

U.S. Department of Justice  
Office of the Inspector General

**REPORT OF INVESTIGATION**

<b>SUBJECT</b>		<b>CASE NUMBER</b>	
Federal Prison Industries, et al. Government Enterprise Beaumont, Texas		[REDACTED]	
<b>OFFICE CONDUCTING INVESTIGATION</b>		<b>DOJ COMPONENT</b>	
Dallas Field Office		Federal Bureau of Prisons	
<b>DISTRIBUTION</b>		<b>STATUS</b>	
<input checked="" type="checkbox"/> Field Office	DFO (HAO)	<input type="checkbox"/> OPEN	<input type="checkbox"/> OPEN PENDING PROSECUTION
<input checked="" type="checkbox"/> AIGINV		<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
<input checked="" type="checkbox"/> Component	BOP	Date of Previous Report:	
<input type="checkbox"/> USA			
<input checked="" type="checkbox"/> Other	DCIS		

**SYNOPSIS**

This joint Office of Inspector General (OIG) and the Defense Criminal Investigative Service investigation was initiated on December 29, 2009, following the receipt of a referral from the Federal Bureau of Prisons on November 16, 2009, regarding an unrelated matter, indicating possible procurement fraud. The referral indicated that the Federal Prison Industries (FPI) located at the Federal Correctional Institution - Medium in Beaumont, Texas, was manufacturing Lightweight Marine Corps Helmets (LMCH) that did not meet contract specifications and were defective. Additionally, the information disclosed numerous other infractions such as problems with documentation, substitution of product for inspection, and the use of substandard materials.

The FPI manufactured the LMCH for the Department of Defense (DOD) from 2008 to 2009, but because of the issuance of the stop work order in February 2010, the FPI did not receive payment for the helmets from the DOD. We found that the FPI had endemic manufacturing problems, and that the helmets were not manufactured according to contract specifications. A review of documentation and interviews of FPI employees and subcontractors as well as scientific examinations disclosed the helmets were defective and posed a potential safety risk to the user. Our investigation found numerous defects including serious ballistic failures, blisters and the repressing of helmets. We also found that the FPI did not maintain the requisite business records or traceability documents as required by the contract. Additionally, the FPI used unauthorized tools and manufacturing techniques as well as damaged or degraded material to make the helmets.

We also found that rejected helmets were sold to the DOD, that helmets were pre-selected for inspection, helmets were substituted in lots to pass testing, and that helmet serial numbers were exchanged. Additionally, we found that the Defense Contract Management Agency (DCMA) inspectors did not perform proper

DATE	October 3, 2014	SIGNATURE	[REDACTED]
PREPARED BY SPECIAL AGENT			
DATE	October 3, 2014	SIGNATURE	by 
APPROVED BY SPECIAL AGENT IN CHARGE		Ronald L. Holland	

