



Evaluation of the Federal Bureau of Prisons' Use of First Step Act Funding and Implementation of First Step Act Programs at Its Institutions



EVALUATION AND INSPECTIONS DIVISION

26-057

MAY 2026



EXECUTIVE SUMMARY

Evaluation of the Federal Bureau of Prisons' Use of First Step Act Funding and Implementation of First Step Act Programs at Its Institutions

Introduction

The Federal Bureau of Prisons (BOP) has long been responsible for providing inmates with reentry programs, including substance abuse treatment, education classes, and employment training, to support their return to the community as law-abiding citizens. The First Step Act of 2018 (FSA) required the BOP to expand such programs and ensure that they are tailored to address the specific risks that increase the likelihood of recidivism.

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) initiated this evaluation to assess the BOP's use of \$1.23 billion appropriated by the U.S. Congress, most of which was used to implement FSA programs benefiting inmates at BOP-operated institutions between fiscal years (FY) 2022 and 2024. We initiated this evaluation after observing during our unannounced inspections at several BOP institutions that some institutions were experiencing challenges in offering FSA programs to inmates.

Given the large amount of funding made available to the BOP to implement the FSA between FYs 2022 and 2024, this evaluation did not assess the appropriateness of all \$1.23 billion in FSA expenditures during our scope. However, our judgmental review of available spending and implementation information yielded sufficient evidence to raise significant concerns with the BOP's use of funds and highlighted areas in need of improvement, which we explain in this report.

Recommendations

We make seven recommendations to assist the BOP in implementing the FSA to achieve the FSA's intent to offer inmates programs designed to support their return to the community as law-abiding citizens.

Results of the Evaluation

We identified several significant deficiencies in the BOP's use of FSA funds and implementation of FSA programs at its institutions. We found that the BOP used \$258.7 million in FSA funds to reimburse itself for providing inmates with free telephone calls without clear authority to do so. This amount included approximately \$106 million that the BOP reimbursed itself in excess of the cost that the BOP calculated it had incurred for providing the telephone service to the inmates. We also found that this reimbursement process involved the BOP transferring FSA funds, which Congress appropriated for a specific appropriation year, into the BOP's Trust Fund, which has no set time limit on spending.

Additionally, we found that during FYs 2022 and 2023 the BOP transferred nearly \$120 million to the U.S. Department of Labor (DOL) to implement a joint grant program designed to offer vocational training, skills building, and other support services to inmates returning to the community. We found that most responsibility for administering the program was assigned to DOL, and the BOP maintained limited oversight of how grant funds were spent and what type of programming was being offered. Therefore, the BOP was unable to ensure that FSA funds transferred to DOL advanced the purposes of the FSA.

We also identified serious weaknesses with the BOP's financial controls over FSA spending and found that it had difficulty obligating funds before their availability expired. For example, as of April 2026, \$16.8 million of the BOP's FY 2022 appropriation remained unobligated, and the BOP anticipates that it will not be able to use most of this amount to support FSA initiatives; instead, remaining funds will ultimately be transferred to DOJ's Working Capital Fund.

We found that since FY 2022 the BOP has made progress in offering more FSA programs at its institutions. However, due to limited staff availability, a lack of instructional space, and lockdowns that limit inmate movement, institutions offered significantly fewer FSA programs than what BOP officials told us they expected would be taking place consistent with the BOP's public FSA Approved Programs Guide. As a result, we found that about one-quarter of inmates who were released under FSA authorities between FYs 2022 and 2024 had not completed a single FSA program. This outcome is inconsistent with FSA goals to reduce inmates' risk of recidivism through programming.

Lastly, we identified issues with the BOP's data on FSA programs, including what data it collects and the accuracy of the data that is collected. As a result, the BOP is unable to fully monitor FSA implementation and has limited reliable information it can use to guide FSA decision-making and report progress to stakeholders.

The BOP Used More Than \$250 Million in FSA Funds to Pay for Inmate Telephone Minutes Without Clear Authority to Do So and Reimbursed Itself Over \$100 Million More Than the Cost of the Telephone Service

The FSA allows the BOP to offer inmates telephone minutes as an incentive for their participation in FSA programs. We found that between October 1, 2022, and December 2024 the BOP used \$258.7 million in FSA funds to provide inmates with free telephone minutes. However, it did not limit this benefit to inmates participating in FSA programs, as an incentive for such participation. Instead, *all* inmates received free telephone minutes whether or not they were in an FSA program. Further, we found that the BOP reimbursed itself, using FSA funds, for the inmate telephone calls approximately \$106 million in excess of the cost the BOP calculated it had incurred for providing the telephone service to the inmates. When reimbursing itself this \$106 million, the BOP moved FSA funds from its regular appropriation fund, which Congress appropriated for a specific appropriation year, into the BOP's Trust Fund. The BOP's Trust Fund has no set time limit on spending, as it is a revolving fund—separate from the BOP's appropriated accounts—that is generally sustained through inmate payments and supports inmate benefits. These actions potentially raise appropriations law issues.

The BOP Transferred Nearly \$120 Million in FSA Funds to DOL to Implement a Joint Grant Program, but the BOP Maintained Limited Oversight of the Program

During FYs 2022 and 2023, the BOP transferred nearly \$120 million in FSA funds to DOL to implement a joint grant program designed to offer vocational training, skills building, and other support services to inmates returning to the community. Although the BOP-DOL grant program was intended as a partnership harnessing the expertise of both agencies, we found that most responsibility for administering the program was assigned to DOL and the BOP maintained limited oversight of how grant funds were spent and what type of programming was being offered at its institutions. We found that grantees had been spending funds much more slowly than anticipated, indicating delays in implementing the grant program. As of December 2025, under \$40 million, only about half of what DOL initially projected would have been drawn down by that time, had been drawn down to cover grant expenditures.

The BOP Lacked Financial Controls Over Its FSA Spending

We identified serious weaknesses with the BOP's financial controls over FSA spending that contributed to large-scale financial issues like those described above and myriad smaller-scale issues affecting implementation of the FSA at the institution level. For example, the BOP did not issue clear guidance on what could be purchased using FSA funds, which caused uncertainty and inconsistency among institution personnel regarding purchases that could be made with FSA funds. The BOP also lacked reliable data on FSA spending because institutions were not consistently categorizing FSA-related purchases. Additionally, the BOP encountered challenges, at both the institution and enterprise levels, in obligating funding according to prescribed timelines. Notably, as of April 2026, the BOP had not obligated \$16.8 million of the \$409 million appropriated for FY 2022 specifically. According to the BOP's Assistant Director of Administration, most of this \$16.8 million will likely end up being transferred to DOJ's Working Capital Fund unless the BOP identifies valid expenses incurred in FY 2022 for which this remainder can be used. With this outcome, the BOP will have lost the opportunity to apply these funds to further the goals of the FSA.

Despite Increased FSA Program Availability, the BOP Continues to Experience Significant Challenges in Offering FSA Programs to Inmates

Since 2022, the BOP has made progress in offering more FSA programs at its institutions. However, we found that many FSA programs are not as widely available as the BOP represents them to be in its public FSA Approved Programs Guide. As identified in prior OIG and U.S. Government Accountability Office oversight, limited staff availability, a lack of instructional space, and lockdowns that limit inmate movement contributed to the BOP's challenges in offering FSA programs to inmates.

We found it concerning that, between FYs 2022 and 2024, 24 percent (9,819 of 41,548) of inmates who received FSA time credits resulting in their early release

from BOP custody had not completed a single FSA program. FSA time credits were intended to be provided to inmates as a benefit of participating in FSA programs to create an incentive for inmates to do so.

We also identified issues with BOP data relating to FSA programs. For example, we found that the BOP does not collect data that would allow it to determine the number of times an FSA program was offered at an institution. We also found that inmates can appear on participation rosters for programs in which they were not enrolled. The lack of reliable data impairs the BOP's ability to accurately quantify results of its FSA implementation in order to determine whether the BOP met FSA objectives, inform FSA-related decision-making, and report implementation progress to stakeholders.

Table of Contents

Introduction	1
Background	1
Prior Work Related to the Evaluation	7
Scope and Methodology of the OIG Evaluation	9
Results of the Evaluation	10
The BOP Used More Than \$250 Million in FSA Funds to Pay for Inmate Telephone Minutes Without Clear Authority to Do So and Reimbursed Itself Over \$100 Million More Than the Cost of the Telephone Service	11
The BOP Transferred Nearly \$120 Million in FSA Funds to the Department of Labor to Implement a Joint Grant Program, but the BOP Maintained Limited Oversight of the Program.....	17
The BOP Lacked Financial Controls Over Its FSA Spending.....	22
Despite Increased FSA Program Availability, the BOP Continues to Experience Significant Challenges in Offering FSA Programs to Inmates.....	24
Conclusion and Recommendations	37
Conclusion.....	37
Recommendations	38
Appendix 1: Purpose, Scope, and Methodology	39
Standards	39
Purpose and Scope	39
Methodology	39
Appendix 2: OIG and Other Oversight Agency Related Work.....	42
Appendix 3: The BOP's Response to the Draft Report	45
Appendix 4: OIG Analysis of the BOP's Response.....	50

Introduction

The Federal Bureau of Prisons (BOP) has long been responsible for providing reentry programs, including substance abuse treatment, education classes, and employment training, to support inmates in their return to the community as law-abiding citizens. The First Step Act of 2018 (FSA), which became law in December 2018, required the BOP to expand such programs and ensure that they are tailored to address the specific risks that increase the likelihood of recidivism.¹ The U.S. Congress first made FSA funding available to the BOP in fiscal year (FY) 2020 and has provided the BOP with a total of \$2.53 billion to implement the FSA, with annual appropriations of \$409 million each year since FY 2021.²

Notwithstanding the significant amount of FSA funding Congress has made available to the BOP, the U.S. Department of Justice (DOJ or Department) Office of the Inspector General (OIG) has found, in the course of our routine inspections of BOP institutions in recent years, that some institutions have been experiencing challenges offering FSA programs to inmates. We initiated this evaluation to better understand the extent and cause of challenges with implementation of certain aspects of the FSA at institutions across the BOP. We focused the scope of this evaluation on FY 2022 through FY 2024, during which the BOP received a total of \$1.23 billion for FSA implementation. We established this scope for several reasons, including the fact that during 2020 and 2021 the BOP was experiencing the monumental challenge of maintaining operations within its congregate settings in the face of the coronavirus disease 2019 (COVID-19) pandemic. Moreover, beginning our scope in FY 2022 allowed sufficient time after the FSA became law for the BOP to make progress implementing FSA programs, thereby providing the OIG a reasonable basis to evaluate the BOP's efforts. Further, expanding the scope to include the full timeframe and funding associated with the FSA since its inception would have delayed the completion of this evaluation and our communication of recommendations to help the BOP achieve the goals of the FSA.³

Background

FSA Budget, FYs 2022–2024

Between FYs 2022 and 2024, Congress annually appropriated to the BOP \$409 million—\$1.23 billion in total—to implement the FSA. The BOP maintained \$1.09 billion for its implementation of the FSA and transferred \$140 million to other federal government entities, as shown in Table 1 below.

¹ The First Step Act of 2018 (Pub. L. No. 115-391) established several additional requirements for DOJ and the BOP beyond those evaluated in this report.

² Unless expressed in further detail, dollar amounts expressed in billions are rounded to the nearest 10 million while amounts expressed in millions are rounded to the nearest million throughout this report.

³ A lapse in appropriations, and resulting government shutdown that lasted from October 1 to November 12, 2025, delayed completion and release of this report. Prior to this report's publication, the OIG briefed BOP leadership twice, and briefed officials from the Department's Justice Management Division, on the preliminary findings of this evaluation.

Table 1

BOP Transfers of FY 2022–2024 FSA Funding to Other Federal Government Entities

FY 2022–2024 Funding Made Available to the BOP to Implement the FSA		\$1.23 Billion
Receiving Agency	Purpose	Transfer Amount
U.S. Department of Labor (DOL)	To support a joint DOJ-DOL grant program to offer vocational training, skills building, and other support services to inmates reentering society	\$120 Million
National Institute of Justice <i>A component of DOJ's Office of Justice Programs</i>	To carry out evaluations of programs and activities related to the FSA	\$18 Million
U.S. Department of Health and Human Services (HHS)	To provide medical care to inmates <i>Public Health Service officers, who are employees of HHS, serve as healthcare providers at BOP institutions.</i>	\$2 Million
Totals		
Funding That the BOP Transferred to Other Federal Government Entities		\$140 Million
Funding That the BOP Maintained to Implement the FSA		\$1.09 Billion

Note: We describe in greater detail the DOJ-DOL grant program in the [Results of the Evaluation](#). Our evaluation did not specifically assess the extent to which transfers to the National Institute of Justice and HHS contributed to the implementation of the FSA.

Source: OIG analysis of BOP documentation.

Of the \$1.09 billion it maintained, the BOP obligated \$798 million to implement the FSA at BOP institutions and \$266 million at contract Residential Reentry Centers (RRCs, i.e., halfway houses). As we will discuss in greater detail in the [Results of the Evaluation](#), the BOP did not obligate the remaining approximately \$24.2 million in FSA funds it received during our scope, \$16.8 million (69 percent) of which derived from FY 2022 appropriations. These unobligated FSA funds will be transferred to the DOJ Working Capital Fund unless the BOP can identify and then spend this money on valid FSA expenses that it incurred in FY 2022. In Table 2 below, we summarize FSA allocation totals.

Table 2

The BOP's Internal Allocations of FSA Budget Authority, FYs 2022–2024

Total Amount of Funding Maintained by the BOP to Implement the FSA	\$1.09 Billion
Amount Obligated to Support and Implement the FSA at BOP Institutions ^a	\$798 Million
Amount Obligated to Implement the FSA at RRCs	\$266 Million
Amount Unobligated	\$24 Million

^a A small portion of this \$798 million was obligated to provide services to inmates at private prisons. The BOP stopped housing inmates in private prisons in November 2022, consistent with January 2021 Executive Order (E.O.) 14006, which prevented the Attorney General from renewing DOJ contracts with private prisons. In January 2025, E.O. 14148 rescinded E.O.14006. As of the publication of this report, the BOP is not housing inmates in private prisons.

Source: OIG analysis of BOP financial data

As stated above, this evaluation focuses on the BOP's use of FSA funds at its own institutions. This is because institutions are where the BOP provides most FSA programs and where inmates are in the direct custody of the BOP. Further, we concluded that a review of FSA implementation at RRCs would delay our efforts to report our findings in a timely manner as there are approximately 155 RRCs throughout the country, none of which are under the direct control of the BOP.⁴ In Table 3 below, we break down, into OIG-created expense categories, how the BOP obligated the \$798 million it used to implement the FSA at its institutions.

Budget and Financial Terminology

Unless otherwise indicated, when we use terms describing the spending or use of FSA funds, we are referring to the *obligation* of funding, which is the making of binding agreements to purchase items or services. When the payment of an obligation is made, it is liquidated as an *outlay*. With each annual appropriation, Congress made available to the BOP FSA funding that had to be obligated in the year it was made available. Appropriations law allows obligations to be liquidated up to 5 years after the fiscal year in which the funding expired. As a result, not all FSA obligations made using FY 2022–2024 FSA funding had to be liquidated as of the issuance of this report.

Source: U.S. Congressional Budget Office, Budget Concepts and Budget Process, and Office of Management and Budget Circular A-11

⁴ Our summary review of FSA RRC obligations showed that the majority covered the cost of housing inmates released to RRCs under FSA authorities, as well as the associated cost of medical care for some of those inmates.

Table 3

The BOP's Use of FSA Funds to Support and Implement the FSA at Its Institutions, by Expense Category, FYs 2022–2024

OIG Categorization of FSA Expenses	Description	FSA Expenses, in Millions (M)
Inmate Telephone Minutes ^a	Costs to provide inmates a free monthly allotment of 510 telephone minutes to contact friends and family	\$239 M
Information Technology	Enterprise-wide information technology investments to support the implementation of the FSA	\$158 M
Salary and Benefits for BOP Employees	Aggregated salary, benefit, and recruitment incentive payments made to both institution-based and non-institution based BOP employees to increase the number of employees in positions supporting FSA implementation	\$125 M
Inmate Medical Care	Costs to provide Medication Assisted Treatment to inmates with substance use disorder	\$85 M
Staffing Studies and Recruitment of Staff and Volunteers	Certain staffing support services, such as a study to determine appropriate levels of institution staffing (encompassing positions responsible for implementing the FSA), the development of a recruitment initiative to fill those positions, and initiatives for volunteer recruitment	\$62 M
Buildings and Facilities ^b	Repairs and renovations to programming space	\$38 M
Education	Non-salary costs to provide supplies for classroom instruction, as well as vocational training equipment to support carpentry, electrical, welding, heating and cooling, and commercial driving instruction	\$32 M
Evaluation of Individual FSA Programs	Costs for evaluations and reviews by BOP and external contractors of individual FSA programs—such as anger management, criminal thinking, and drug abuse treatment, among others—to assess their effectiveness	\$30 M
Psychology and Drug Abuse Programs	Non-salary costs to provide program curriculum materials, LifeSkills equipment, and furniture for programming space	\$18 M
Other	Costs to support inmate release, inmate ID program, employee training, translation services, and other expenses to support FSA programs	\$10 M
Religious Services	Non-salary costs to provide program curriculum materials, pastoral care, and religious rite supplies	\$3 M
Total		\$798 Million

Note: The total sum of individual FSA expense categories does not equal \$798 million due to rounding.

^a This category includes \$3.7 million in costs to pay for calls of BOP inmates incarcerated in private prisons.

^b While other amounts in this table are obligations, this \$38 million was a transfer to the BOP's Buildings and Facilities fund, which has an indefinite time limit on spending. As a result, by the end of FY 2024 some funds in this category had yet to be obligated.

Source: OIG analysis and categorization of BOP financial information and FSA program documentation

FSA Programs

When individuals commence incarceration, the BOP surveys them to determine their risk of recidivism. The BOP categorizes recidivism risks into 13 inmate need areas; some inmates receive designations in many need areas, whereas others have only a few. The FSA requires the BOP to address these inmate need areas through (1) Evidence-Based Recidivism Reduction (EBRR) programs and (2) Productive Activities (PA), and it directed the BOP to expand the availability of both. According to the BOP, EBRRs are individual or group activities that have been shown by empirical evidence to reduce or likely reduce recidivism while PAs are individual or group activities that allow individuals with minimum or low risk of recidivating to remain productive while incarcerated. The BOP publishes an FSA Approved Programs Guide that catalogues all of the programs and activities that it defines as FSA programs, which includes both EBRRs and PAs. According to the BOP, all FSA programs are standardized, curriculum-based programs that have fully developed and evaluated protocols that must be administered as written. FSA funds can pay for expenses in support of these programs, such as the salaries for employees who teach classes and supplies for them. Throughout this report, we will use the term “FSA programs” to encompass both EBRRs and PAs listed in the BOP’s FSA Approved Programs Guide.

