, increasing 55 percent over the past six years. In 2013, spending on inmate healthcare was over one billion dollars and nearly equaled the entire budget of the U.S. Bureau of Alcohol, Tobacco, Firearms, and Explosives.

Part of the increased healthcare costs comes from the growth of the aging inmate population, as older inmates generally cost more than their younger counterparts to incarcerate. The OIG is currently reviewing the impact of the aging inmate population on the federal prison system.

The cost of prescription drugs is also driving BOP's healthcare costs. In particular, the newly approved Food and Drug Administration regimen for treating chronic hepatitis C could make the cost of treatment four to seven times higher than before. The OIG continues to monitor the effects of rising healthcare costs.

Given this cost crisis in the prison system, DOJ must better utilize existing programs to help manage inmate populations.

These include the Compassionate Release Program, in which the BOP can request a judge to reduce an inmate's sentence for extraordinary and compelling reasons. In a review last

year, the OIG found this program to be poorly managed and inconsistently implemented. In the wake of the OIG review, BOP expanded the compassionate release program for elderly inmates.

Additionally, the Department's International Prisoner Transfer Program, which allows foreign national inmates to be transferred to their home countries to serve their sentences, could be better utilized.

In our 2011 review, the OIG noted that the Department rejected 97 percent of transfer requests by foreign national inmates to their home countries. Although BOP has taken steps to better communicate this program to inmates, the number of inmates ultimately transferred to their home countries remains stagnant. We will be reporting in the coming year on the current status of this program.

Separately, the Department has announced initiatives and changes in prosecution, sentencing, and early release policies that could reduce prison costs. These proposals target inmates sentenced for drug offenses – a group that accounts for more than half of the current federal prison population.

The Department has indicated that through its Smart on Crime initiative, it intends to promote prevention and re-entry programs, such as drug courts and veterans' courts, as alternatives to incarceration, in addition to encouraging the decreased use of mandatory minimum sentences. Further, the Department has announced a clemency initiative for low-level, non-violent drug offenders.

The Department has also indicated support for programs that provide alternatives to incarceration, coupled with treatment and supervision, in an attempt to reduce recidivism. The OIG is conducting an audit to evaluate the design and implementation of these programs.

So, as you can see, there are a lot of aspects to the persisting crisis in the federal prison system, and it is a critical area that will require DOJ's sustained attention for the foreseeable future.

Containing the costs of the prison system is only one part of the challenge. The other part involves improving prison safety and security. That will be the topic in my next video discussion.

Thank you for taking the time to listen today, and I look forward to continuing this conversation.