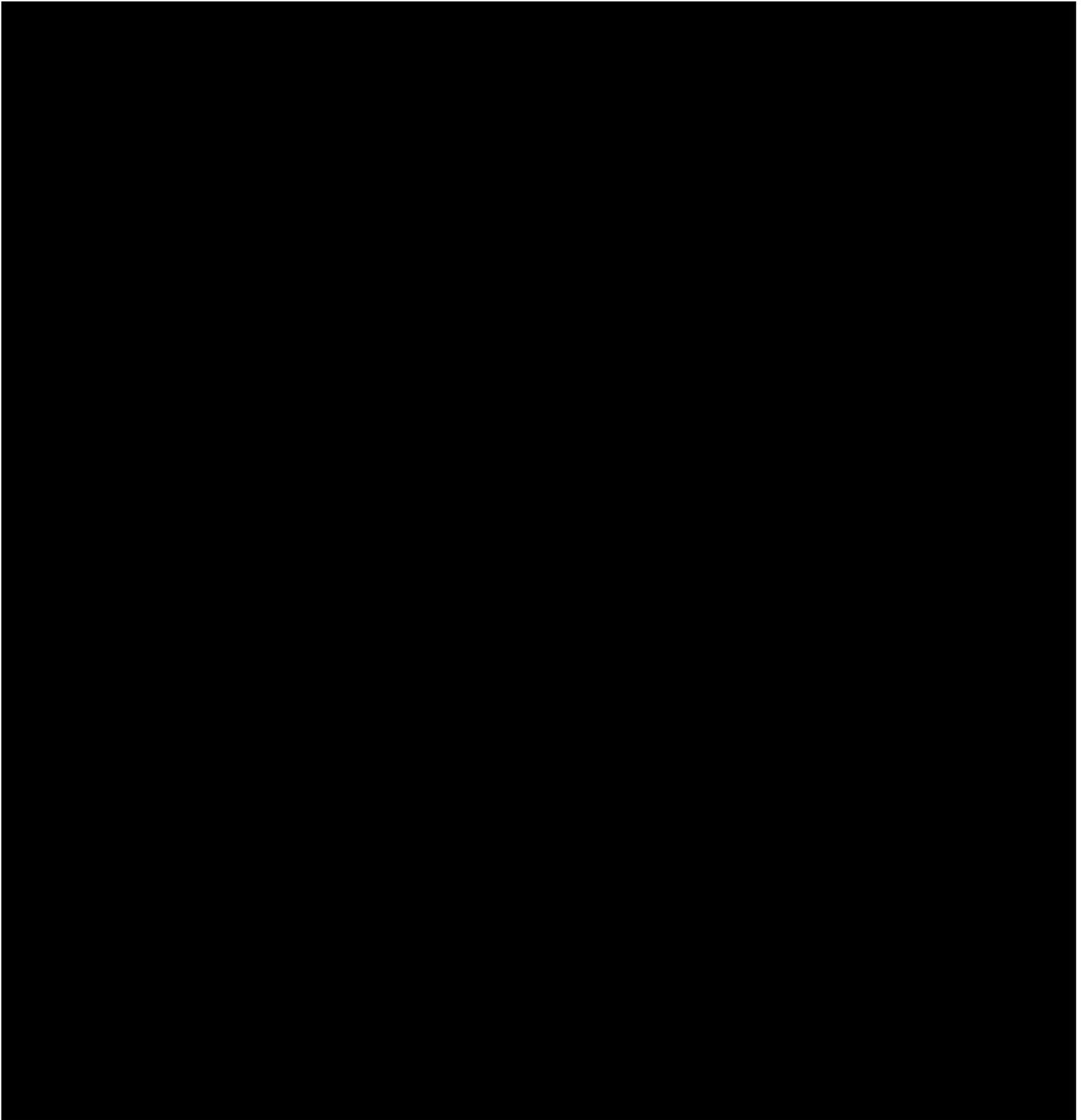
inspections, lacked training, and fabricated or falsified inspection records. FPI staff allowed inmates to make and use contraband weapons and tools, endangering the safety and security of the FPI factory as well as the prison. Also troubling was the development of information that the FPI also manufactured Personnel Armor System Group Troop (PASGT) and the Advanced Combat Helmet (ACH) helmets that had similar manufacturing problems and defects. Our findings led to the quarantine of approximately 23,000 helmets as well as a stop work order, and monetary losses and costs to the government totaling \$19,325,513.07.

This investigation was presented to the [REDACTED], U.S. Attorney's Office, and subsequently to the Department's [REDACTED] and after nearly four years of review, prosecution was declined. This investigation was also presented to the District of [REDACTED], which also declined prosecution. No civil action was pursued against the FPI.

The FPI closed its Beaumont factory after the December 2009 inspection, and all FPI staff was reassigned to other duties within the BOP. [REDACTED]

The OIG has completed its investigation and is providing this report to the BOP for its review and appropriate action.