The employees of different BOP institution departments are responsible for delivering FSA programs that align with the risk areas relevant to their respective responsibilities. See Table 4 below for a listing of the 13 inmate need areas, examples of programs offered to address these needs, and the institution departments responsible for delivering these programs.

Table 4

FSA Inmate Need Areas with Examples of Programs and Responsible Departments

Inmate Need Area	Program Name	Responsible Department
Anger/Hostility	Anger Management	Psychology Services
Antisocial Peers	Criminal Thinking	Psychology Services
Cognitions	Basic Cognitive Skills	Psychology Services
Dyslexia	Reading and Spelling Assessment	Education
Education	BOP Literacy	Education
Family/Parenting	National Parenting from Prison	Multiple
Finance/Poverty	Money Smart for Adults	Multiple
Medical	Managing your Diabetes	Health Services
Mental Health	Illness Management and Recovery	Psychology Services
Recreation/Leisure/Fitness	Wellness: Inside and Out	Recreation Services
Substance Abuse	Residential Drug Abuse Treatment	Psychology Services
Trauma	Seeking Safety and Seeking Strength	Psychology Services
Work	Apprenticeship Training	Education

Note: This is not an exhaustive list of programs. It instead illustrates the nexus between inmate need areas, programs, and responsible departments. The responsible department listed here is the department responsible for delivering the example program. Other departments may teach additional programs that address the listed inmate need area. Certain programs address multiple needs and can be taught by employees from multiple departments.

Source: BOP FSA program documentation

FSA Time Credits

To incentivize inmates to complete FSA programs, the FSA allows inmates who have not committed disqualifying offenses to earn time credits that allow for early supervised release and/or early placement in pre-release custody (i.e., at an RRC or in home confinement, as opposed to a BOP institution). BOP policy states that inmates can earn these time credits by “successfully participating” in FSA programs. However, the BOP has not conditioned the earning of time credits on inmates’ actual program participation or completion, due in part to BOP challenges delivering programs, which we describe in the [Results of the Evaluation](#). Rather, as long as an inmate is willing to participate in FSA programs, has not committed a disqualifying offense, and continues to demonstrate good behavior, BOP policy allows him or her to earn time credits. If no FSA program slot is available to an inmate due to limited program availability, the inmate can demonstrate willingness to participate in an FSA program by placing his or her name on a waitlist. Inmates earn a set amount of time credits every month regardless of the number and length of the FSA programs in which they are participating or for which they are waitlisted.

FSA Staffing

The BOP used FSA funds to hire and pay employees who supported individual institution and enterprise-wide FSA initiatives. As of July 2024, which, according to a senior BOP Human Resources official, offered the best snapshot of how well the BOP was filling its authorized FSA positions during the last year of our scope, the BOP had filled 587 of 1,030 positions authorized to implement the FSA. Of these 587 filled positions, 403 were assigned to an institution to support FSA initiatives; most of these institution-based employees were in roles supporting Psychology Services, Health Services, and Education Department FSA initiatives. The remaining 184 filled positions were assigned to BOP Central or Regional Offices, where they supported, among other functions, enterprise-wide project implementation efforts, contract oversight, and information technology management. We note that some of these Central and Regional Office employees may have supported FSA initiatives related to residential reentry.

See Figure 1 below for an overview of FSA staffing levels as of July 2024, along with data as of January 2026. FSA staffing levels for institution-based positions are discussed in greater detail in the [Results of the Evaluation](#).

The FSA and Recidivism

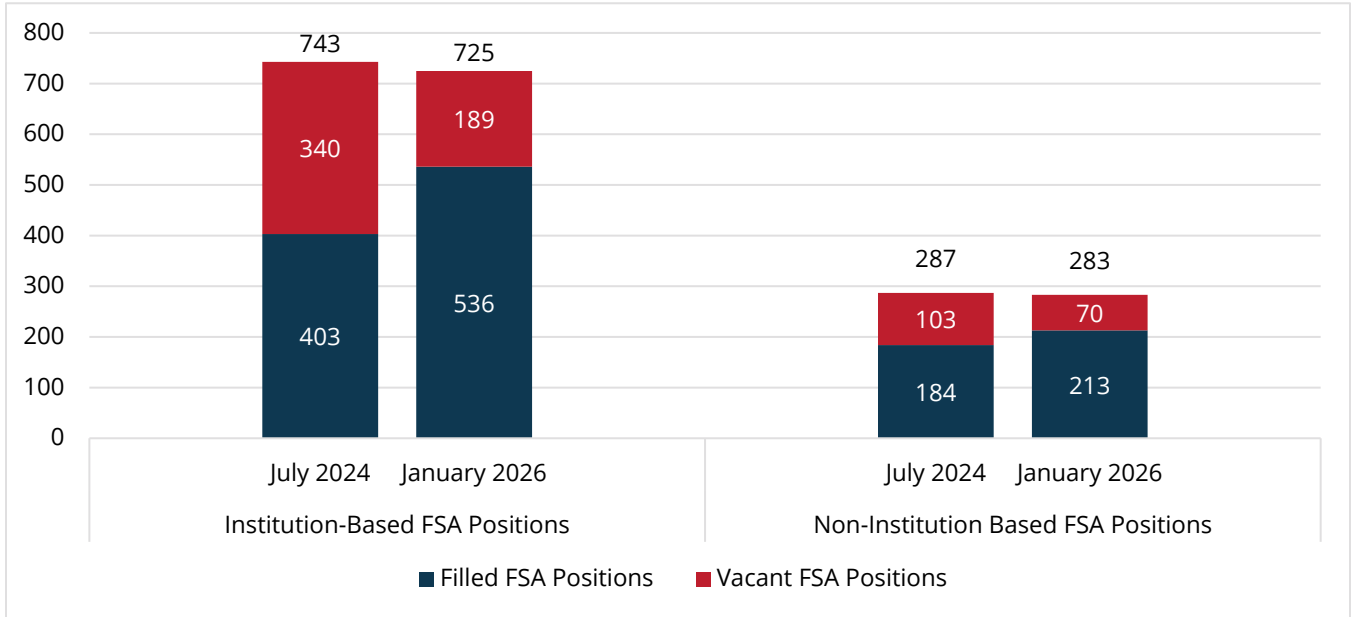
One of the FSA’s principal goals is to reduce recidivism by encouraging inmates to participate in programs and other services. The FSA mandates that the Attorney General report to Congress on the recidivism rates of individuals released from the BOP. Recidivism is defined as a return to BOP custody or arrest by federal, state, or local authorities.

While assessing recidivism in relation to the FSA fell outside the scope of this evaluation, as of January 2026 the BOP had initiated evaluations of the effects of 20 different FSA programs on recidivism. Several of these evaluations have been completed and issued. The BOP anticipates to both issue the ongoing evaluations, and initiate additional ones, through FY 2030.

Source: Attorney General’s FSA Annual Report, 2024, and BOP documentation

Figure 1

Filled and Vacant FSA Positions, Institution-Based and Non-Institution Based, July 2024 and January 2026



Note: In July of 2024, the BOP had a total of 1,030 FSA positions authorized and allocated to specific BOP locations, both at its institutions and in non-institution settings. By January 2026, 22 of these authorized positions were no longer allocated to a specific, active BOP location.

Source: BOP staffing data

Prior Work Related to the Evaluation

The OIG has previously reported on how the BOP’s staffing challenges have limited its delivery of FSA programs at institutions we have inspected consistent with the Federal Prison Oversight Act.⁵

- In our December 2024 inspection report of the BOP’s Federal Medical Center (FMC) Devens, we detailed how the institution had received \$150,000 of FY 2021 FSA funding to build practical spaces, including a model store with a banking area, laundry room, and kitchen, for inmates to participate in an FSA LifeSkills program. The spaces were completed in FY 2023. However, as of December 2024, FMC Devens had yet to enroll inmates in the associated FSA program because there was no BOP employee available to teach the program. We also found that nine other BOP institutions had received funding to build similar spaces but as of June 2024 only one institution had been able to offer the LifeSkills program in the funded spaces.

⁵ The Federal Prison Oversight Act requires the OIG to conduct periodic inspections of BOP facilities and operations based on the OIG’s assessment of risk factors at BOP facilities. Pub. L. No. 118-71, 138 Stat. 1492 (2024) (codified at 5 U.S.C. § 101 (note)).

- During our November 2023 inspection of Federal Correctional Institution (FCI) Sheridan, we found that Psychology Services Department and Education Department staff shortages there resulted in significant wait times for FSA programs that address the psychological, educational, and vocational needs of its inmates. Further, we found that serious shortages among FCI Sheridan employees who facilitate the BOP's Residential Drug Abuse Program resulted in the institution being unable to offer the program to many eligible inmates who had been transferred from other institutions specifically to participate in FCI Sheridan's program. As a cumulative result of these issues, we concluded that FCI Sheridan offered inmates limited opportunities to prepare for successful reentry into their communities.
- During our January 2023 inspection of FCI Waseca, we found that waitlists for several FSA programs exceeded 300 names, which meant that at the time of our inspection over a third of the entire institution population was waiting to participate in certain programs. Institution staff told us about plans to expand the range of programming offered but said that staff shortages limit the programming the institution can offer.

The FSA also included a provision for the U.S. Government Accountability Office (GAO) to assess, on an ongoing basis, the extent to which DOJ and the BOP have implemented certain FSA requirements. The below GAO oversight work is complementary to the OIG's in that the GAO has focused its work on areas of FSA implementation that were generally outside the scope of this evaluation and the OIG's other prior BOP oversight work. The GAO has assessed the BOP's ability to survey inmates for recidivism risk, as well as its ability to apply FSA time credits that inmates had earned toward early supervised release and/or prerelease custody.

- In March 2023, the GAO reported that the BOP did not have readily available, complete, and accurate data to determine whether it was surveying inmates to determine their risk of recidivism within required timeframes. Further, the GAO found that the BOP had experienced early challenges in applying FSA time credits that would allow inmates to transfer early to prerelease custody or to supervised release.
- In January 2026, the GAO followed up on its March 2023 findings and reported that the BOP was conducting most recidivism risk assessment surveys within required timeframes. The GAO also found, however, that few incarcerated people were able to complete FSA programs and that the BOP does not have accurate data on programs to determine whether each institution offers sufficient FSA programs for inmates. Further, the GAO reported that the BOP generally applied all FSA time credits that inmates had earned toward supervised release but did not apply them for prerelease custody, causing some inmates to remain at a BOP institution when they otherwise could have been transferred to an RRC or home confinement.

We describe both the OIG's and the GAO's FSA program availability findings in greater detail in the [Results of the Evaluation](#).

Scope and Methodology of the OIG Evaluation

As stated above, the scope of this evaluation was the BOP's implementation of FSA programs at its institutions from FY 2022 through FY 2024. This included the analysis of FSA spending and the availability of FSA programs. Although the BOP transferred \$120 million of FSA funding to the U.S. Department of Labor (DOL) during FYs 2022 and 2023, we also assessed the BOP's oversight of these funds because they supported a grant program designed to offer vocational training, skills building, and other support services to inmates in BOP institutions. As it was relevant to our findings about the use of funds to pay for inmates to use the BOP's inmate telephone system, we also assessed the BOP's use of \$19.3 million in FSA funds that were made available to it for the first quarter of FY 2025, as well as its use of \$176.8 million in COVID-19 funds that were made available to it in FYs 2020 and 2021. Further, we present some data as of FY 2026 to provide context about recent FSA-related activities. We note that the FSA established several additional requirements for DOJ and the BOP beyond those evaluated in this report. A list of prior oversight work on some of these requirements can be found in [Appendix 2](#).

We conducted interviews with BOP employees at institutions, Regional Offices, and the BOP's Central Office. Further, we collected and reviewed BOP finance, staffing, and program delivery data relevant to FSA implementation. To inform this evaluation, we also used evidence collected during on-site OIG inspections about which we have issued reports or for which a report is pending. We also visited two additional institutions—FCI Phoenix and FCI Talladega—to observe FSA implementation at those locations.

Given the large amount of FSA funding made available to the BOP since FY 2022, we could not assess the appropriateness of all BOP expenditures made with this funding or the degree to which each expenditure specifically advanced the BOP's implementation of the FSA at its institutions. However, our judgmental review of these expenditures identified significant concerns with the BOP's use of funds to pay for inmate telephone minutes and the BOP's transfer of funds to DOL, which together account for more than \$379 million. Our analysis of other information collected from the BOP also provided us sufficient evidence to conclude that the BOP had weak internal controls in place to ensure that FSA funding was spent appropriately and used to advance the BOP's implementation of the FSA at its institutions. We detail our conclusions about these significant deficiencies in the [Results of the Evaluation](#).

Results of the Evaluation

The OIG evaluated how the BOP used \$1.23 billion that Congress appropriated to the BOP to implement the FSA, along with the availability of FSA programs to benefit inmates at BOP-operated institutions, between FYs 2022 and 2024. We made findings in the five areas identified below, each of which is described in detail throughout the rest of this report.



Use of FSA Funds for Telephone Minutes

We believe that the BOP's use of some FSA funds potentially raises appropriations law issues:

- We found that the BOP used \$258.7 million in FSA funds to reimburse itself for providing inmates with free telephone calls without clear authority to do so.
- The BOP reimbursed itself about \$106 million in excess of the cost that the BOP calculated it had incurred for providing the telephone service to the inmates.
- The BOP's reimbursement process involved the transfer of FSA funds, including the \$106 million, from its regular appropriations (which Congress appropriated for a specific year), into the BOP's Trust Fund (which has no set time limit on spending).



Transfer of FSA Funds to DOL

We identified concerns with the BOP's transfer of FSA funds outside DOJ:

- The BOP transferred nearly \$120 million to the U.S. Department of Labor (DOL) to implement a joint grant program designed to offer vocational training, skills building, and other support services to inmates returning to the community. Most responsibility for administering the program was assigned to DOL, and the BOP maintained limited oversight of transferred FSA funds and grant-related instruction at BOP institutions.
- As of December 2025, implementation of this grant program was significantly delayed.



Financial Controls

We identified further weaknesses with the BOP's internal financial controls and management:

- We identified serious weaknesses with the BOP's financial controls over FSA spending that contributed to large-scale financial issues like those above and myriad smaller-scale issues that caused institution staff to be unsure of which purchases could be made with FSA funds.
- We found that the BOP had difficulty obligating funds before their availability expired; the BOP was unable to obligate \$16.8 million of the FY 2022 FSA funding made available to it.



Inmate Programming

We found that the BOP made progress in expanding FSA program delivery but challenges remain:

- Since FY 2022, the BOP has generally been able to increase the number of inmates who completed FSA programs.
- However, institutions offered significantly fewer FSA programs than anticipated due to:
 - limited staff availability,
 - lack of instructional space, and
 - lockdowns limiting inmate movement.
- We found that, between FYs 2022 and 2024, 24 percent (9,819 of 41,548) of inmates who received FSA time credits resulting in their early release from BOP custody had not completed a single FSA program.



FSA Program Data

We found significant limitations in the BOP's collection and monitoring of FSA program data:

- We identified issues with the BOP's data on FSA programs, including what data it collects and the accuracy of data that is collected.
- The lack of reliable data impairs the BOP's ability to accurately quantify results of its FSA implementation in order to determine whether the BOP met FSA objectives, inform FSA-related decision-making, and report implementation progress to stakeholders.

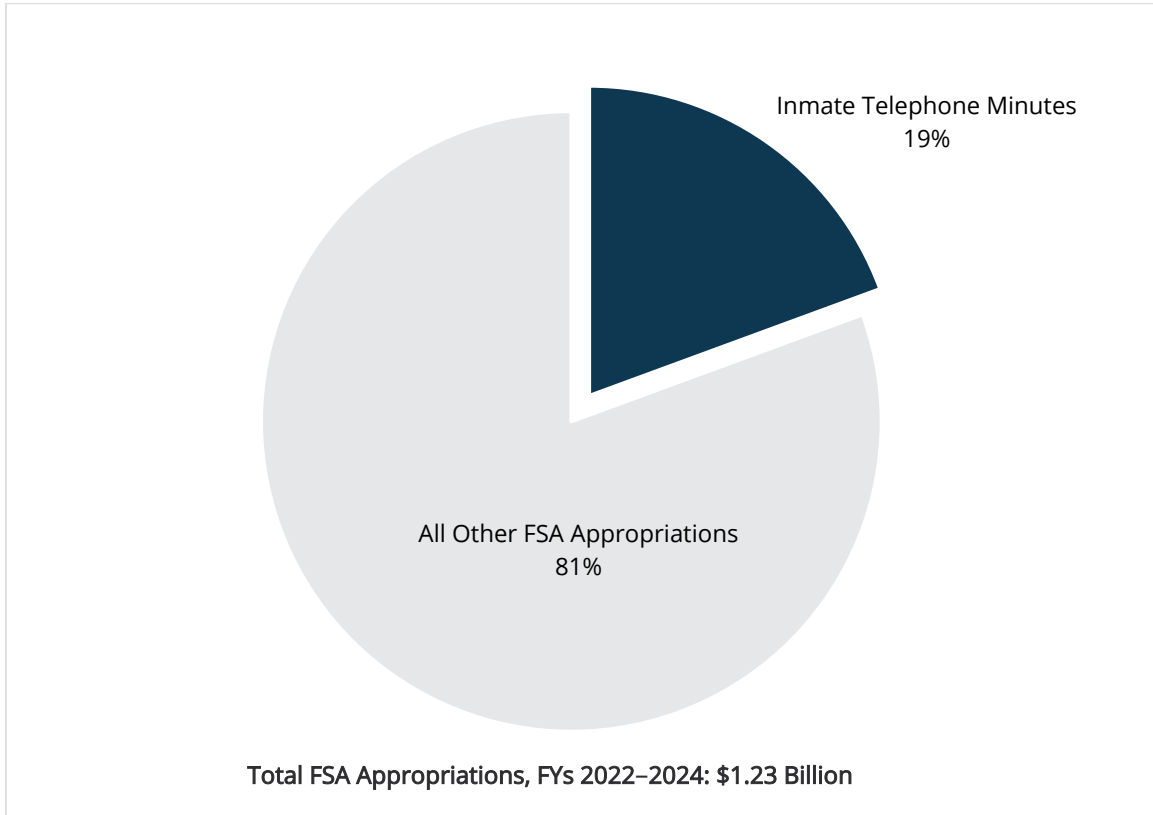
The BOP Used More Than \$250 Million in FSA Funds to Pay for Inmate Telephone Minutes Without Clear Authority to Do So and Reimbursed Itself Over \$100 Million More Than the Cost of the Telephone Service

We found that between FYs 2022 and 2024 the BOP's largest spending category in FSA funds was to provide free telephone minutes to all inmates (see Figure 2 below).⁶ The BOP used additional FSA funds for this purpose in early FY 2025, for a cumulative total of over \$250 million dollars in FSA funds spent for this purpose. While the FSA allows the BOP to offer inmates telephone minutes as an incentive for their participation in FSA programs, during the period of our evaluation the BOP used FSA funds to provide free telephone minutes to *all* inmates, regardless of their participation in FSA programming. The BOP lacked clear authority to use its FSA funds in this manner. In addition, the BOP reimbursed itself for the inmate telephone calls approximately \$106 million in excess of the cost the BOP calculated that it had incurred for providing the telephone service. Furthermore, the BOP's process for this reimbursement resulted in moving FSA funds appropriated for a particular year, upon which Congress placed a 1-year time limit for obligation, into the BOP's Trust Fund. The BOP's Trust Fund has no set time limit on spending, as it is a revolving fund—separate from the BOP's appropriated accounts—that is generally sustained through inmate payments and supports inmate benefits. In the sections below, we describe the details of the use of FSA funds for this purpose and how these actions potentially raise appropriations law issues involving both the BOP's authority to spend FSA funds for this purpose and its adherence to timeframes for expenditures of these appropriated funds.