## ADDITIONAL SUBJECTS



## DETAILS OF INVESTIGATION

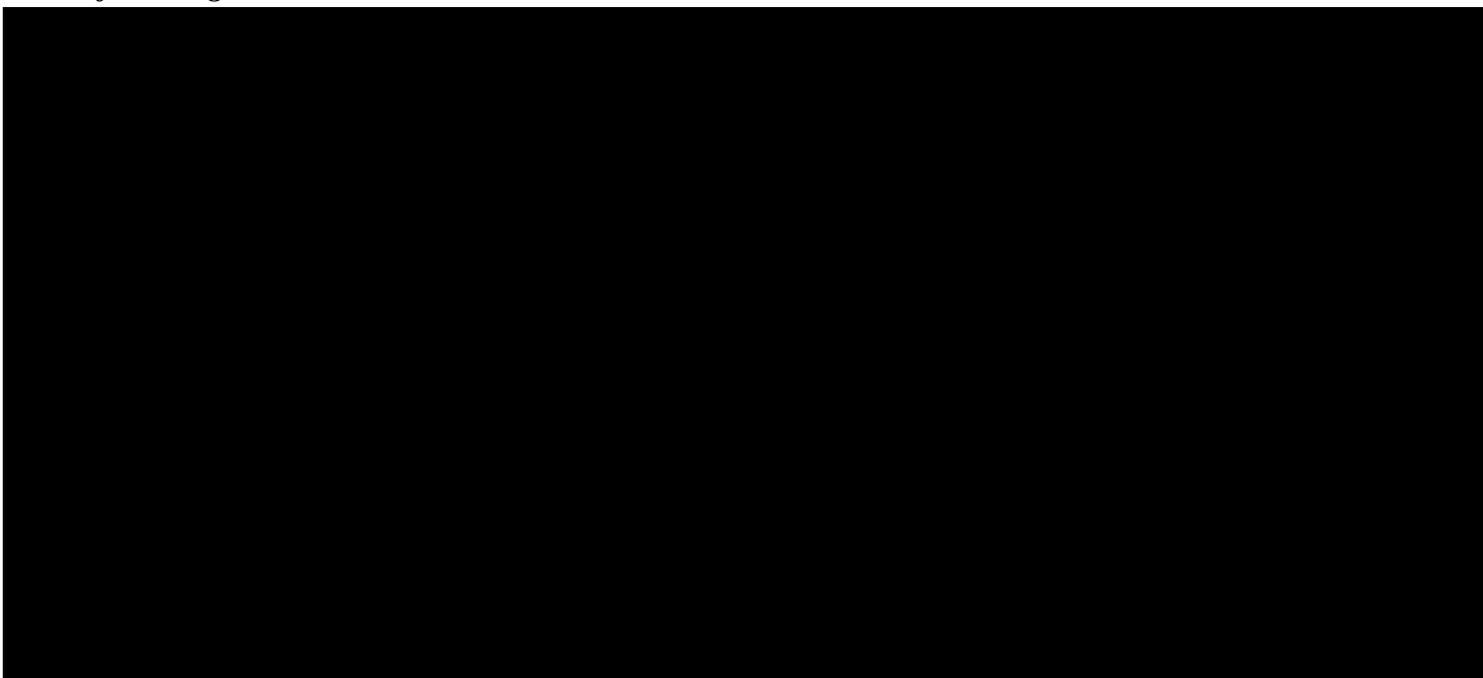
### Predication

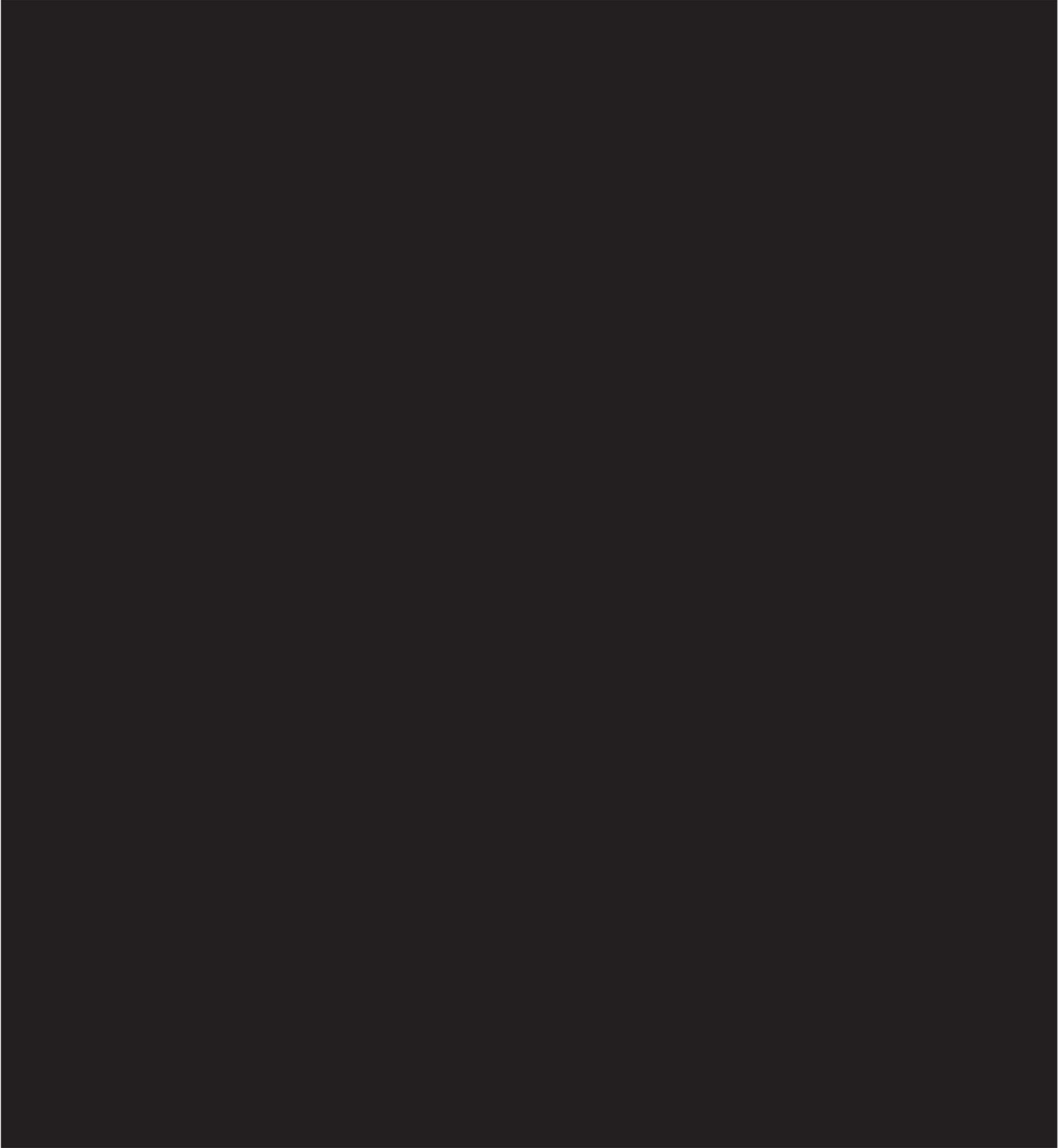
This joint Office of Inspector General (OIG) and Defense Criminal Investigative Service investigation was initiated on December 29, 2009, following the receipt of a referral from the Federal Bureau of Prisons (BOP) on November 16, 2009, regarding an unrelated matter, indicating possible procurement fraud. The referral indicated that the Federal Prison Industries (FPI) located at the Federal Correctional Institution - Medium in Beaumont, Texas, was manufacturing Lightweight Marine Corps Helmets (LMCH) that did not meet contract specifications and were defective. Additionally, the information disclosed numerous other infractions such as problems with documentation, substitution of product for inspection, and the use of substandard materials.

### Investigative Process

This investigation consisted of reviews of the LMCH contract and related modifications and specification documents, including certificates of conformance and work instructions; helmet testing policies and procedures; the LMCH manufacturing process; LMCH test reports and production packets; quality assurance reports and procedures; and shipping documents. Reviews were also conducted of financial, business, and personnel records; e-mails and travel vouchers, and examinations of computer files. Additionally, the investigative team inspected the FPI factory and conducted on-site inspections of helmets; had helmets scientifically analyzed; and reviewed Defense Contract Management Agency (DCMA) records related to the LMCH. In addition, the investigative team interviewed persons with knowledge of the allegations and subject matter.

*The following interviews were conducted:*





## Background

On June 23, 1934, President Franklin D. Roosevelt signed the law that authorized the establishment of the Federal Prison Industries, Inc. (FPI), which was created by Executive Order 6917 issued on December 11, 1934. The FPI commenced operations on January 1, 1935. The FPI is a government corporation that:

- make products for sale exclusively to the federal government that do not compete with private sector companies in the commercial market;
- is sufficiently diversified to avoid undue impact upon any particular industry, and the sale of its products is limited to the federal government;
- pays inmates for their labor from its revenues;
- distributes profits from sales to be deposited to a revolving fund that finances all industrial operations (including capital improvements) and helps subsidize other prison inmate programs; and has a board of directors comprised of personnel from business, labor, agriculture, consumer groups, and government that ensures the FPI does not cause undue hardship on any industry.