⁶ This report's description of spending on inmate telephone calls includes some communications via video conferencing.

Figure 2

Inmate Telephone Minutes as a Percentage of Total FSA Appropriations, FYs 2022–2024



Source: OIG analysis of BOP financial information and FSA appropriation data

The BOP Used FSA Funds to Pay for Telephone Minutes for All Inmates Without Clear Authority to Do So

Inmates at BOP institutions use telephones and, in some instances, video teleconferencing equipment to make outside calls. Prior to the COVID-19 pandemic, BOP inmates were required to pay for telephone minutes to use the inmate telephone system. The Coronavirus Aid, Relief, and Economic Security (CARES) Act, signed into law on March 27, 2020, required the BOP to provide all inmates with free telephone minutes during the covered COVID-19 pandemic emergency period, which lasted until May 10, 2023.⁷ Congress

⁷ The Coronavirus Aid, Relief, and Economic Security Act (Pub. L. No. 116-136) states that, if the Attorney General “finds that emergency conditions will materially affect the functioning of the Bureau, the Director of the Bureau shall promulgate rules regarding the ability of inmates to conduct visitation through video teleconferencing and telephonically, free of charge to inmates, during the covered emergency period.” In April 2020, the Attorney General determined that emergency conditions were materially affecting the functioning of BOP institutions, triggering the free telephone minute benefit.

Continued

made available to the BOP \$400 million in the CARES Act and the Consolidated Appropriations Act, 2021, to support the BOP’s management of the COVID-19 pandemic. The BOP spent \$176.8 million in COVID-19 funding to pay for inmate telephone minutes during FYs 2020 and 2021. Table 5 below provides additional detail on the sources and amounts of funding that the BOP used for inmate telephone calls.

Table 5

BOP Spending on Inmate Telephone Minutes and Funding Sources, FYs 2020–2025

FY	Funding Source	Amount Spent, in Millions (M)
2020	COVID-19 Funds from CARES Act	\$51.4 M
2021	COVID-19 Funds from Consolidated Appropriations Act, 2021	\$125.4 M
Total COVID-19 Funds (FYs 2020–2021)^a		\$176.8 Million
2022	FSA Funds from Consolidated Appropriations Act, 2022	\$78.0 M
2023	FSA Funds from Consolidated Appropriations Act, 2023	\$81.7 M
2024	FSA Funds from Consolidated Appropriations Act, 2024	\$79.7 M
2025 ^b	FSA Funds from Full-Year Continuing Appropriations and Extensions Act, 2025	\$19.3 M
Total FSA Funds (FYs 2022–2024 and the First Quarter of FY 2025)		\$258.7 Million

^a See the text box below for additional information on the use of these COVID-19 funds.

^b Spending of FY 2025 FSA funds in this manner occurred from October through December 2024.

Sources: BOP financial information, CARES Act (Pub. L. No. 116-136, 134 Stat. 281, 513); Consolidated Appropriations Act, 2021 (Pub. L. No. 116-260, 134 Stat. 1182, 1285); Consolidated Appropriations Act, 2022 (Pub. L. No. 117-328, 136 Stat. 49, 119); Consolidated Appropriations Act, 2023 (Pub. L. No. 117-328, 136 Stat. 4459, 4528); Consolidated Appropriations Act, 2024 (Pub. L. No. 118-42, 138 Stat. 25, 139); and Full-Year Continuing Appropriations and Extensions Act, 2025 (Pub. L. No. 119-4, 139 Stat. 9, 17)

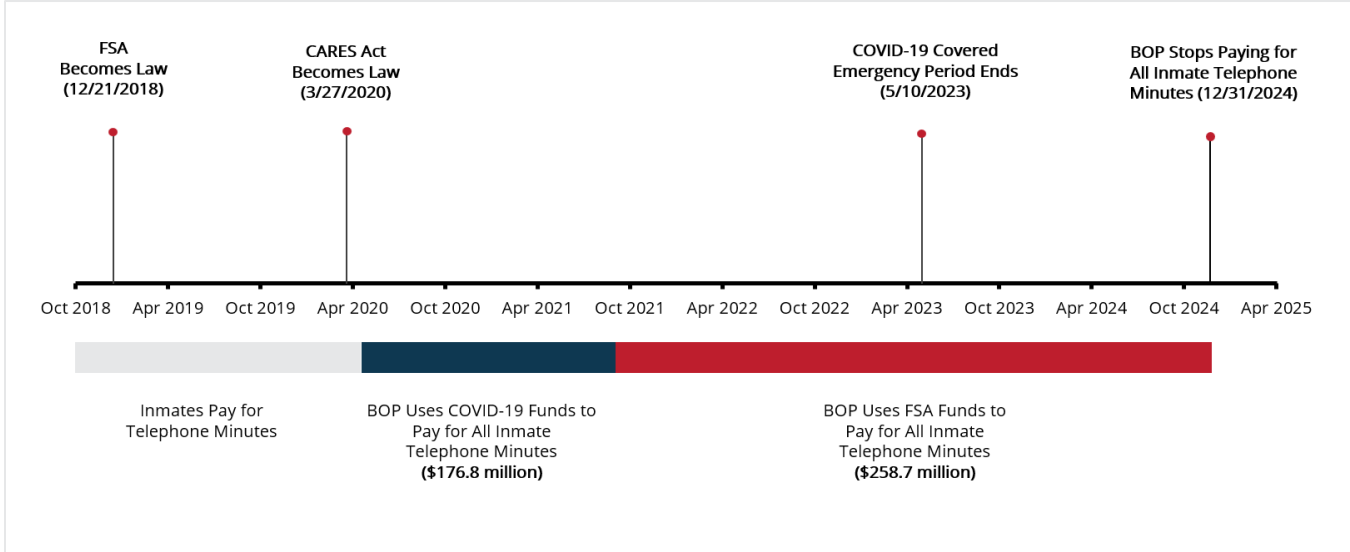
In FY 2022, when COVID-19 funds were no longer available to it, the BOP began using FSA funds to pay for inmate telephone minutes. The FSA allows the BOP to use FSA funds to pay for such a benefit if the BOP uses it as an incentive and reward specifically for inmates to participate in FSA programs. However, we found that the BOP used FSA funds to pay for telephone minutes for *all* inmates—including those who were neither actively participating in nor on a waitlist for FSA programs—during the COVID-19 emergency period. The BOP acknowledged that it was not using FSA funds to support telephone minutes as an FSA program

Further, the “covered emergency period” described in the CARES Act was the period beginning on the date on which the President declared a COVID-19 national emergency and ending 30 days after the date on which the national emergency declaration was terminated. On March 13, 2020, President Donald Trump issued a “Proclamation on Declaring a National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak.” On April 10, 2023, President Joseph Biden signed a congressional “Joint Resolution Relating to a National Emergency Declared by the President on March 13, 2020” (H.J. Res. 7, Pub. L. No. 118-3) proclaiming an end to the national emergency.

participation incentive in an April 2022 memorandum that states: “FSA phone incentives will not be awarded during the emergency period.” Instead, the BOP used FSA funds to fulfill the CARES Act free telephone minute requirement and continued to use FSA funds to pay for inmate telephone minutes without requiring inmates to participate in FSA programs through December 31, 2024—more than 19 months after the COVID-19 emergency period ended on May 10, 2023. It was not until January 1, 2025, that the BOP formally made the provision of FSA-funded free telephone minutes an incentive exclusive to inmates who were participating in or on a waitlist for an FSA program. During FY 2022 through the end of FY 2024, the BOP spent \$239.4 million in FSA funding on inmate telephone minutes. As depicted in Table 5 above, the BOP used an additional \$19.3 million in FSA funds in this manner from October through December 2024, for a cumulative total of \$258.7 million in FSA funds spent to provide telephone minutes at no cost to all BOP inmates. Figure 3 below summarizes the chronology of the BOP’s spending on inmate telephone minutes between March 2020 and December 2024, along with the sources and totals of funding that it used.

Figure 3

Inmate Telephone Minute Funding Timeline



Sources: OIG analysis of BOP financial information; First Step Act of 2018 (Pub. L. No. 115-391); CARES Act (Pub. L. No. 116-136, 134 Stat. 281, 513); Consolidated Appropriations Act, 2021 (Pub. L. No. 116-260, 134 Stat. 1182, 1285); and Joint Resolution Relating to a National Emergency Declared by the President on March 13, 2020 (H.J. Res. 7, Pub. L. No. 118-3)

We sought additional information from the BOP on its contemporaneous rationale for these spending decisions, but the BOP was not able to identify any official with direct knowledge of the decision or reasoning to use FSA funds to pay for telephone calls made by all inmates, not just inmates participating in FSA programs. While several BOP officials we spoke with provided their thoughts on the officials who were in positions that would have been responsible for making the decision, which included senior administrative and executive officials, the significant turnover in BOP positions that occurred during our scope meant that the individuals who held positions in the time period those various decisions would have been made were no longer employed by the BOP at the time of our fieldwork.

BOP senior officials further told us that, while the BOP had processes in place to consult with the BOP's Office of General Counsel (OGC) on the appropriateness of spending, they were unable to recall whether the BOP's OGC had been consulted regarding the use of FSA funds for inmate telephone calls. In May 2025, when we asked the BOP's OGC specific questions regarding the BOP's decisions on use of FSA funding to pay for inmate telephone calls for all inmates, regardless of participation in FSA programming, the BOP responded that the BOP's OGC did not issue a legal opinion on this matter.

When we briefed the issues we had identified to the BOP, BOP officials took the position that it would have been appropriate to use FSA funds as an incentive to pay for the telephone minutes, making them free to those inmates who were actively participating in FSA programs or on program waitlists. However, the BOP acknowledged that it would be difficult to retrospectively distinguish, prior to January 1, 2025, how much FSA funding it used to pay for telephone minutes for those inmates who were participating in FSA programs (or on an FSA program waitlist) from the amount spent for inmates unwilling to participate in FSA programs. BOP officials explained that prior to January 2025 the BOP's inmate telephone system could not differentiate between FSA-participating inmates and the rest of the inmate population and that this system allowed for either all inmate telephone calls or no inmate telephone calls to be free. According to the BOP, it gained the ability to distinguish FSA-participating inmates in the inmate telephone system in January 2025, allowing it to begin limiting the provision of free telephone minutes only to FSA-participating inmates as a "true FSA incentive." The BOP reported to us that beginning in FY 2026 it would conduct quarterly analyses to determine the costs associated with FSA-participating inmate telephone calls and reimburse the Trust Fund for only those costs. The Assistant Director of the BOP's Administration Division stated that this change would replace the BOP's previous practice of using FSA funds to reimburse the Trust Fund in excess of the cost the BOP calculated it had incurred for providing the telephone service.

The BOP Reimbursed Itself in Excess of the Cost of the Telephone Minutes and in a Manner That Did Not Ensure that the Timing of Spending Was Appropriate

The BOP's Trust Fund program operates the inmate telephone system, and the costs of operating the system are paid by the Trust Fund itself, which is a self-sustaining revolving account funded through the sale of goods and services to inmates. To ensure solvency of the Trust Fund, the revenue from sales often exceeds the cost of providing the underlying good or service. This was the case when inmates paid for telephone minutes prior to the CARES Act. From October 2021 through December 2024, when the BOP used FSA funds to pay for inmate telephone minutes, it did not adjust the rate at which it reimbursed the Trust Fund for telephone minutes. Instead, in calculating the amounts for reimbursement from FSA funding sources, the BOP applied the per-minute rate that it would have charged an inmate individually to purchase those minutes. This historical rate included the cost paid to the telephone

The BOP's Trust Fund

Congress originally established the Federal Prison Commissary Fund, which is now known as the BOP's Trust Fund, to allow inmates a means to purchase additional products and services above the necessities provided by appropriated federal funds. Among other benefits for inmates, the Trust Fund supports the operation of the inmate telephone system, as well as the inmate commissary, which provides inmates with the opportunity to purchase approved items—such as food, clothing, toiletries, over-the-counter medications, and other sundries—that are not provisioned by the BOP.

Source: BOP Trust Fund/Deposit Manual

provider, BOP operating expenses, and an additional margin to ensure solvency of the Trust Fund. As a result, between October 2021 and December 2024, the BOP reimbursed itself \$258.7 million with FSA funds for telephone minutes that the BOP calculated cost it only about \$152 million—amounting to approximately \$106 million in FSA-derived funds that were not used in connection with FSA programming or purposes. As part of the BOP's update to us on how it would adjust its telephone billing practices beginning in FY 2026, the Assistant Director of the Administration Division explained that the BOP's revised method for calculating amounts to be reimbursed with FSA funds would not include amounts in excess of the cost the BOP calculates it has incurred for providing the telephone service.

Separate from the concerns relating to the use of these funds described in the prior section of this report, we are also concerned about the BOP's ability to adhere to time limits on spending annually appropriated FSA funds. The BOP's method for covering the costs of inmate telephone calls involved placing FSA funds, upon which Congress placed a 1-year time limit for obligation, via reimbursement to its Trust Fund, which has no set time limit on obligations. This presents potential issues under appropriations law, particularly for the \$106 million reimbursement amount to the Trust Fund over the cost of the telephone minutes incurred by the BOP for those minutes. Because funds in the Trust Fund are available indefinitely, this transfer effectively converted funds that Congress had appropriated to be expended within 1 fiscal year into funds available to be used anytime, without fiscal year limitation. Moreover, the BOP told us that it cannot associate Trust Fund payments with the original source of revenue, which means that the BOP cannot determine whether or when this \$106 million was spent and, if it was spent, what was purchased. While it is important for those incarcerated to be able to communicate with individuals who will support them upon release, the FSA intended free telephone minutes to serve as an incentive for participation in FSA programs. However, from October 2021 through December 2024, the BOP used FSA funds for telephone minutes more broadly than for that purpose. The BOP told the OIG that beginning in January 2025 it would continue to use FSA funds to pay for inmate telephone minutes only if the minutes were an incentive for inmate participation in FSA programs and that it was adjusting the methodology it used to calculate reimbursements for the cost of telephone minutes to ensure that it did not transfer to the Trust Fund an amount in excess of the cost of providing the minutes. Notwithstanding these changes, the BOP's use of FSA funds described above presents issues under appropriations law related to the purpose for which appropriated funds were used and the timing of their use. According to Office of Management and Budget guidance on the appropriate use of budgetary resources, agencies are required to

Similar Concerns for Use of COVID-19 Funds

As depicted in Table 5 above, prior to using FSA funds to cover the costs of inmate telephone minutes, the BOP used COVID-19 funds during FYs 2020 and 2021 for the same purpose, totaling \$176.8 million. According to the BOP, it used the same calculation and reimbursement process for these COVID-19 funds as is described in this report for FSA funds.

Specifically, the BOP reimbursed itself at the same per-minute rate that it would have historically charged an inmate to purchase those minutes. This would have resulted in reimbursements with COVID-19 funds that exceeded the costs that the BOP incurred for providing the telephone calls during FYs 2020 and 2021. As of the issuance of this report, the BOP was unable to provide the OIG with reliable data on the BOP's cost for providing the telephone minutes that would allow for a precise determination of how much COVID-19 funding constituted an overage.

In addition, as with the FSA funds, the BOP transferred COVID-19 funds (which carried specific time limits on obligation) into its Trust Fund (which has no time limits) to facilitate the provision of telephone minutes. Accordingly, any transfer of COVID-19 funds in excess of cost would have extended indefinitely the period of availability of those funds and presents similar concerns as described for FSA funds.

Source: OIG analysis of BOP financial information

report such concerns to the Office of Management and Budget to determine whether further remedial action is necessary.⁸ Therefore, we recommend that the BOP, with the assistance of the Department:

1. Determine: (a) whether its use of FSA funds to pay for telephone minutes for inmates not participating in or on a waitlist for FSA programs was consistent with the purpose for which the FSA funds were appropriated and (b) whether its transfer of time-limited funds to the Trust Fund in excess of its cost for providing telephone minutes for inmates inappropriately extended the period of availability of these funds. Depending on the outcome of these determinations, make appropriate notifications to the Office of Management and Budget and take remedial action as necessary.

The BOP Transferred Nearly \$120 Million in FSA Funds to the Department of Labor to Implement a Joint Grant Program, but the BOP Maintained Limited Oversight of the Program

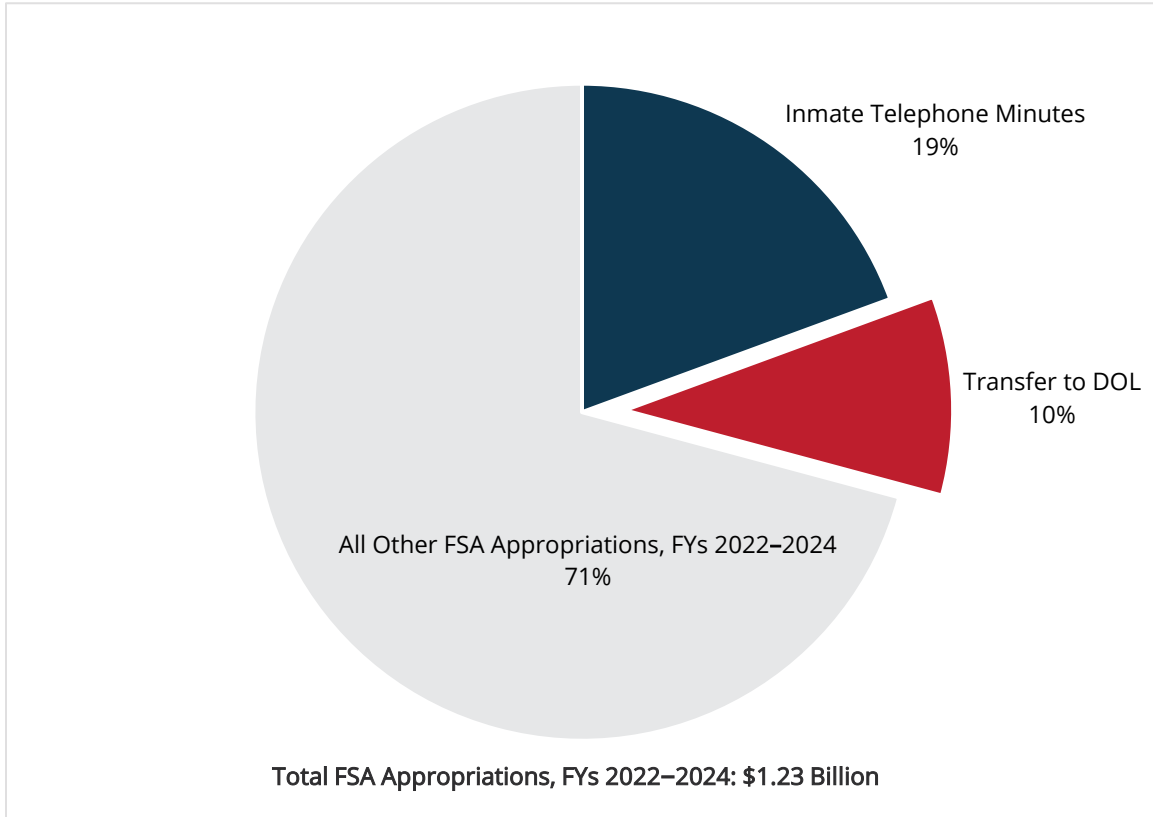
We found that another one of the BOP's most significant spending categories for FSA funds at BOP institutions during the scope of our evaluation was a transfer of funds via interagency agreement to the U.S. Department of Labor (DOL) for a joint grant program designed to offer vocational training, skills building, and other support services to inmates returning to the community. Specifically, in FYs 2022 and 2023, the BOP transferred a total of nearly \$120 million in FSA funds to DOL for a Partners for Reentry Opportunities and Workforce Development (PROWD) grant program, wherein DOL made awards to state grantees to support workforce programs. The PROWD program involves three stages—in BOP institutions, Residential Reentry Centers (RRC), and the community—and was designed to support individuals throughout their transition out of custody and into the community. Our evaluation was focused specifically on FSA-funded programs delivered at BOP institutions. Although the BOP-DOL grant program was intended as a partnership harnessing the expertise of both agencies, we found that most responsibility for administering the program was assigned to DOL. The BOP maintained limited oversight of how grant funds were spent and what type of programming was being offered at its institutions.⁹ We also found signs of program implementation delays—in particular, grantees had been spending funds much more slowly than anticipated. Figure 4 below shows the spending of total FSA appropriations within our scope.

⁸ Executive Office of the President, Office of Management and Budget, Preparation, Submission, and Execution of the Budget, Circular No. A-11 (July 2024).

⁹ The DOJ OIG did not review DOL's execution of the PROWD grant program, which is beyond our oversight purview and the scope of this evaluation; but we provided relevant excerpts of a draft of this report to DOL's Employment and Training Administration. DOL offered its perspective on interactions with the BOP, stating that, in addition to providing quarterly narrative and financial reports, DOL and the BOP met often prior to program start-up, and that discussions continued during and after program start-up, including regular, ongoing meetings with the BOP.

Figure 4

Spending of Total FSA Appropriations, FYs 2022–2024



Note: No FSA funds were transferred to the DOL grant program in FY 2024 or thereafter.

Source: OIG analysis of BOP financial information and FSA appropriation data

According to a former DOJ official, the idea to transfer FSA funds to DOL originated external to the BOP or DOJ. The view was that the BOP could benefit from DOL’s experience working with grantees that provided vocational programming to those formerly incarcerated. The BOP told us that the partnership with DOL was to secure education services from DOL grantees that could bridge the gap for inmates between earning certifications during incarceration and gaining employment upon release. The BOP agreed to this plan despite concerns among its senior officials that the BOP should retain control of FSA funds. In August 2022 the BOP and DOL received proposals from state agencies describing how they planned to offer reentry programs to BOP inmates in institutions and RRCs, and both the BOP and DOL reviewed the proposals. Ultimately, in September 2022, DOL made awards to seven state agencies. BOP reviewers noted that all seven agencies proposed instruction that was similar to that already being provided by the BOP, but they were told that DOL would work with the grantees to ensure that grant-funded instruction would not duplicate BOP offerings. In FY 2023, DOL made grants to an additional 11 state agencies. No BOP funds were transferred to DOL to support this program after FY 2023. In total, 18 state agencies received approximately \$105 million in FSA funding through the PROWD grant partnership; many of the agencies subsequently awarded funds to subrecipients. According to information available to us, the remaining \$15 million (of the \$120 million transferred to DOL via interagency agreement) was allocated to DOL’s costs

for administering the grant program, including providing technical assistance to grantees, as well as to pay for an evaluation of the program.

The BOP's Oversight of DOL's FSA Expenditures Was Limited, and Spending Lagged

As described below, based on information available during our evaluation, we found that the BOP had limited insight into the use of the FSA funds after they were transferred from the BOP to DOL, the nature of the programs they were supporting, and the degree to which they supported implementation of the FSA. We found that the BOP did not actively monitor grantees' spending progress with the information it received from DOL. Our evaluation also found that none of the state grantees was on track to spend the funds within the allotted time, indicating delays in program implementation. Our findings in this area indicate that the BOP had not positioned itself to identify potential issues with grant implementation or achievement of the goals of the grant partnership.

In an effort to better understand its oversight of the DOL PROWD grant program, we asked the BOP to arrange for us to meet with an official who could describe how the grant money was used. After some difficulty identifying a subject matter expert to speak with us—due, in part, to the fact that many of the BOP employees with knowledge of the grant program had left the BOP—the BOP identified an official responsible for financial statement reporting. This official told us that their office was responsible for recording high-level grant-related transactions in the BOP's financial management system but was not responsible for reviewing the appropriateness of these transactions. A different senior official in the BOP Central Office's Education Services Branch, which is responsible for enterprise-wide education policy and program development, told us that the Education Services Branch was not actively monitoring grantee program delivery at BOP institutions and was not aware of how grant money was being spent. The official did tell us that in June 2025 the planned program evaluation had been canceled; but they otherwise were unaware (as were all other employees the BOP made available to us) how DOL was using the \$15 million allocated for grant program administrative costs and program evaluation.¹⁰ The official acknowledged that it would be preferable if the Central Office-based Education Services Branch had enterprise-wide insight into the implementation of the grant program, but they asserted that it lacked the staff to perform such oversight. Instead, the official told us that the branch relied on Education Department supervisors at individual BOP institutions to provide oversight over grant-related offerings.

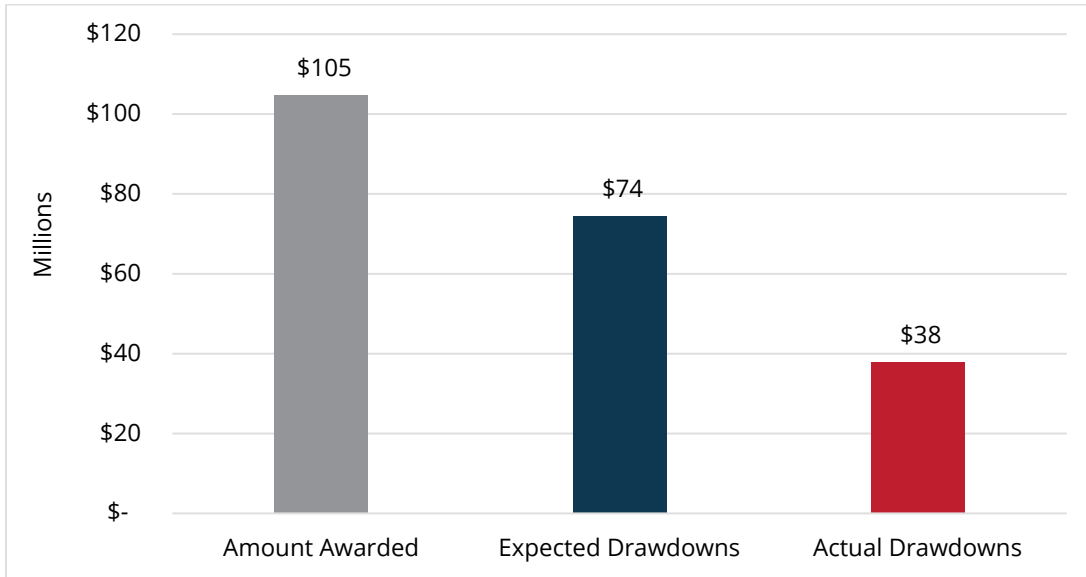
Although we did not independently assess all grant offerings provided by the DOL PROWD grant recipients, and the BOP was unable to provide much insight into the implementation of the grant program at either the institution or enterprise level, we did review available documentation for insights on the use of FSA funds after they were transferred from the BOP to DOL. The BOP received financial reports from DOL that, while lacking details on specific expenditures at individual BOP institutions or RRCs, contained high-level spending information for the grants to each state. Overall, we found that grantees were not spending funds to implement programs at the expected pace. Specifically, since the BOP began transferring FSA funds to DOL in FY 2022, only about \$38 million of the \$120 million in FSA funds transferred to DOL had been drawn down as of December 2025 by the state grantees for expenses incurred. Although these grants have multi-year periods of performance, and reimbursement requests from subrecipient facilitators can lag, the grantees

¹⁰ In May 2026, DOL told us that the money for the canceled program evaluation would be returned to DOJ; however, DOL did not specify how much of the \$15 million would be returned.

had drawn down only about half the amount DOL had projected would have been drawn down by that time. Figure 5 below shows the amounts awarded and drawn down by the state grantees. At the end of December 2025, close to \$70 million of the \$105 million in FSA funds transferred for the grant program and awarded to states had not been drawn down.

Figure 5

Expected Grantee Drawdowns Compared to Actual Drawdowns as of December 2025



Note: Expected drawdowns were based on the original periods of performance for these awards. As discussed below, some grantees later received extensions.

Source: BOP and DOL financial information

Although reliable data on the volume of participation in these grant-funded programs was limited, the BOP-provided data from March 2026 indicated that five of the states that received grant funds did not have any inmates actively participating in those programs at BOP institutions. An additional 3 states had fewer than 10 active participants at BOP institutions within each of these states. As of March 2026, the BOP reported that there were 355 inmates in BOP institutions actively participating in the grant-funded programs nationally. The BOP reported that, since FY 2023, a total of 1,707 inmates had completed a PROWD program in BOP institutions supported by the FSA funds that the BOP transferred to DOL.¹¹ We identified impediments that may explain some of the apparent delays in spending and program implementation by grantees, including security and background screening requirements for non-BOP personnel and security restrictions that prevented grantees from using non-BOP technology.

¹¹ DOL also emphasized that this grant program encompasses three stages and that services provided within the BOP institutions are only a portion of the wraparound services that the program provides to individuals reentering the community, including after they leave BOP custody.

We are concerned about the apparent implementation delays within this joint grant program, particularly given that numerous BOP officials told us that they did not have insight into how and where grantees spent FSA funds and we found little indication that the BOP fully reviewed even the high-level spending information that was available to it from DOL. The established period of performance for the FY 2022 grants originally allowed for grant funds to support grant-related work through March 2026, although the majority of recipients received extensions until September 2026, with one grant extended to December 2026. Funds made available through the FY 2023 grants can support grant-related work through September 2027. We make two recommendations below to help address some of these concerns as the grants approach the end of their periods of performance.

The BOP's Oversight of DOL's FSA-funded Program Delivery Was Limited, and Some Program Content Risked Overlap with Existing BOP Programs

States that received FSA funding through the DOL-awarded PROWD grant programs proposed programs supporting inmates' preparedness for reentry in areas such as interview techniques, résumé writing, digital literacy, and job skills. As noted above, during the initial proposal phase of this grant program, the BOP flagged for DOL areas of potential overlap with existing BOP programs, including FSA classes and the BOP's Release Preparation Program, which the BOP is required to provide to all inmates as they approach their release. The BOP was told by a DOJ official to trust that DOL would convert the grants seeking funds for duplicative work into ones that would complement the BOP's existing programming. The interagency agreement specified that the BOP should work with DOL in a collaborative role to ensure that grant activities complement existing services. However, according to a senior BOP official, the Central Office Education Services Branch did not have the capacity to oversee this grant program and relied on BOP supervisors in the Education Departments at local institutions to provide visibility on the grant programs at each location.

When we spoke with Supervisors of Education at three institutions where grant-related instruction was occurring, they told us that some grantee offerings were valuable, particularly at institutions that had few BOP staff available to instruct reentry programs. They also noted the particular benefit of inmates having the opportunity to interact with non-BOP personnel. However, the local officials at these sampled sites also voiced some concerns regarding the grant programs they were familiar with and shared the perspective that their institutions could have effectuated the programs internally within the BOP if they had additional resources. These officials noted instances in which the grant programs would strain an institution's space capacity and staffing resources, such as when Education Department employees had to serve as security escorts for outside facilitators. They also expressed doubts about the extent to which these grant programs provided inmates unique benefits that the BOP could not provide itself.

During our evaluation, we also learned that, because these grant programs are not standardized and the BOP could not easily assess their efficacy, the BOP has not recognized the grant programs as "FSA programs." As a result, participation in these FSA-funded grant programs had no effect on inmates' ability to earn FSA time credits. Due to the way in which the BOP calculates time credits—which accrue as long as an inmate is willing to participate in (or at least be on a waitlist for) any BOP-recognized FSA program, has not committed a disqualifying offense, and continues to demonstrate good behavior—it is likely that most inmates participating in the grant program had the opportunity to earn time credits through other means. Nevertheless, in our view this is further indication of inadequate reconciliation of program goals and practical alignment of the grant program with the intent of the FSA.

Through our analysis of grant proposals, progress reports, and available participation data for a sample of state grant recipients, we found indications of potential overlap in program content. In some instances the grantees appear to have evaluated their programs for duplication with BOP programs and made modifications. However, the BOP officials we spoke with had limited visibility of the status or evolution of these programs, as the BOP adopted a decentralized approach to monitoring that did not clearly identify responsibility within the BOP for reviewing grant implementation progress, leaving the primary monitoring function to DOL.

Overall, we found that the BOP performed little, if any, sustained oversight over how DOL and its grantees used these funds and whether they supported FSA implementation. We are concerned about this limited level of BOP oversight for the DOL PROWD grant partnership, particularly given that the BOP transferred nearly \$120 million of its FSA funds to this program for instruction at its institutions and identified at the outset the program risks with potential duplication.¹² To improve oversight of these funds for the remainder of the grant performance periods, we recommend that the BOP:

2. Actively monitor Department of Labor grantees' use of FSA-derived grant funds, to include ensuring that grant-funded instruction is not duplicative of BOP offerings and is supporting FSA implementation.
3. Determine how the Department of Labor has used and plans to use the \$15 million in FSA funds transferred to it for grant program administrative costs, including funds that were allocated to pay for an evaluation of the grant program, and ensure that the use of these funds supports FSA implementation.

The BOP Lacked Financial Controls Over Its FSA Spending

The significant findings detailed above are indicative of serious weaknesses we identified with the BOP's financial controls over FSA spending. Specifically, we found that between FYs 2022 and 2024 the BOP did not issue clear guidance defining how institutions could use FSA funds to ensure that FSA spending was for appropriate purposes under the statute and aligned with the BOP's goals for implementing FSA programs at its institutions. Institution staff told us that in the absence of guidance they did not know what goods or services could be paid for using FSA funds; we found that BOP employees at different institutions made different purchasing decisions based on their understanding of how funds could be used. For example, one institution used FSA funds to purchase classroom desks; however, another institution determined that using FSA funds to buy desks was not allowed. Although this example illustrates a far less serious outcome than the telephone and grant program transfer issues detailed above, it shows that a lack of guidance defining what could or could not be purchased with FSA funds created confusion for BOP employees responsible for purchasing materials and resources and hindered efforts to direct available FSA funds for allowable purposes that would best meet the needs of inmates at each institution.

We also found that the BOP was limited in its ability to rely on financial data to oversee the enterprise-wide use of FSA funds because institution employees did not consistently categorize the same purchases in the

¹² The DOJ OIG intends to coordinate with the DOL OIG on potential further oversight of this program.

BOP's financial management system. For example, we found that employees at various institutions used 10 different expense codes to categorize medication expenditures for the treatment of opioid use disorder, including a code that is used to categorize expenses for employee meals and incidentals when employees attend training events.

In response to a draft of this report, the Assistant Director of the BOP's Administration Division (who assumed this role in May 2025, after the end of this report's scope) told us that during FY 2024 the BOP began assigning Central Office financial management employees to assess narrative data associated with each FSA transaction to ensure allowability. While this was an improvement on past practice, the Assistant Director acknowledged that these employees do not actively assess expense codes for accuracy. The Assistant Director also said that institution employees have access to sufficient information to accurately assign expense codes to transactions but acknowledged occasional human errors in data entry.

Additionally, we found that local institutions had difficulty obligating FSA funds according to deadlines set by the BOP's Central Office to help ensure that funds would be used during their period of availability. This resulted in the BOP reallocating FSA funds from one institution to another to achieve obligation of the funds before the end of a fiscal year. Although identifying all of the causes for delayed local obligation of FSA funds was beyond the scope of this evaluation, some employees we interviewed expressed that the phases and timelines required by the federal procurement process made it difficult to obligate funds consistent with Central Office timelines.