The FPI offers more than 175 diverse products and services, encompassing over 4 million square feet of manufacturing space, and employs approximately 13,000 inmates. The FPI is a self-supporting government corporation that uses its proceeds to purchase equipment, pay wages to inmates and staff, and invest in expansion of facilities. The FPI may borrow funds from the U.S. Treasury, but no funds are appropriated for FPI operations. FPI's earnings totaled \$34,335,000 in 2009 and \$14,184,000 in 2010. The FPI's Beaumont factory contributed \$3,900,000 in 2009 and \$3,331,000 in 2010. In 2009, prior to ceasing production in January 2010 as a result of this investigation, the FPI Beaumont factory employed 11 BOP staff and about 200 inmates.

The FPI began research and development of helmets in approximately 1989. In May 2008, the FPI was awarded contract SPM1C1-08-D-C102, a firm fixed price, performance based, indefinite quantity contract to



manufacture the LMCH at an initial cost of \$23,019,629. The price of an LMCH ranged from \$229.13 to \$239.64, depending on the size of the helmet and the term year option. The FPI was the “prime” contractor and solely responsible for the manufacture of the LMCH, and it produced approximately 23,000 helmets of which 3,000 were sold and delivered to the Department of Defense (DOD). However, the helmets were found to be defective, and the FPI did not receive payment for them, and the remaining 20,000 helmets were ultimately quarantined at the FPI.

## **LMCH Product Description**

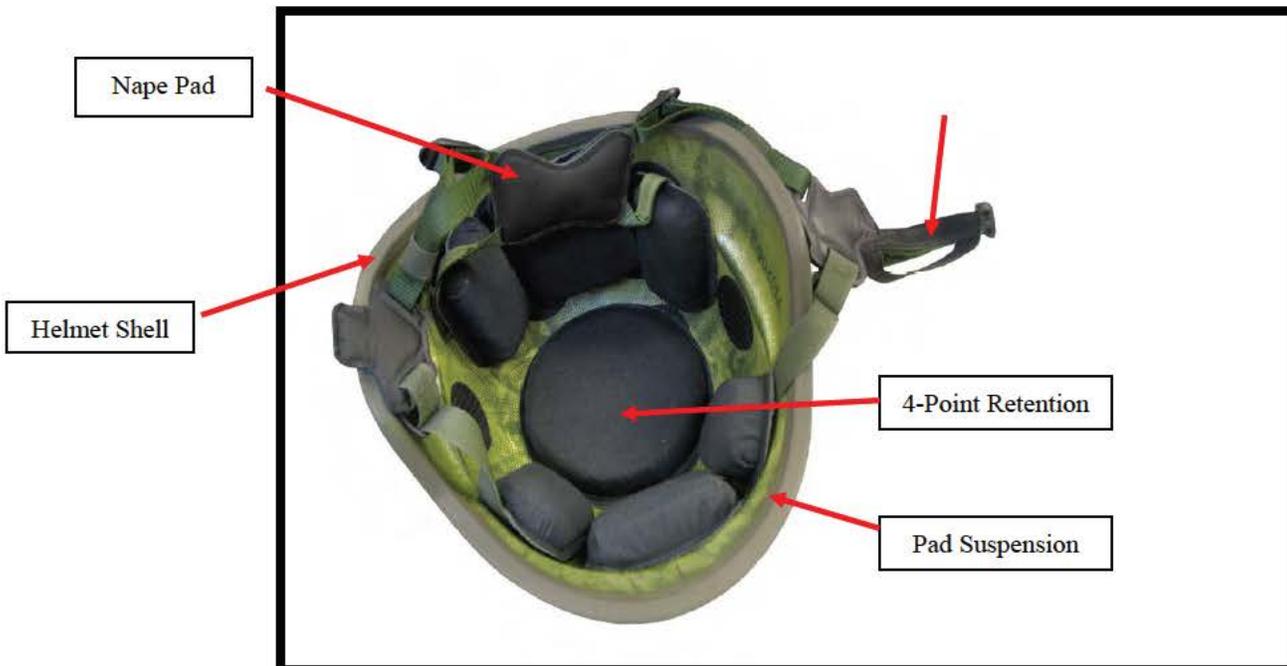
The LMCH replaces the Personnel Armor System Group Troop (PASGT) helmet. The LMCH is larger and offers more protection than the Advanced Combat Helmet (ACH), but it is lighter than the PASGT. The LMCH has brackets on the front for mounting night vision devices, and can be issued with a sling or pad suspension system to fit the inside of the helmet to the head. Additionally, a nape protection system adds ballistic protection to the rear of the head. The LMCH is compatible and typically worn with other components of infantry combat equipment such as body armor, protective goggles, and night vision equipment. The LMCH also provides the following features and benefits:

- area of ballistic coverage exceeds that of the ACH;
- improvement in fragmentation protection over previous PASGT helmet;
- added impact protection over PASGT helmet;
- five ounce average reduction in weight;
- four-point retention offers stability, comfort, and minimizes helmet rotation;
- water resistant pad suspension;
- five sizes available x-small to x-large;
- chinstrap release between 200 lbs. and 300 lbs., static load to prevent neck injury;
- fungus resistant, flame resistant, and chemical field agent resistant;
- projectile mass (grain) 2, 4, 16, 64, 124, (9mm FMJ);
- impact velocity (ft/s, min) 4200, 3500, 2450, 1775, and 1650;
- four-helmet attachment points spaced apart for maximum stability and compatibility with other head-worn equipment;
- large nape pad with foam cushioning and front to back adjustments;
- anchors the helmet securely and prevent forward rotation; and
- removable foam filled pad suspension system for cleaning and replacement.

The LMCH is classified as a “critical safety” item requiring a higher level of review, as nonconforming helmets would likely cause serious injury or death to the wearer. Figures 1 and 2 depict the LMCH and its internal components.



**Figure 1: Light Weight Marine Corps Helmet**



**Figure 2. Lightweight Marine Corps Helmet Components**

The LMCH manufacturing process consists of assembling a predetermined number of preformed Kevlar pattern sets between two Kevlar pinwheels. (The number of pattern sets depends on the size of the helmet.) After

assembly, the pattern sets are sonic welded and then hot pressed to form a helmet shell, and excess material is removed. The helmet shell is then painted and mounting holes are drilled into it using a mechanical drill press. The chinstrap retention system is then attached and inner pad sets are affixed to the interior of the helmet shell. The helmets are weighed and inspected at each manufacturing process station for consistency and adherence to contract specifications. The helmets receive a final inspection before being packaged and sold to the DOD.

## **Manufacturing Procedures and Contract Violations**

This investigation determined through testimony and reviews of documentation as well as scientific examinations that FPI employees did not adhere to the LMCH contract or work instructions. Additionally, FPI employees did not review work instructions and often performed manufacturing tasks without proper training. The investigation also found that the FPI used unauthorized manufacturing techniques such as applying “superglue” to frayed ballistic material around mounting holes and authorized use of improvised “screw tools” to remove ballistic fibers (a process called “cleaning”) and the cutting of ballistic material. Additionally, the FPI used degraded ballistic material to manufacture helmets. Helmets were found to have abnormalities such as blisters, out of weight tolerance, and failed ballistic tests. We found that these practices resulted in helmets that were not manufactured to contract specifications and posed a safety risk that led to a “stop work order” and the quarantine of approximately 23,000 helmets. Additionally, the investigation found the following deficiencies:

- the FPI did not obtain approval from the DOD before it changed the manufacturing process;
- helmets were repressed to remove blisters and bubbles in violation of contract specifications;
- [REDACTED] and [REDACTED] instructed inmates to return rejected helmets to production;
- rejected helmets were sold to the DOD;
- the FPI did not maintain the requisite material and end-product traceability documentation;
- FPI staff and inmates pre-selected helmets for DCMA inspection and approval - the DOD and LMCH contract required helmets to be selected randomly;
- [REDACTED] backdated Certificates of Conformance because they were not prepared or sent with the LMCH shipment as required by the contract; and
- helmet serial numbers were switched or altered.

### ***Recordkeeping***

A review of the LMCH contract disclosed several violations pertaining to recordkeeping. We found that helmet production packets were in disarray and that the FPI did not maintain the requisite material and end-product traceability documentation. Efforts to track raw materials to end products (so called traceability) were unsuccessful because the FPI did not properly inventory manufacturing materials, and did not correlate the materials to end product or production lots as mandated by the contract. The FPI did not maintain records as outlined in the contract, which states:

52.246-2 (Inspection of Supplies -- Fixed-Price): As prescribed in 46.302, insert the following clause: Inspection of Supplies -- Fixed-Price (Aug. 1996)

(a) Definition. "Supplies," as used in this clause, includes but is not limited to raw materials, components, intermediate assemblies, end products, and lots of supplies.