Not only did the BOP have trouble obligating FSA funds at individual institutions, it also had trouble obligating them at an enterprise level. Of the FSA funds it received during our scope (FYs 2022–2024), \$24.2 million remained unobligated as of April 2026, including \$16.8 million of the \$409 million appropriated for FY 2022 specifically.¹³ Because the fiscal years for which these funds were appropriated have concluded, this funding is expired and, as such, appropriations law prohibits using them for *new* obligations; however, in the 5 years following any particular fiscal year, the BOP can adjust or liquidate *existing* obligations from that year. Therefore, the BOP has until the end of FY 2027 to take such actions with the unobligated funds from FY 2022. The BOP's Assistant Director for the Administration Division stated that few further adjustments or liquidations are expected and most of the \$16.8 million will likely be transferred to DOJ's Working Capital Fund.¹⁴ This official added that, during the 5-year window following the conclusion of each fiscal year, the BOP generally maintains a level of reserve to address financial needs that cannot be fully anticipated and that it is common practice for the BOP to ultimately transfer to DOJ's Working Capital Fund unobligated balances that remain after the BOP addresses these needs. However, the Assistant Director for

¹³ At the end of FYs 2023 and 2024, respectively, unobligated balances were each under \$900,000, indicating that BOP more effectively obligated available FSA funds during those years. Adjustments made between the end of each fiscal year and April 2026 changed the FY 2023 unobligated balance to about \$7 million and the FY 2024 unobligated balance to about \$400,000.

¹⁴ DOJ's Working Capital Fund is a revolving fund authorized by law (28 U.S.C. § 527) to collect and maintain moneys from a variety of sources and for a variety of purposes. Among these sources are the expired unobligated balances held in DOJ component accounts that are not needed to cover obligations or other adjustments (Pub. L. No. 102-140, 105 Stat. 784, 785). These funds can be used by the DOJ for capital investment or administrative purposes. Because the Working Capital Fund is a no-year account, all amounts earned or collected by the fund are available without fiscal year limitation.

the Administration Division said that the unobligated balance transfer of FY 2022 FSA funds will likely exceed the necessary reserve and that more funds could have been allocated to FSA initiatives during FY 2022.

Proper stewardship of federal resources is an essential responsibility of agency leadership and employees and requires an internal control system that ensures that the objectives of an entity will be achieved. We determined, however, that between FYs 2022 and 2024 the BOP's system of controls for managing FSA funds did not achieve the objective of ensuring that FSA funds were used appropriately to facilitate the implementation of FSA programs at its institutions. To address these financial control deficiencies, we recommend that the BOP:

4. Issue clear guidance defining how FSA funds can be used.
5. Ensure that similar purchases are categorized consistently in the BOP's financial management system so the BOP can rely on system data to oversee its use of FSA funds.

Despite Increased FSA Program Availability, the BOP Continues to Experience Significant Challenges in Offering FSA Programs to Inmates

Since 2022, the BOP has made progress in offering more FSA programs at its institutions. However, we found that many FSA programs are not as widely available as the BOP represents them to be in its public FSA Approved Programs Guide. Between FYs 2022 and 2024, 24 percent (9,819 of 41,548) of inmates who received FSA time credits resulting in their early release from BOP custody had not completed a single FSA program—largely because BOP policy allows inmates to continue to earn time credits as long as they express a willingness to participate in FSA programs, even when those programs are unavailable. This outcome is inconsistent with FSA goals to reduce inmates' risk of recidivism through their participation in programs and activities that address their specific needs. As identified in prior OIG and U.S. Government Accountability Office (GAO) oversight, limited staff availability, a lack of instructional space, and lockdowns that limited inmate movement contributed to the BOP's challenges in offering FSA programs to inmates.

We also identified issues with the BOP's data on FSA programs, including what data it collects and the accuracy of data that is collected. For example, we found that the BOP does not collect data that would allow it to determine the number of times an FSA program was offered at an institution and that inmates can appear on participation rosters for programs in which they were not enrolled. The lack of reliable data impairs the BOP's ability to accurately quantify results of its FSA implementation in order to determine whether the BOP met FSA objectives, inform FSA-related decision-making, and report implementation progress to stakeholders.

As mentioned in the [Introduction](#), the GAO reported on FSA program implementation in January 2026 and similarly found that many BOP inmates were unable to complete FSA programs, for the same reasons we identified, and that the BOP does not have fully accurate data about these programs.

Since 2022, Inmates Have Completed More FSA Programs; but the BOP Offers Far Fewer Programs Than Needed to Address Inmate Needs

As we describe in detail below, due to lack of tracking data neither we nor the BOP can provide specific details about the frequency with which FSA programs have been offered at the enterprise or institution level. However, our analysis of available data indicates that the BOP has generally been able to increase the completion of FSA programs among its inmates since the beginning of our scope in FY 2022. Specifically, the BOP increased the total number of program completions by its inmates, from approximately 135,000 in FY 2022 to approximately 172,000 in FY 2024, while the inmate population remained relatively flat during that same time period. We also found that since 2022 a greater number of institutions have been able to offer FSA programs that address inmate needs in the areas of antisocial behavior, physical and mental health, and financial acumen.

Despite these improvements, many FSA programs are not as widely available as the BOP represents them to be in its public FSA Approved Programs Guide. The BOP's September 2024 FSA Approved Programs Guide listed the locations where the BOP intended to offer its 118 FSA programs, and BOP officials told us that they expected FSA programs to be taught at all locations where they are listed as available in the Programs Guide. However, we found that only nine of these programs were offered everywhere listed in the FSA Approved Programs Guide. For example, we found that certain FSA programs that the BOP intended to be offered at all of its institutions—instructing inmates on how to self-regulate emotion, understand the effects of crime on victims, and address alcohol dependency—were actually delivered at fewer than half of BOP institutions during FY 2024.

As described in the [Introduction](#), inmates can earn time credits for “successful participation” in FSA programs. The BOP has not conditioned the earning of time credits on inmates' actual program participation or completion, due in part to challenges in delivering programs. Instead, as long as an inmate is willing to participate in FSA programs, has not committed a disqualifying offense, and continues to demonstrate good behavior, BOP policy allows them to earn time credits. If no FSA program slot is available to an inmate due to limited program availability, the inmate can demonstrate willingness to participate in an FSA program by placing his or her name on a waitlist.

We analyzed the waitlists for certain frequently delivered FSA programs and found that at many institutions' waitlists included hundreds of inmate names. We also found that the average amount of time an inmate may remain on a waitlist could approach 3 or more years. One institution Psychologist we spoke with during a site visit told us that inmates can grow discouraged when waiting a long time to participate in an FSA program and that it is important for inmates to participate in programs so they can quickly and positively acclimate to an institution and avoid the problematic social dynamics endemic to correctional settings. See Table 6 below for more detailed information on waitlists at a given time for some of the FSA programs that are taught widely across the BOP's institutions and among those most frequently delivered to inmates.

Table 6

Number of Inmates on Waitlists and Average Duration of Wait Times for Widely Delivered FSA Programs, September 2025

FSA Program Name	Average Number of Inmates on Waitlist per Institution	Average Duration on Waitlist	BOP Department Responsible for Delivery
Anger Management	354	24 months	Psychology Services
Bureau Literacy Program	226	40 months	Education
K2 Awareness	62	17 months	Multiple
Managing Your Diabetes	19	22 months	Health Services
Money Smart	159	18 months	Multiple

Notes: We present these FSA programs because they are some of the most widely taught across the BOP by a variety of institution departments. Waitlist duration is not directly correlated with the number of inmates on a program waitlist because the cohort size and length of each program vary.

Source: OIG analysis of BOP data

Taken together, limited FSA program offerings and the fact that an inmate could earn FSA time credits without actually completing an FSA program resulted in 9,819 BOP inmates being released early with applied FSA time credits between FYs 2022 and 2024 despite not having completed a single FSA program. This represented roughly one-quarter (24 percent) of all inmates released with applied time credits during our 3-year scope. These 9,819 inmates were incarcerated for an average of 3 years and had an average of five unmet recidivism risk needs at the time of their early release.¹⁵ See Table 7 below for a breakdown of inmates released early with the application of FSA time credits and the number of FSA programs they completed.

¹⁵ Due to early challenges the BOP experienced in calculating and applying FSA time credits, institution employees were not always aware, in advance, of when an inmate would be released from BOP custody with applied time credits. As a result, institution employees may not have had an opportunity to fully prepare an inmate for release, a process that would include registration for FSA programs to facilitate reentry.

Table 7

Inmates Released Early with Applied FSA Time Credits, and Their Number of FSA Programs Completed, FYs 2022–2024

FSA Programs Completed	Number of Inmates Released				Percentages of All Inmates Released with Credit, FYs 2022–2024
	FY 2022	FY 2023	FY 2024	3-year Total, FYs 2022–2024	
0	3,498	3,214	3,107	9,819	24%
1–3	4,934	6,784	6,400	18,118	44%
4–6	1,403	3,049	3,956	8,408	20%
7–9	353	1,103	1,877	3,333	8%
10+	140	578	1,152	1,870	5%
Totals	10,328	14,728	16,492	41,548	100%

Notes: Percentages do not total to 100 percent due to rounding. Totals presented do not include inmates who may have participated in but did not complete an FSA program prior to release. The BOP historically offered programs that are now defined as FSA programs before the FSA became law in December 21, 2018; Table 7 does not include information about programs completed before December 21, 2018.

Source: OIG analysis of BOP data

When examined by year, the data in Table 7 indicates that the BOP has made some progress with its implementation of FSA programs, as the number of inmates completing multiple programs has increased and the number of inmates released without participating in any FSA programs has trended downward since 2022. Specifically, when analyzed as a percentage of total inmates released early with applied FSA time credits *each year*, the number of inmates released without completing any programs dropped from 34 percent in FY 2022 to 22 percent in FY 2023 and 19 percent by FY 2024, at the end of our scope. More recent data that we obtained from the BOP showed that it had made further progress in FY 2025, when 16 percent (2,729 of 16,969) of inmates were released that fiscal year without completing any FSA programs. Notwithstanding this progress, this data shows that a large number of inmates have been released from BOP custody with applied time credits, despite not completing any FSA programs, which is an outcome inconsistent with FSA goals to reduce inmates’ risk of recidivism through their participation in programs and activities that address their specific needs.

The data presented above in Table 7 are consistent with the results of the GAO’s independent analysis of FSA program completion data in its January 2026 report. In January 2026, the GAO reported that 23 percent of BOP inmates (32,684 of 139,896) who were incarcerated at a BOP institution as of March 30, 2024, did not participate in any programs between January 2022 and December 2024.¹⁶ While the OIG’s and the GAO’s

¹⁶ GAO, [Federal Prisons: Improvements Needed to the System Used to Assess and Mitigate Incarcerated People’s Recidivism Risk](https://www.gao.gov/products/gao-26-107268), GAO-26-107268 (January 2026), www.gao.gov/products/gao-26-107268 (accessed March 12, 2026).

analyses reviewed slightly different populations, they both demonstrate that BOP was unable to offer a sufficient number of FSA programs to address all inmate recidivism risk needs between FYs 2022 and 2024.

Limited Staff Availability, Lack of Instructional Space, and Institution Lockdowns Contributed to BOP Challenges in Offering FSA Programs

We identified three factors as contributing to BOP's challenges in offering FSA programs to inmates: (1) the limited availability of BOP employees to instruct FSA programs, (2) a lack of instructional space in which to hold programs, and (3) lockdowns that limit inmate movement and thereby impede their ability to attend programs.

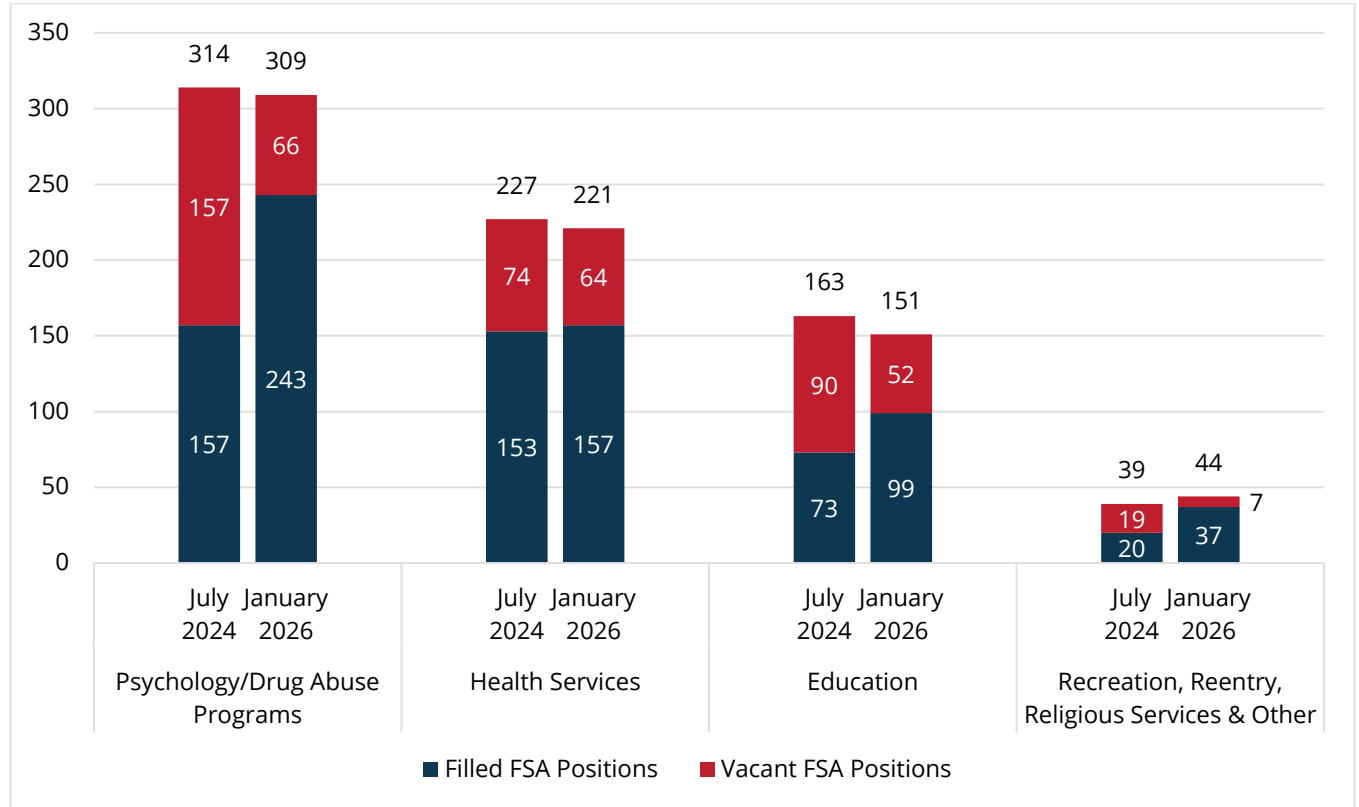
Limited Staff Availability

The OIG has long identified the ability to hire employees as a challenge for the BOP. Specifically, the BOP has not always been able to offer competitive pay for a variety of positions, fill positions at some of its rural institutions, find employees who have certifications to work in certain highly skilled positions, and onboard in a timely manner prospective employees who are qualified.¹⁷ We found that the BOP's ability to fill FSA positions has been hindered by the same issues and that as of July 2024 the BOP had filled only 54 percent (403 of 743) institution-based FSA positions that were authorized to supplement existing staffing complements. Most of the filled and unfilled positions were in the Psychology, Health Services, and Education Departments, which are the departments responsible for delivering over 70 percent of FSA programs. Former acting BOP Director William Lothrop told us that employee vacancies were a critical factor limiting the BOP's ability to provide FSA programs. Since July 2024 the BOP's efforts to fill FSA positions improved, and by January 2026 the BOP had filled 74 percent (536 of 725) of institution-based FSA positions. Figure 6 below displays filled and vacant institution-based FSA positions by department as of July 2024 and January 2026.

¹⁷ For more of the OIG's reporting on BOP staffing challenges, see the OIG's [Compendium of Federal Bureau of Prisons Oversight](https://oig.justice.gov/news/compendium-federal-bureau-prisons-oversight-products), oig.justice.gov/news/compendium-federal-bureau-prisons-oversight-products.

Figure 6

Filled and Vacant Institution-Based FSA Positions by Department, July 2024 and January 2026



Note: In July of 2024, the BOP had a total of 1,030 FSA positions authorized and allocated to specific BOP locations, both at its institutions and in non-institution settings. By January 2026, 22 of these authorized positions were no longer allocated to a specific, active BOP location.

Source: BOP staffing information

Below, we present additional details about the effects of staffing challenges on specific departments responsible for the bulk of FSA program delivery:

- Psychology Services:** The Administrator of the BOP Central Office’s Psychology Services Branch told us that current staffing levels for the Psychology Services Departments at BOP institutions made it “impossible to meet all [inmate] needs,” and institution employees told us that understaffing limited program capacity and the provision of FSA programs. In fact, at Federal Correctional Institution (FCI) Talladega, Psychology Services Department employees told us that as of March 2025 the department had not offered an FSA program outside of a select few drug treatment programs since January 2024. BOP employees cited shortages of the Staff Psychologist position to be particularly challenging because these employees facilitate and offer instruction in many department programs. When we conducted an analysis of vacancies in this position, we found that, at the beginning of FY 2025, 27 BOP institutions did not have a Staff Psychologist on board (including FSA-funded and

regular appropriation-funded positions). As of January 2026, the number of institutions without a Staff Psychologist had increased to 32.

- **Health Services:** Health Services Department institution-based and regional leaders told us that the existing complement of department employees must focus on providing day-to-day medical care for inmates, which includes fulfilling the FSA requirement of implementing and expanding Medication Assisted Treatment for inmates with opioid use disorder. Consequently, there are limited opportunities for department employees to instruct FSA programs designed to educate inmates about fitness, wellness, or managing chronic conditions.
- **Education:** Education Department institution-based and Central Office employees told us that vacancies in Education Departments negatively affected the number of FSA programs delivered. The former acting BOP Director told us that the number of Education Department employees would need to triple in order for the BOP to offer a more diverse set of programs. In 2024, Congress also required that each institution have a Special Education Teacher to screen for and deliver an FSA program addressing dyslexia. However, we found that, as of early FY 2025, 18 BOP institutions did not have a Special Education Teacher on board and that, as of January 2026, the number of institutions without a Special Education Teacher had increased to 23. A senior Human Resources official at Central Office stated that it was difficult to hire Special Education Teachers. An institution Human Resources employee explained that the hiring challenges were due to the advanced qualifications required for the position and the difficulty of attracting qualified individuals to work in a prison. Institution employees also told us that if the Special Education Teacher position was vacant the institution had to contract with non-BOP instructors or reassign the duties to other Education Department employees, which could limit the availability of employees to instruct other FSA programs.

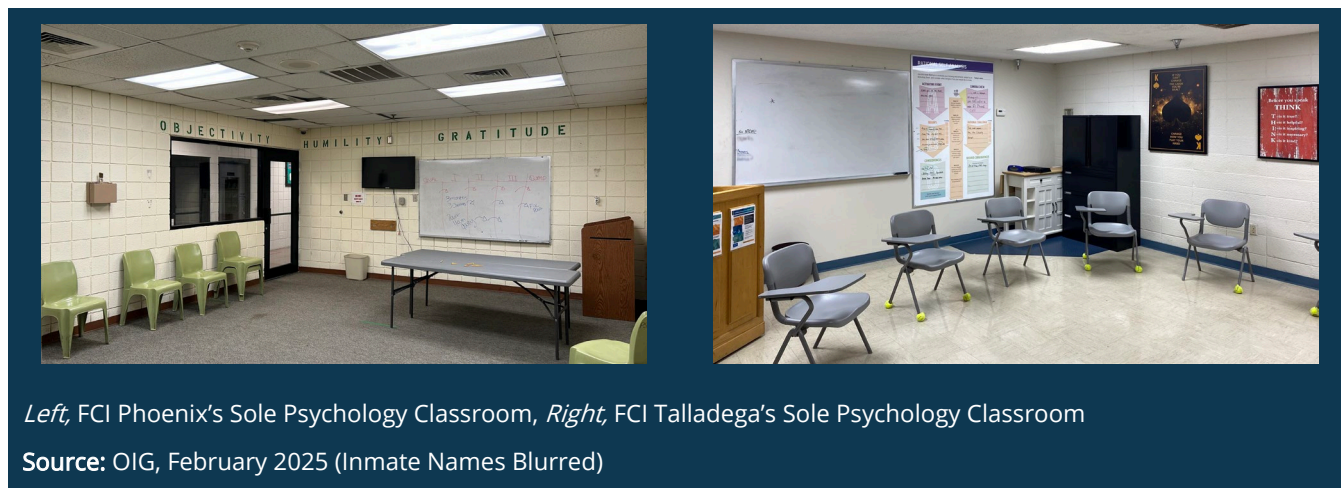
Vacancies in the key program delivery departments described above, as well as Correctional Officer positions, have negatively affected the BOP's ability to offer FSA programs. This is because program delivery employees often must temporarily cover unfilled Correctional Officer posts instead of performing their regular duties, through a practice known as augmentation. We found that, between FYs 2022 and 2024, BOP employees in institution FSA program delivery departments were reassigned through augmentation to Correctional Officer posts for, on average, 9.5 hours per 80-hour biweekly period, or approximately 12 percent of a biweekly period. According to our analysis, institution FSA program delivery department employees worked a total of over 800,000 hours in Correctional Officer posts between FYs 2022 and 2024, which is roughly equivalent to the work that would have been performed by 400 fulltime Correctional Officers, assuming those officers worked 80-hour biweekly schedules. Even though clinicians from Health Services and Psychology Services Departments are rarely assigned to fill Correctional Officer posts through augmentation, BOP employees told us that the augmentation of the administrative employees from these departments can delay or make Health Services and Psychology Services operations inefficient.

Lack of Instructional Space

Our prior work has also identified serious concerns with institution infrastructure and, according to the BOP, it currently has a \$4 billion backlog of repairs at its institutions.¹⁸ We have found that these infrastructure issues affect the functioning and availability of many areas in BOP institutions, including programming space. Further, DOJ reporting on FSA progress acknowledged that space issues often lead to low program capacity because facilities are unable to offer multiple programs at a time and that improvements of current BOP facilities are essential to the BOP's ability to fully implement the FSA.

Both BOP Central Office and institution-based employees told us that a lack of instructional space has hampered FSA program expansion and reduced the effectiveness of available programs. Wardens at multiple institutions acknowledged that space is a primary limitation to expanding program availability at their institutions. For example, the Psychology Services Departments at FCI Talladega and FCI Phoenix have only one dedicated classroom available; as a result, department staff must utilize spaces designated for other departments. Psychology Services Department employees told us that they can sometimes find additional instructional space if other-department employees are amenable, but they also said that the overall lack of instruction space limits their ability to offer FSA programs.

We also found that when instructional space is available it is not always well-suited for the specific FSA program being offered, as was the case at FCI Phoenix, where, due to the low ceiling in its vocational technology workshop, inmates could learn roofing and framing skills only on scaled-down structures. An employee in the Education Department told us that inmates could still gain useful vocational certifications by learning on scaled-down structures, but the employee said that inmates would receive better practical instruction and develop more skills if they were able to build full-scale structures. (See the photographs of FCI Phoenix's vocational technology workshop below.) Further, a Vocational Training Instructor at FCI Talladega's camp told us that the carpentry classroom's low ceilings and lack of ventilation meant that carpentry classes had to cut lumber outdoors and that, on rainy days, classes were limited to bookwork and often fell behind on practical instruction.



¹⁸ For more of the OIG's reporting on BOP infrastructure challenges, see the OIG's [Compendium of Federal Bureau of Prisons Oversight](#).



Left and Right, Scaled-down Models of Structures in FCI Phoenix's Vocational Technology Workshop

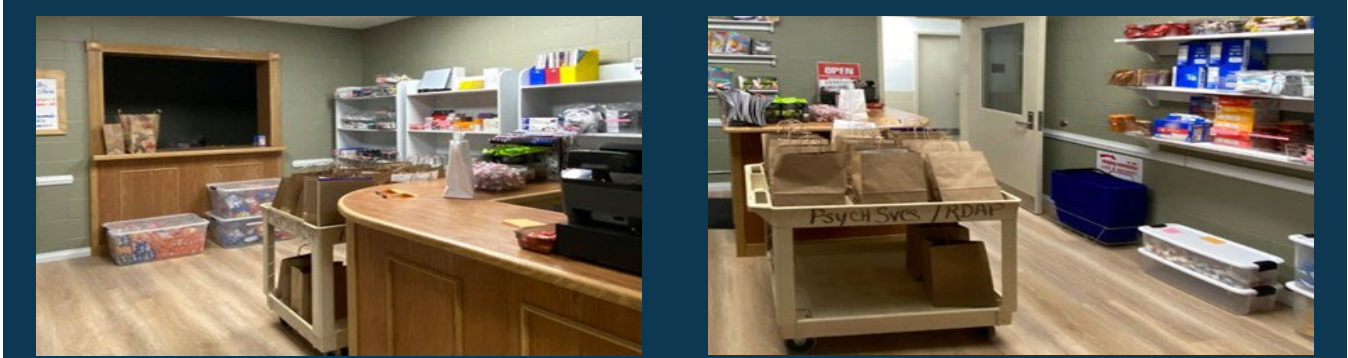
Source: OIG, February 2025 (Product Names Blurred)

In addition to concerns about the lack of programming space, the OIG has also identified that the BOP has underused existing space. As mentioned in the [Introduction](#), we previously found that Federal Medical Center (FMC) Devens used \$150,000 of FY 2021 FSA funding to build practical spaces—including a mock store, bank, kitchen, and laundry room—for inmates to participate in an FSA LifeSkills program. The spaces were completed in FY 2023; however, as of December 2024, FMC Devens had yet to enroll inmates in the associated FSA program because there was no BOP employee available to teach the program (see the below photographs of the unused FSA LifeSkills program spaces from our prior inspection). Our inspection found that nine other BOP institutions had received funding to build similar spaces but, as of June 2024, only one institution had been able to offer the LifeSkills program in the funded spaces. The current FSA evaluation found that as of March 2026 only 5 of the 10 locations for the FSA LifeSkills program were active, including the FMC Devens spaces that our inspection team had previously observed. The BOP could not provide the dates of activation for these 5 locations but reported that a total of 70 inmates were participating in the program nationwide.



Left, FMC Devens's LifeSkills Laboratory Kitchen, Right, FMC Devens's LifeSkills Laboratory Laundry Room

Source: OIG, April 2024 (Left and Right Image Product Names Blurred)



Left and Right, FMC Devens's LifeSkills Laboratory Store

Source: OIG, April 2024 (Left and Right Image Product Names Blurred)

Lockdowns

In the event of an institutional disruption, such as a serious medical emergency, inmate fight, or natural disaster, the institution may need to confine inmates to their cells or housing units. The BOP may also restrict inmate movement for security reasons when an institution is unable to staff key custody posts. The BOP describes such an action as a “lockdown” or “modified operations.” BOP staff told us that emergency security incidents, such as staffing shortages, can also trigger lockdowns or modified operations. While lockdowns or modified operations are, to a certain extent, an unavoidable reality in a correctional environment, current BOP leadership has indicated that these inmate management techniques may be used too frequently. In November 2025, Deputy Director Joshua Smith asserted that “lockdowns and collective punishment have become knee-jerk reactions” at BOP institutions.

As a function of inmates being confined to their cells or housing units during lockdown or modified operations, most, if not all, programs are suspended. This delays delivery and completion of ongoing programs, which in turn limits the frequency with which new programs can be offered and prevents new participants from enrolling. A BOP employee who coordinates Residential Drug Abuse Programs told us that, due in part to lockdowns, multiple class cohorts ran 4 to 5 weeks longer than planned. Another employee who instructs a different, less-intensive drug abuse program told us that, because of modified operations, the program runs longer than the 24-week maximum established in BOP policy. To continue programs despite inmate movement restrictions, BOP employees told us that it is possible to deliver a modified version of some FSA programs via printouts of self-study lesson packets or cell-to-cell instruction while inmates are confined to their cell or housing unit. According to BOP employees, however, this mode of instruction is less effective than traditional classroom or group instruction.

Given what we have learned about the prevalence of lockdowns and modified operations through our broader BOP oversight, in June 2025 [we initiated an evaluation](#) to assess how the BOP defines, tracks, monitors, and communicates about lockdowns and modified operations, as well as the causes and effects of lockdowns and modified operations. Based on our findings, we will make recommendations to address issues related to the use of lockdowns and modified operations in a forthcoming report.

Related Prior Work: Lockdowns

In our March 2023 [Capstone Review of the BOP's Response to the COVID-19 Pandemic](#), we reported that, throughout 2020, COVID-19 lockdowns significantly affected the BOP's ability to provide inmates with FSA programming. We also found that the BOP experienced challenges tracking inmate enrollment in FSA programming during that period. This, in turn, made it difficult to assess fully the pandemic's effect on inmate program participation.

During our [November 2023 inspection of FCI Sheridan](#), we found that, due to Correctional Officer shortages, the institution could not always fill all Correctional Officer posts. To decrease the risks associated with limited supervision, institution management had to habitually confine inmates to their cells during daytime hours. This decision in turn prevented inmates from participating in institution programming and recreational activities.

During our [June 2025 inspection of U.S. Penitentiary Canaan](#), we found that inmate movement was frequently limited in areas including general population housing units for reasons including capacity issues with the institution's Special Housing Unit. In addition to effects on an inmate's emotional and mental well-being, this report also found that prolonged confinement to cells limited the degree to which inmates could access resources at this institution.

See [Appendix 2](#) for more information about our oversight efforts.

The BOP Lacks Reliable Information About FSA Programs to Inform Decision-Making and Report Progress to Stakeholders

We found that, due to data collection shortcomings, the BOP lacks information to reliably guide FSA decision-making and to report progress to stakeholders. The BOP uses data from its inmate roster system, SENTRY, to manage and monitor inmate participation in FSA programs. SENTRY data is stored at the inmate level, which allows the BOP to determine the number of inmates who have participated in or completed a program or are on a program waitlist. It does not, however, collect data that would allow the BOP to determine how frequently an FSA program was offered at an individual institution. Further, the BOP does not conduct any other centralized data collection that would allow it to determine the frequency with which a program is offered at a given institution.

In the absence of data indicating the frequency with which programs are offered, different BOP Central Office officials use different metrics to assess institution program delivery. For example, a former Assistant Director of the Central Office's Reentry Services Division told us that they used waitlist data to determine the frequency with which an institution was providing a specific program and whether an institution required additional support. A Branch Chief within the Reentry Services Division, who was a direct subordinate of the division's former Assistant Director, instead used program participation data to conduct the same oversight. The use of different data by different officials is concerning because it may cause officials to draw unnecessarily disparate conclusions about how resources should be allocated to help improve FSA program delivery at institutions.

A lack of reliable information about program availability can also prevent BOP officials from appropriately designating or transferring an inmate to an institution that offers FSA programming that addresses his or her specific recidivism risk needs. This is an issue we previously reported in our May 2024 FCI Sheridan inspection (see [Appendix 2](#)), in which we explained that many inmates had been transferred to FCI Sheridan for the express purpose of participating in its Residential Drug Abuse Program. Due to shortages among FCI Sheridan employees who facilitate the program, however, the institution was unable to offer the program once the transferred inmates arrived.

As explained above, we also found that the BOP's FSA Approved Programs Guide, which is a public document that informs stakeholders about program availability, dramatically overstates the institutions that offer FSA programs. Such public inaccuracy undermines the BOP's efforts to report reliable information to stakeholders, including the families of inmates who want their family members to participate in programs at institutions close to home, members of Congress who oversee the BOP's implementation of the FSA, and federal judges who often make recommendations to the BOP about where they would like a defendant to serve his or her sentence based on the perceived availability of programs that would address the defendant's needs.

In addition to a lack of available data about program availability, we found that the data the BOP does collect in SENTRY about FSA program participation may not always be accurate. Specifically, we found that, when an inmate has been participating in a program but is transferred to another institution, data fields indicating the inmate's participation status may not be updated at the new institution. For example, in February 2025 at FCI Talladega, four inmates appeared in SENTRY as actively participating in the Anger Management program even though the institution had not offered the program since January 2024. According to an employee there, these inmates had begun participating in the program at another institution but were transferred to FCI Talladega before completing it. Upon arrival at FCI Talladega, no one had updated their participation status, which gave the impression that the inmates were actively participating in the program at FCI Talladega.

Education Department employees at multiple institutions told us that they track inmate participation requests outside of SENTRY, and, at FCI Phoenix, we observed a program that had six inmates in attendance even though SENTRY showed that no inmates were actively participating in that program. Further, institution employees told us that they do not consistently update participation data at the time inmates complete programs and, as a result, some inmates may appear to be actively participating in a program they had completed weeks or months prior.

Based on the totality of evidence we collected, and despite incomplete and sometimes inaccurate data, we found that since 2022 the BOP has generally been able to increase the completion of FSA programs among its inmates. Notwithstanding this progress, far fewer programs have been offered than are needed to address all inmate recidivism risk needs. As identified in prior OIG and GAO oversight (see [Appendix 2](#)), limited staff availability, a lack of instructional space, and lockdowns that limit inmate movement contributed to the BOP's challenges in offering FSA programs to inmates. We have made recommendations related to these problems in our prior oversight, and we intend to continue to monitor the BOP's progress in addressing its staffing and infrastructure challenges considering the \$5 billion in supplemental funds made available to the BOP in Pub. L. No. 119-21 to address these challenges.¹⁹ Further, based on the findings from our ongoing evaluation of the BOP's use of lockdowns and modified operations, we will make recommendations in the report resulting from that evaluation to address related issues.

We also found that, due to data collection shortcomings, the BOP lacks information it could use to reliably guide FSA decision-making and report progress to stakeholders. In January 2026, the GAO similarly reported that inaccurate data limits the BOP's ability to monitor its program offerings and recommended that the

¹⁹ See Pub. L. No. 119-21, 139 Stat. 72, 393.

BOP “take steps to ensure it collects and maintains accurate programming data, including codes to indicate program participation and waitlists.”²⁰ Considering the OIG’s and the GAO’s existing recommendations and the OIG’s ongoing work on lockdowns and modified operations, we recommend, in this report, that the BOP:

6. Collect accurate programming data that will allow the BOP to determine the frequency with which FSA programs are offered at each of its institutions.
7. Update the FSA Approved Programs Guide, or develop complementary reporting, to more accurately convey the institutions where each FSA program is actually available.

²⁰ The GAO also found that BOP employees did not always record when an inmate declined to participate in a recommended program, nor did employees consistently use appropriate program participation codes. Based on its findings, the GAO concluded that, without taking steps to ensure that it is collecting and maintaining accurate program data, the BOP cannot determine if it offers sufficient programming in its institutions to help meet the needs of inmates. *GAO, Improvements Needed.*

Conclusion and Recommendations

Conclusion

Our evaluation found that the BOP struggled to strategically align \$1.23 billion in FSA funding to support the implementation and availability of FSA programs, which are designed to reduce inmates' risk of recidivism consistent with the aim of the FSA. We identified significant weaknesses in the BOP's financial controls over FSA spending. Specifically, we found that, without clear authority to do so, the BOP used over \$250 million in FSA funds to provide *a//*inmates with free telephone calls rather than limiting this privilege as an incentive for participation in FSA programs. Of additional concern, the BOP's process to use FSA funds for this purpose involved both reimbursing itself more than \$100 million over what it calculated to be the cost of providing the telephone calls and moving appropriations that were tied to a specific year into a revolving fund with no time limits on spending. Collectively, these actions raise potential appropriations law issues.

We also found that another of the BOP's most significant spending categories for FSA funds at BOP institutions during the scope of our evaluation was for the transfer of nearly \$120 million to the U.S. Department of Labor in FYs 2022 and 2023 for a vocational grant program. While this program was intended to help inmates in their return to the community, we found that the BOP maintained limited oversight of the program and thus was not well-positioned to identify potential issues with grant implementation, including practical impediments and significant lags in spending. Based on available data, less than \$40 million had been drawn down by the grantees as of December 2025, and this grant program appears to have encountered delays in program implementation and obstacles to fully achieving the goals of the grant partnership.

Our evaluation further identified that the BOP had not provided its institutions with clear guidance to define and ensure appropriate FSA spending, was limited in its ability to rely on financial data to oversee the enterprise-wide use of FSA funds due to inconsistent categorization of purchases, and experienced challenges obligating and spending FSA funds on required timelines. In particular, as of April 2026, \$16.8 million of the BOP's FY 2022 appropriation remained unobligated, and, according to the BOP, most of this amount will likely end up transferred to DOJ's Working Capital Fund instead of being used to support FSA initiatives. These financial findings represent significant missed opportunities to connect FSA funding with inmate needs at BOP institutions.

While BOP inmates have completed more FSA programs per year since FY 2022, as the inmate population remained relatively flat, challenges remain. We found that the BOP is not delivering FSA programs nearly as widely as it represents in its public FSA Approved Programs Guide, because of staffing challenges, space limitations, and institutional lockdowns. Consequently, at many institutions hundreds of inmates can end up on waitlists for FSA programs, often for multiple years at a time. Recognizing these impediments to program availability, the BOP has not conditioned the earning of time credits on inmates' program completion, but rather on inmates' willingness to participate or join program waitlists. As a result, nearly one-quarter of the over 41,000 inmates who were released using applied FSA time credits between FYs 2022 and 2024 had not completed a single FSA program. This outcome is inconsistent with FSA goals to reduce inmates' risk of recidivism through programming. Finally, we found that because of inaccurate program data the BOP is unable to reliably determine whether it has met the FSA's objectives, make fully informed decisions involving its FSA programs, or accurately report implementation progress to stakeholders. Overall, our findings

suggest that the BOP lacked a strategic approach to implementing and operating the FSA program, which hampered its ability to fully realize the potential of the FSA and provide inmates with skills and strategies to reduce their risk of recidivism.

Recommendations

To improve the BOP's ability to ensure that FSA funds are spent in accordance with appropriations law and the FSA's priorities and to collect data that can inform strategic decision-making, we recommend that the BOP:

1. Determine: (a) whether its use of FSA funds to pay for telephone minutes for inmates not participating in or on a waitlist for FSA programs was consistent with the purpose for which the FSA funds were appropriated and (b) whether its transfer of time-limited funds to the Trust Fund in excess of its cost for providing telephone minutes for inmates inappropriately extended the period of availability of these funds. Depending on the outcome of these determinations, make appropriate notifications to the Office of Management and Budget and take remedial action as necessary.
2. Actively monitor Department of Labor grantees' use of FSA-derived grant funds, to include ensuring that grant-funded instruction is not duplicative of BOP offerings and is supporting FSA implementation.
3. Determine how the Department of Labor has used and plans to use the \$15 million in FSA funds transferred to it for grant program administrative costs, including funds that were allocated to pay for an evaluation of the grant program, and ensure that the use of these funds supports FSA implementation.
4. Issue clear guidance defining how FSA funds can be used.
5. Ensure that similar purchases are categorized consistently in the BOP's financial management system so the BOP can rely on system data to oversee its use of FSA funds.
6. Collect accurate programming data that will allow the BOP to determine the frequency with which FSA programs are offered at each of its institutions.
7. Update the FSA Approved Programs Guide, or develop complementary reporting, to more accurately convey the institutions where each FSA program is actually available.

Appendix 1: Purpose, Scope, and Methodology

Standards

The DOJ OIG conducted this evaluation in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation* (December 2020).

Purpose and Scope

The OIG initiated this evaluation in November 2024 to examine the BOP's implementation of FSA programs at its institutions from FY 2022 through FY 2024. This included an analysis of FSA spending and the availability of FSA programs.²¹ We did not examine the BOP's calculation and application of FSA time credits; the design, effectiveness, or implementation of the Risk/Needs Assessment System (recidivism risk assessment surveys); the BOP's calculation and application of FSA time credits; assessments of the effectiveness of FSA programs and activities at reducing recidivism; the delivery of unstructured productive activities authorized under the FSA; the BOP's efforts to house inmates within 500 miles of their home or to provide inmates with legal identification prior to their release; the BOP's compliance with FSA compassionate release program reforms; or the delivery of FSA-related services at Residential Reentry Centers (RRC). See [Appendix 2](#) for prior DOJ OIG and U.S. Government Accountability Office reporting on the implementation of some of these requirements.

Methodology

Our fieldwork included data analyses, policy and document review, interviews, site visits, and observations. During our fieldwork, we visited two BOP institutions: Federal Correctional Institution (FCI) Phoenix and FCI Talladega. We interviewed BOP Central Office and Regional Office officials, as well as employees and inmates at the two BOP institutions we visited. This report also included information collected during the course of our routine evaluations of BOP operations and unannounced inspections of BOP institutions when that information was relevant to findings we discussed in this report.

Overall, the significance of the deficiencies we identified through our review of FSA expenditures and the analysis of other materials collected from the BOP provided the OIG with sufficient evidence to draw reliable conclusions about how the BOP used FSA funds and implemented FSA programs at its institutions during the scope of the evaluation.

The following sections provide additional details about our methodology.

Data Analysis

To understand how the BOP spent FY 2022–2024 funds specifically appropriated for the BOP to implement the FSA, we analyzed DOJ Unified Financial Management System data. When assessing the BOP's use of

²¹ The lapse in appropriations that began on October 1, 2025, caused the completion and release of this report to be delayed.

funds to pay for inmates to use the BOP's inmate telephone system, we also analyzed the BOP's use of FSA funds that were made available to it for the first quarter of FY 2025, as well as its use of COVID-19 funds that were made available to it in FYs 2020 and 2021. Based on the dimensions of this data—including information indicating the goods and services for which funding was obligated and the organizational component making obligations—we developed summary FSA expenditure categories that provide context for our report and are presented in the [Introduction](#) (Table 3). It was also through this data analysis that we identified potential appropriations law issues with the BOP's use of FSA funds to pay for inmate telephone minutes.

We also analyzed BOP staffing data from FYs 2022–2026 to identify FSA-funded positions and to evaluate the BOP's ability to fill those positions, by organizational component and institutional department. We present this information in the [Introduction](#) (Figure 1) and in the [Results of the Evaluation](#) (Figure 6). We focused our analysis on FSA positions assigned to institution Psychology, Health Services, and Education Departments because these departments are responsible for delivering over 70 percent of FSA programs at BOP institutions. We further examined nationwide trends in the BOP's ability to fill Staff Psychologist positions because BOP employees told us that vacancies in this position particularly affected institutions' ability to provide FSA programs. Finally, we assessed the BOP's nationwide progress in fulfilling a 2024 congressional directive to hire a Special Education Teacher at each institution.

To understand FSA program availability, we analyzed BOP waitlist, participation, completion, and recidivism risk needs data for FYs 2022–2024. As we discussed in this report, due to data accuracy issues, we were limited in our ability to evaluate fully the BOP's progress in delivering FSA programs.

Policy and Document Review

We reviewed the First Step Act of 2018, the CARES Act, and appropriations acts from all fiscal years within the project scope. We also reviewed BOP policy statements, guidance, and documents related to FSA program delivery. Additionally, we reviewed statutes and BOP policy statements related to the operation of the Trust Fund and the inmate telephone system.

To evaluate the BOP's interagency agreement with the U.S. Department of Labor (DOL) to implement a vocational grant program, Partners for Reentry Opportunities and Workforce Development (PROWD), we reviewed the interagency agreement, grantee proposals and course materials, records maintained by the BOP of its interactions with DOL before the grants were awarded, samples of documents demonstrating grant performance that DOL provided to the BOP after the grants were awarded, and PROWD participation data as of March 2026. The PROWD program takes place in three stages, distinguished by the location in which services are provided: BOP institutions, RRCs, and in the community. In this evaluation, we focused our assessment of grant activities on FSA-funded programs delivered at BOP institutions. The DOJ OIG did not review DOL's execution of the PROWD grant program, which is beyond our oversight purview and the scope of this evaluation; but we provided relevant excerpts of a draft of this report to DOL's Employment and Training Administration. DOL provided a response that we considered when finalizing this report.

Interviews

We interviewed Central Office employees from the BOP Director's office, Administration Division, Health Services Division, Reentry Services Division, Human Resources Management Division, Psychology Services

Branch, Education Services Branch, and Trust Fund Program. We also interviewed Regional Office employees from the Financial Management Division, Health Services Division, Psychology Services Branch, and Human Resources Division.

We interviewed institution staff, including Wardens, Associate Wardens, a Camp Administrator, Business Administrators, Human Resources Managers, Psychology Services Department employees and Drug Abuse Program Coordinators, Education Department employees, Health Services Department employees, Unit Teams, Special Populations Coordinators, Recreation Department employees, a Federal Prison Industries Manager, and a Facilities Department Manager. In total, we interviewed 69 BOP officials and employees.

We also spoke directly with 16 inmates housed at FCI Phoenix and FCI Talladega who had participated in, were participating in, or were waitlisted for FSA programs.

Site Visits and Observations

We analyzed BOP FSA budgeting, programming, and staffing data to select site visit locations. Factors that we considered in our selection included FSA expenditures; diversity of program offerings; program participation, completion, and waitlist rates; expected versus actual program durations; and staffing levels. Other factors we considered were institution inmate population and demographics, location, sizes, and security levels.

We conducted two in-person site visits at FCI Phoenix and FCI Talladega in February 2025.

At FCI Phoenix, we observed the following areas: Recreation Department spaces, Education Department spaces, vocational training spaces, Psychology Services Department spaces, chapel, UNICOR factory, three housing units, and camp program spaces. We also observed the Medication Assisted Treatment pill line in the Health Services Department, an FSA class held at the FCI, and an FSA class held at the female camp.

At FCI Talladega, we observed the following areas: Education Department spaces, vocational training spaces, Psychology Services Department spaces, chapel, UNICOR factory, Recreation Department spaces, one standard housing unit, Health Services Department spaces, visitation room, one camp housing unit, and camp program spaces. We also observed the Medication Assisted Treatment pill line in the Health Services Department, a General Educational Development Test class held at the camp, and an FSA class held at the camp.

Appendix 2: OIG and Other Oversight Agency Related Work

DOJ OIG Compendium of BOP Oversight Products

- I. [Compendium of Federal Bureau of Prisons Oversight Products](https://oig.justice.gov/news/compendium-federal-bureau-prisons-oversight-products) (February 2024), oig.justice.gov/news/compendium-federal-bureau-prisons-oversight-products

DOJ OIG and U.S. Government Accountability Office Reports on the FSA

- II. DOJ OIG, [Audit of the Federal Bureau of Prisons' Efforts to Place Inmates Within 500 Driving Miles from Their Primary Residence](https://oig.justice.gov/ongoing-work/audit-federal-bureau-prisons-efforts-place-inmates-within-500-driving-miles-their-primary-residence), Audit Report 25-083 (September 2025), oig.justice.gov/ongoing-work/audit-federal-bureau-prisons-efforts-place-inmates-within-500-driving-miles-their-primary-residence
- III. U.S. Government Accountability Office (GAO), [Bureau of Prisons Should Improve Efforts to Implement Its Risk and Needs Assessment System](https://www.gao.gov/products/gao-23-105139), GAO-23-105139 (March 2023), www.gao.gov/products/gao-23-105139
- IV. GAO, [Federal Prisons: Improvements Needed to the System Used to Assess and Mitigate Incarcerated People's Recidivism Risk](https://www.gao.gov/products/gao-26-107268), GAO-26-107268 (January 2026), www.gao.gov/products/gao-26-107268
- V. GAO, [Bureau of Prisons: Opportunities Exist to Better Assist Incarcerated People with Obtaining ID Documents Prior to Release](https://www.gao.gov/products/gao-23-105302), GAO-23-105302 (December 2022), www.gao.gov/products/gao-23-105302
- VI. GAO, [Pregnant Women in DOJ Custody: U.S. Marshals Service and Bureau of Prisons Should Better Align Policies with National Guidelines](https://www.gao.gov/products/gao-21-147), GAO-21-147 (January 2021), www.gao.gov/products/gao-21-147

DOJ OIG Inspection Reports of BOP Institutions

- VII. [Inspection of the Federal Bureau of Prisons' Federal Correctional Institution Waseca](https://oig.justice.gov/reports/inspection-federal-bureau-prisons-federal-correctional-institution-waseca), Evaluation and Inspections (E&I) Report 23-068 (May 2023), oig.justice.gov/reports/inspection-federal-bureau-prisons-federal-correctional-institution-waseca
- VIII. [Inspection of the Federal Bureau of Prisons' Federal Correctional Institution Tallahassee](https://oig.justice.gov/reports/inspection-federal-bureau-prisons-federal-correctional-institution-tallahassee), E&I Report 24-005 (November 2023), oig.justice.gov/reports/inspection-federal-bureau-prisons-federal-correctional-institution-tallahassee
- IX. [Inspection of the Federal Bureau of Prisons' Federal Correctional Institution Sheridan](https://oig.justice.gov/reports/inspection-federal-bureau-prisons-federal-correctional-institution-sheridan), E&I Report 24-070 (May 2024), oig.justice.gov/reports/inspection-federal-bureau-prisons-federal-correctional-institution-sheridan

- X. [Inspection of the Federal Bureau of Prisons' Federal Correctional Institution Lewisburg](https://oig.justice.gov/reports/inspection-federal-bureau-prisons-federal-correctional-institution-lewisburg), E&I Report 24-113 (September 2024), oig.justice.gov/reports/inspection-federal-bureau-prisons-federal-correctional-institution-lewisburg
- XI. [Inspection of the Federal Bureau of Prisons' Federal Medical Center Devens](https://oig.justice.gov/reports/inspection-federal-bureau-prisons-federal-medical-center-devens), E&I Report 25-009 (December 2024), oig.justice.gov/reports/inspection-federal-bureau-prisons-federal-medical-center-devens
- XII. [Inspection of the Federal Bureau of Prisons' Federal Detention Center SeaTac](https://oig.justice.gov/reports/inspection-federal-bureau-prisons-federal-detention-center-seatac), E&I Report 25-081 (September 2025), oig.justice.gov/reports/inspection-federal-bureau-prisons-federal-detention-center-seatac
- XIII. [Concurrent Inspections of BOP Food Service Operations](https://oig.justice.gov/reports/concurrent-inspections-bop-food-service-operations), E&I Report 25-062 (June 2025), <https://oig.justice.gov/reports/concurrent-inspections-bop-food-service-operations>
- XIV. [Inspection of the Federal Bureau of Prisons' U.S. Penitentiary Canaan](https://oig.justice.gov/reports/inspection-federal-bureau-prisons-us-penitentiary-canaan), E&I Report 26-055 (May 2026), oig.justice.gov/reports/inspection-federal-bureau-prisons-us-penitentiary-canaan

DOJ OIG, Pandemic Response Accountability Committee, and GAO Reports on BOP Staffing

- XV. DOJ OIG, [Review of the Federal Bureau of Prisons' Medical Staffing Challenges](https://oig.justice.gov/reports/review-federal-bureau-prisons-medical-staffing-challenges), E&I Report 16-02 (March 2016), oig.justice.gov/reports/review-federal-bureau-prisons-medical-staffing-challenges
- XVI. GAO, [Bureau of Prisons: Opportunities Exist to Better Analyze Staffing Data and Improve Employee Wellness Programs](https://www.gao.gov/products/gao-21-123), GAO-21-123 (February 2021), www.gao.gov/products/gao-21-123
- XVII. DOJ OIG, [Audit of the U.S. Department of Justice Annual Financial Statements Fiscal Year 2022](https://oig.justice.gov/reports/audit-us-department-justice-annual-financial-statements-fiscal-year-2022), Audit Report 23-037 (March 2023), oig.justice.gov/reports/audit-us-department-justice-annual-financial-statements-fiscal-year-2022
- XVIII. DOJ OIG, [Limited-Scope Review of the Federal Bureau of Prisons' Strategies to Identify, Communicate, and Remedy Operational Issues](https://oig.justice.gov/reports/limited-scope-review-federal-bureau-prisons-strategies-identify-communicate-and-remedy), E&I Report 23-065 (May 2023), oig.justice.gov/reports/limited-scope-review-federal-bureau-prisons-strategies-identify-communicate-and-remedy
- XIX. DOJ OIG, [Investigation and Review of the Federal Bureau of Prisons' Custody, Care, and Supervision of Jeffrey Epstein at the Metropolitan Correctional Center in New York, New York](https://oig.justice.gov/reports/investigation-and-review-federal-bureau-prisons-custody-care-and-supervision-jeffrey), Investigations Report 23-085 (June 2023), oig.justice.gov/reports/investigation-and-review-federal-bureau-prisons-custody-care-and-supervision-jeffrey
- XX. Pandemic Response Accountability Committee, [Review of Personnel Shortages in Federal Health Care Programs During the COVID-19 Pandemic](https://oig.justice.gov/reports/review-personnel-shortages-federal-health-care-programs-during-covid-19-pandemic) (September 2023), oig.justice.gov/reports/review-personnel-shortages-federal-health-care-programs-during-covid-19-pandemic

- XXI. DOJ OIG, [Top Management and Performance Challenges Facing the Department of Justice–2024](https://oig.justice.gov/reports/top-management-and-performance-challenges-facing-department-justice-2024), (October 2024), oig.justice.gov/reports/top-management-and-performance-challenges-facing-department-justice-2024

DOJ OIG Reports on BOP Programming and Other Operations

- XXII. [Review of the Impact of an Aging Inmate Population on the Federal Bureau of Prisons](https://oig.justice.gov/reports/review-impact-aging-inmate-population-federal-bureau-prisons), E&I Report 15-05 (May 2015), oig.justice.gov/reports/review-impact-aging-inmate-population-federal-bureau-prisons
- XXIII. [Audit of the Federal Bureau of Prisons' Management and Oversight of Its Chaplaincy Services Program](https://oig.justice.gov/reports/audit-federal-bureau-prisons-management-and-oversight-its-chaplaincy-services-program), Audit Report 21-091 (July 2021), oig.justice.gov/reports/audit-federal-bureau-prisons-management-and-oversight-its-chaplaincy-services-program

DOJ OIG Report on BOP Policy Development

- XXIV. [Evaluation of the Federal Bureau of Prisons' Policy Development Process](https://oig.justice.gov/reports/evaluation-federal-bureau-prisons-policy-development-process), E&I Report 22-115 (September 2022), oig.justice.gov/reports/evaluation-federal-bureau-prisons-policy-development-process

DOJ OIG Report on BOP Infrastructure

- XXV. [The Federal Bureau of Prisons' Efforts to Maintain and Construct Institutions](https://oig.justice.gov/reports/federal-bureau-prisons-efforts-maintain-and-construct-institutions), Audit Report 23-064 (May 2023), oig.justice.gov/reports/federal-bureau-prisons-efforts-maintain-and-construct-institutions

DOJ OIG Reports on the BOP's Management of COVID-19

- XXVI. [Inmate Perceptions of the Federal Bureau of Prisons' Management of the Coronavirus Disease 2019 Pandemic](https://oig.justice.gov/reports/inmate-perceptions-federal-bureau-prisons-management-coronavirus-disease-2019-pandemic), E&I Report 23-067 (May 2023), oig.justice.gov/reports/inmate-perceptions-federal-bureau-prisons-management-coronavirus-disease-2019-pandemic
- XXVII. [Capstone Review of the Federal Bureau of Prisons' Response to the Coronavirus Disease 2019 Pandemic](https://oig.justice.gov/reports/capstone-review-federal-bureau-prisons-response-coronavirus-disease-2019-pandemic), E&I Report 23-054 (March 2023), oig.justice.gov/reports/capstone-review-federal-bureau-prisons-response-coronavirus-disease-2019-pandemic

Appendix 3: The BOP's Response to the Draft Report



U.S. Department of Justice

Federal Bureau of Prisons

Office of the Director

Washington, DC 20534

May 18, 2026

MEMORANDUM FOR ALLISON RUSSO
ASSISTANT INSPECTOR GENERAL
EVALUATION AND INSPECTIONS

FROM:

 5/18/2026
William K. Marshall III, Director

SUBJECT:

Response to the Office of the Inspector General's Draft Report:
Evaluation of the Federal Bureau of Prisons' Use of First Step Act
Funding and Implementation of First Step Act Programs at Its
Institutions (A-2024-008)

The Federal Bureau of Prisons (BOP) thanks the Office of Inspector General (OIG) for its thorough evaluation and appreciates the opportunity to formally respond to the formal draft report entitled Evaluation of the Federal Bureau of Prisons' Use of First Step Act Funding and Implementation of First Step Act Programs at Its Institutions (the Report).

In the Report, the OIG evaluated the BOP's implementation of First Step Act (FSA) programs for inmates designed to support their return to the community between fiscal years 2022 and 2024 and identified several areas of concern. The key concerns relate to the BOP's monitoring and use of FSA funds during those years; the administration of a joint grant with the Department of Labor (DOL) for vocational training programs; and the availability and reliability of FSA programming data. The OIG also noted that despite the BOP's progress and efforts to offer more FSA programs, challenges persist due to systemic operational issues, such as inadequate staffing and instructional space as well as lockdowns that limit inmate movement.

The concerns that the OIG identified in the Report represent significant failings by the BOP in prior years that must be rectified going forward. The BOP takes seriously its responsibility to support inmates' successful return to the community through full and accurate implementation of the FSA and address the problems identified in the Report. As described in detail below, the BOP is undertaking corrective actions for each of the OIG's recommendations and plans to incorporate the lessons learned into its broader FSA implementation strategy and practices.

Furthermore, as the OIG pointed out in its Report, the BOP has already made significant progress since the audit period. The BOP has and will continue to strengthen its oversight of

FSA funding and will continue to offer more FSA programs at BOP institutions to achieve the FSA's goal of reducing recidivism through providing programs that help address inmates' recidivism risk and criminogenic needs. The BOP's recent and current implementation efforts include the following:

- **Formal FSA Branch:** For centralized oversight of FSA implementation, the BOP is creating a dedicated FSA Branch. Special Assistant to the Director Rick Stover will oversee the office, and the office will be supported by 15 positions total, including an FSA Administrator, Regional FSA Coordinators, and other support positions. The creation of a formal FSA Branch will improve oversight of FSA implementation, training, and monitoring of programs, and expenditures across the BOP.
- **FSA Policy:** The BOP issued the new First Step Act Policy (Program Statement 5405.01) on May 7, 2026, advancing multiple objectives including:
 - Establish guidance for implementing the Criminogenic Needs Assessment portion of the Risk and Needs Assessment System (RNAS);
 - Establish a consistent system (i.e., RNAS) for reporting data, monitoring, accessing, and auditing system usage;
 - Direct resource allocation for institutions to deliver incentives and awards for program completions in compliance with FSA law;
 - Provide staff training guidance;
 - Establish clear roles and responsibilities at institution, regional, and central office levels; and
 - Create an FSA Interdisciplinary Committee at all institutions.
- **FSA Training:** The BOP has developed an FSA training for staff to provide an overview of how FSA works from start to finish and familiarize BOP staff with FSA. The training slides have been shared with institutions on the FSA Resource Page.
- **FSA Time Credit Guide for Inmates:** In May 2026, the BOP provided a new guide to all inmates on how sentences are computed using FSA time credit provisions. This guide was transmitted to all inmates via the BOP's electronic bulletin board system and is designed to be an easy to understand "how to" guide to ensure inmates better understand the substance and mechanics of FSA time credit calculations.
- **FSA Dashboard:** To enhance access to FSA data, the BOP deployed the FSA Dashboard nationwide in January 2026. The dashboard displays institution FSA metrics for risk levels, needs levels, and programming, and enhances the BOP's ability to monitor FSA progress. The BOP is developing an updated FSA Dashboard, which will incorporate complementary reporting on programming volumes by institution. This will more accurately show the institutions where each FSA program is available and the frequency with which FSA programs are offered at each of its institutions.
- **FSA Programming:** The BOP has taken steps to expand FSA programming and participation. As of May 2026, the BOP offers 49 Evidence-Based Recidivism Reduction (EBRR) Programs, 73 Productive Activities with a total of approximately 52,000 inmates participating. Additionally, 5,898 inmates completed training, and 10,947 certifications were earned as of May 2026. The BOP is also actively expanding programs for mental

health and substance use and is collaborating with 12 faith-based programs and over 5,500 reentry organizations, increasing volunteer involvement and virtual services.

- **FSA Funds Review:** To strengthen oversight and safeguard financial integrity, BOP's new FSA Branch conducted a review of BOP's use of \$409.5M in funds appropriated for FSA implementation in fiscal year 2026. This review evaluated whether expenditures aligned with statutory authority requirements and congressional intent to support evidence-based recidivism reduction programming, risk and needs assessment implementation, system modernization, staffing, and expanded prerelease custody opportunities.

Following this comprehensive line-by-line review involving the respective Assistant Directors and Regional Directors, each identified expenditure was thoroughly evaluated to determine if the item is directly related to our implementation of the FSA. The review examined BOP financial records, budget execution reports, programmatic documentation, and internal justifications associated with FSA-funded activities. Expenditures were assessed for compliance with the statutory purposes outlined in FSA and related appropriations language. Particular attention was given to whether costs were directly tied to FSA implementation versus general operational expenses. Any item that was previously on this expenditure list that did not meet the threshold of directly impacting the agency's FSA implementation efforts was removed.

Building on these efforts and recent progress, the BOP will continue working towards the full and accurate implementation of FSA with appropriate oversight of associated expenditures through clear guidance, training, and internal control measures.

The BOP concurs with all of OIG's recommendations, and offers the following specific responses:

Recommendation 1: Determine: (a) whether its use of FSA funds to pay for telephone minutes for inmates not participating in or on a waitlist for FSA programs was consistent with the purpose for which the FSA funds were appropriated and (b) whether its transfer of time-limited funds to the Trust Fund in excess of its cost for providing telephone minutes for inmates inappropriately extended the period of availability of these funds. Depending on the outcome of these determinations, make appropriate notifications to the Office of Management and Budget and take remedial action as necessary.

BOP Response: The BOP concurs with this recommendation and is working with the Department of Justice to evaluate the determinations that FSA funds could pay for the phone call minutes used by inmates not participating in or on a waitlist for FSA programs and that time-limited funds could be properly transferred to the Trust Fund without inappropriately extending the period of availability of these funds.

Recommendation 2: Actively monitor Department of Labor grantees' use of FSA-derived grant funds, to include ensuring that grant-funded instruction is not duplicative of BOP offerings and is supporting FSA implementation.

BOP Response: The BOP concurs with this recommendation. The BOP created an internal tracking document to actively monitor DOL grantee's use of FSA-derived grant funds for the Partners for Reentry Opportunities in Workforce Development (PROWD) program, the name for this grant-funded program. This monitoring aims to ensure that grant-funded instruction is supporting FSA implementation and is not duplicative of BOP offerings. This effort will track whether the PROWD is active, what services the grantees are providing, and whether those services were offered to the same extent they were offered prior to PROWD. The BOP is following up with institutions with any institution-specific questions to address possible duplicative offerings.

Recommendation 3: Determine how the Department of Labor has used and plans to use the \$15 million in FSA funds transferred to it for grant program administrative costs, including funds that were allocated to pay for an evaluation of the grant program, and ensure that the use of these funds supports FSA implementation.

BOP Response: The BOP concurs with this recommendation. The BOP will work with the DOL to determine how it used and plans to use the \$15 million in FSA funds transferred to it.

Recommendation 4: Issue clear guidance defining how FSA funds can be used.

BOP Response: The BOP concurs with this recommendation. The BOP conducted a comprehensive review of the fiscal year 2026 FSA expenditures to assess whether each item was directly related to FSA implementation. The review examined BOP financial records, budget execution reports, programmatic documentation, and internal justifications associated with FSA-funded activities. Expenditures were assessed for compliance with the statutory purposes outlined in FSA and related appropriations language. Particular attention was given to whether costs were directly tied to FSA implementation versus general operational expenses. Any item that was previously on this expenditure list that did not meet the threshold of directly impacting the agency's FSA implementation efforts was removed.

Following this review, the BOP is confident that the fiscal year 2026 FSA funds are properly obligated and expended in accordance with statutory requirements. While the scope of the FSA is broad, the funds are primarily devoted to one of the following categories:

- Development and delivery of evidence-based recidivism reduction programs and productive activities;
- Implementation and maintenance of the Risk and Needs Assessment System (PATTERN);
- Expansion of prerelease custody options, including home confinement and residential reentry;
- Staffing, training, and information technology investments necessary to support FSA implementation; and
- Data collection, tracking, and reporting functions required to administer earned time credits.

The BOP will ensure that clear guidance on how FSA funds can be used gets disseminated to

appropriate staff to support proper and accurate use of FSA funds in future fiscal years.

Recommendation 5: Ensure that similar purchases are categorized consistently in the BOP's financial management system so the BOP can rely on system data to oversee its use of FSA funds.

BOP response: The BOP concurs with this recommendation. While instances of human error will always exist in selecting product categories, the BOP will continue to work to mitigate the number of inconsistencies in product categorizations input by staff into the financial management system.

Recommendation 6: Collect accurate programming data that will allow the BOP to determine the frequency with which FSA programs are offered at each of its institutions.

BOP Response: The BOP concurs with this recommendation. The BOP deployed the FSA Dashboard in January 2026 to all regional staff, all central office staff, and institution executive teams and department heads. An overview and demonstration of the FSA Dashboard was provided to OIG in February 2026. The FSA Dashboard displays institution FSA metrics for risk levels, need levels, and programming. To improve the FSA Dashboard's functionality, the BOP is working to develop an internal version that will include additional information and management capabilities. The updated FSA Dashboard is anticipated to be available by June 2026. The updated FSA Dashboard will more accurately show the institutions where each FSA program is available and the frequency with which FSA programs are offered at each of its institutions.

Recommendation 7: Update the FSA Approved Programs Guide, or develop complementary reporting, to more accurately convey the institutions where each FSA program is actually available.

BOP Response: The BOP concurs with this recommendation. The BOP has complementary reporting on programming volumes by institution and will incorporate it into the updated FSA Dashboard. The frequency of programming varies by institution from month-to-month, which is difficult to maintain within the current FSA Approved Programs Guide.

Appendix 4: OIG Analysis of the BOP's Response

The OIG provided a draft of this report to the BOP for its comment. The BOP's response is included in [Appendix 3](#) to this report.

In its response, the BOP concurred with all seven recommendations in this report and recognized significant failures by the BOP in prior years related to its implementation and operation of FSA programs that must be rectified going forward. The BOP stated that it takes seriously its responsibility to support inmates' successful return to the community through implementation of the FSA. The BOP noted in its response that it has and will continue to strengthen its oversight of FSA funds and that it will continue to offer more FSA programs at BOP institutions to address inmate needs and achieve the FSA's goal of reducing recidivism. The BOP outlined a series of recent efforts it has undertaken to strengthen oversight of FSA funding and increase the availability of FSA programming, including: (1) creating a formal FSA branch, (2) issuing a new FSA policy, (3) developing new FSA training for staff and guidance for inmates, (4) deploying an FSA dashboard to enhance BOP staff access to FSA data, and (5) reviewing FY 2026 FSA expenditures to ensure that they align with statutory requirements and congressional intent. The BOP stated that it plans to continue working to improve its implementation of the FSA through clear guidance, training, and internal controls.

The OIG's analysis of the BOP's response and the actions necessary to close the recommendations are discussed below. Please respond to all recommendations by August 31, 2026.

Recommendation 1

Determine: (a) whether its use of FSA funds to pay for telephone minutes for inmates not participating in or on a waitlist for FSA programs was consistent with the purpose for which the FSA funds were appropriated and (b) whether its transfer of time-limited funds to the Trust Fund in excess of its cost for providing telephone minutes for inmates inappropriately extended the period of availability of these funds. Depending on the outcome of these determinations, make appropriate notifications to the Office of Management and Budget and take remedial action as necessary.

Status: Resolved.

BOP Response: The BOP concurred with this recommendation. The BOP stated that it is working with the Department to evaluate (a) the determinations that FSA funds could pay for non-FSA participating and non-FSA waitlisted inmate telephone minutes, and (b) whether time-limited funds could be properly transferred to the Trust Fund without inappropriately extending the availability of these funds.

OIG Analysis: The BOP's actions are responsive to this recommendation. In the next resolution update, please provide an update on the status of Department and BOP efforts to evaluate whether (a) FSA funds could pay for non-FSA participating and non-FSA waitlisted inmate telephone minutes, and (b) time-limited funds could be properly transferred to the Trust Fund without inappropriately extending the availability of these funds. Please also provide an update on the status of any notifications to the Office of Management and Budget or remedial actions as deemed appropriate based on the outcome of those evaluations.

Recommendation 2

Actively monitor Department of Labor grantees' use of FSA-derived grant funds, to include ensuring that grant-funded instruction is not duplicative of BOP offerings and is supporting FSA implementation.

Status: Resolved.

BOP Response: The BOP concurred with this recommendation. The BOP stated that it created an internal tracking document to actively monitor Department of Labor (DOL) grantees' use of FSA-derived grant funds for the Partners for Reentry Opportunities in Workforce Development grant program to ensure that grant-funded instruction supports FSA implementation and is not duplicative of BOP programs or instruction. The BOP said that this would help it track where grant-funded programs were active and what services were being provided. The BOP also stated that it would follow up with institutions regarding any institution-specific questions to address possible duplicative offerings.

OIG Analysis: The BOP's actions are responsive to this recommendation. In the next resolution update, please provide a copy of the tracking document that the BOP developed to monitor DOL grantees' use of FSA-derived grant funds, as well as a description of how the BOP will collect information for it and what the BOP plans to do with the information therein. Additionally, please provide an update on the results of any efforts to assess these programs for alignment with the FSA and potential duplication with existing BOP programs.

Recommendation 3

Determine how the Department of Labor has used and plans to use the \$15 million in FSA funds transferred to it for grant program administrative costs, including funds that were allocated to pay for an evaluation of the grant program, and ensure that the use of these funds supports FSA implementation.

Status: Resolved.

BOP Response: The BOP concurred with this recommendation. The BOP stated that it will work with DOL to determine how DOL used and plans to use the \$15 million in FSA funds transferred to it.

OIG Analysis: The BOP's actions are responsive to this recommendation. In the next resolution update, please provide an update on the BOP's efforts to determine the status of this \$15 million in FSA funds transferred to DOL, including how much has already been spent and plans for any remaining unspent funding. Please also provide any available information on the purposes for which this funding was or will be used and how that aligns with implementation of the FSA.

Recommendation 4

Issue clear guidance defining how FSA funds can be used.

Status: Resolved.

BOP Response: The BOP concurred with this recommendation. The BOP reported that it had reviewed financial records, budget execution reports, program documentation, and internal BOP justifications associated with FSA-funded activities. The BOP stated that it will disseminate to appropriate employees clear guidance on how FSA funds can be used to support proper and accurate use of FSA funds in future fiscal years. The BOP further stated that it had conducted a comprehensive review of its FY 2026 FSA expenditures to assess whether each item was directly related to FSA implementation and compliant with the statutory purposes outlined in the FSA and related appropriations language. The BOP reported that any FY 2026 expenditure that did not meet its threshold of directly impacting the agency's FSA implementation efforts was removed. The BOP outlined the resulting areas of operations that these funds primarily support, following the comprehensive review, and expressed confidence that FY 2026 FSA funds were properly obligated and expended in accordance with statutory requirements.

OIG Analysis: The BOP's actions, completed and planned, are responsive to this recommendation. In the next resolution update, please provide updated policy or guidance that the BOP has distributed regarding how FSA funds can be used, along with documentation of how the BOP distributed this guidance. Please also explain whether the BOP plans to continue, for FY 2027 and beyond, assessing FSA expenditures for compliance with the statutory purposes outlined in the FSA and related appropriations language.

Recommendation 5

Ensure that similar purchases are categorized consistently in the BOP's financial management system so the BOP can rely on system data to oversee its use of FSA funds.

Status: Resolved.

BOP Response: The BOP concurred with this recommendation. The BOP stated that, while instances of human error will always exist in selecting product categories, it will continue to work to mitigate the number of inconsistencies in product categorizations that employees enter into the BOP's financial management system.

OIG Analysis: The BOP's planned actions are responsive to this recommendation. In the next resolution update, please provide an explanation of BOP efforts to ensure that employees are categorizing similar purchases consistently in the BOP's financial management system, along with any documentation available to demonstrate these efforts.

Recommendation 6

Collect accurate programming data that will allow the BOP to determine the frequency with which FSA programs are offered at each of its institutions.

Status: Resolved.

BOP Response: The BOP concurred with this recommendation. The BOP stated that in January 2026 it deployed the FSA Dashboard, which displays, for employees across the BOP, institution-level information about inmate recidivism risk levels, inmate need levels, and program availability. The BOP also stated that

an updated version of the dashboard, which it anticipates being delivered by June 2026, will more accurately show the institutions where each FSA program is available and the frequency with which FSA programs are offered at each of its institutions.

OIG Analysis: The BOP's actions are responsive to this recommendation. The BOP's response describes important metrics for monitoring FSA program activity. In the next resolution update, please share the status and capabilities of tools developed to show which institutions offer each FSA program, as well as the frequency of these FSA program offerings at each institution. Given underlying data reliability issues described in the report, please also describe any efforts undertaken to ensure the accuracy of data populating the FSA Dashboard, which include validating the source data and communicating to relevant personnel expectations and responsibilities regarding source data entry.

Recommendation 7

Update the FSA Approved Programs Guide, or develop complementary reporting, to more accurately convey the institutions where each FSA program is actually available.

Status: Resolved.

BOP Response: The BOP concurred with this recommendation. The BOP stated that it has complementary reporting on program volumes by institution and will incorporate it into its updated FSA Dashboard. The BOP noted that the frequency of programming varies by institution from month to month, which is difficult to maintain within the current FSA Approved Programs Guide.

OIG Analysis: The BOP's actions are responsive to this recommendation. In the next resolution update, please share the capabilities and information contained within the FSA Dashboard and complementary reporting described above and clarify whether the BOP intends to maintain this information internally or whether it will report this information publicly. If the reporting will be limited to BOP internal access, please articulate the BOP's plan to provide accurate information on program availability accessible to inmates and outside stakeholders who have equities in the reentry programs available to BOP inmates. Also provide the most recent FSA Approved Programs Guide that describes, to the extent possible, which institutions have offered each respective FSA program.