(b) The Ktr shall provide and maintain an inspection system acceptable to the Gov't covering supplies under this contract and shall tender to the Gov't for acceptance only supplies that have been inspected in accordance with the inspection system and have been found by the Ktr to be in conformity with contract requirements. As part of the system, the Contractor shall prepare records evidencing all inspections made under the system and the outcome. These records shall be kept complete and made available to the Gov't during contract performance and for as long afterwards as the contract requires.

(k) Inspections and tests by the Gov't do not relieve the Ktr of responsibility for defects or other failures to meet contract requirements discovered before acceptance. Acceptance shall be conclusive, except for latent defects, fraud, gross mistakes amounting to fraud, or as otherwise provided in the contract. (sic)"

### ***Rejected Helmets Sold to the DOD***

In numerous OIG interviews, both inmates and staff said [REDACTED] instructed inmates to return rejected helmets to production. Numerous inmates also said [REDACTED] and [REDACTED] instructed them to repair blisters and bubbles and to pass helmets that should have been rejected. For example, inmate [REDACTED] said he rejected helmets that were repaired or overweight, but [REDACTED] and [REDACTED] instructed him to put them back into production. [REDACTED] provided the OIG with copies of weight sheets that identified rejected helmets placed back into production. [REDACTED] told the OIG that he saw inmates repairing bubbles and blisters by pressing the air out with their fingers and hitting the blisters with hammers. [REDACTED] also heard [REDACTED] tell inmates to repair every helmet that had blisters or bubbles.

An analysis of the 3,000 helmets shipped to the DOD showed that 365 helmets previously rejected by the FPI were part of that shipment. In an OIG interview, [REDACTED] said he was unable to correlate the production packet information with the spreadsheet he created because the seven-digit production packet numbers did not correspond to the lot numbers on his spreadsheet. Efforts to analyze and reconcile electronic production lot records with actual production records were unsuccessful due to the FPI's poor recordkeeping.

### **Testing and Inspections**

In numerous interviews, inmates said they were instructed by [REDACTED] and [REDACTED] to strip and cut ballistic material, and use other unauthorized processes to repair helmets. This information was corroborated by scientific examinations of helmets as discussed below. Additionally, due to the numerous defects such as blisters and the use of unauthorized manufacturing processes and tools, samples of helmets underwent ballistic and non-ballistic testing to determine the safety of the helmets and adherence to specifications and contractual requirements. This testing disclosed the helmets failed ballistic tests, and that the ballistic failures were so severe that ballistic testing was stopped. The ballistic test failures and other helmet abnormalities ultimately led to a stop work order and the quarantine of all LMCH.

### *Inspection of the FPI Factory*

On December 15, 2009, the OIG and DCIS inspected the FPI Beaumont factory and seized numerous items of evidence, including “screw tools,” damaged and solidified Kevlar panels reference Figure 3, toothpaste, helmets, and numerous documents. We found that the FPI bought and used Kevlar in 2007 and 2008 to produce ACH helmets, but when it did not pass the first article tests, the FPI used the Kevlar to manufacture LMCH helmets. This Kevlar was improperly stored in a non-climate controlled warehouse in Beaumont that was exposed to excessive heat for prolonged periods of time, and sustained water damage from a hurricane. The improper storage and exposure to these poor climate conditions caused the resin in the Kevlar to bind and delaminate. Because of the condition of the degraded Kevlar, the FPI experienced overweight issues and blistering. [REDACTED] asked Sioux Manufacturing Incorporated in Fort Totten, South Dakota, to cut the material, but it refused. [REDACTED] then sent the Kevlar to ArmorSource, Incorporated in Hebron, Ohio, and it cut the material to reduce the weight. In 2010, the FPI wrote off the Kevlar as defective that totaled \$18,423,853.07.



**Figure 3. Kevlar bonded together.**

### *Visual Inspection of Helmets*

On February 16 and 17, 2010, the OIG and the DCIS inspected 3,000 helmets shipped to the DOD at the Defense Supply Center Philadelphia (DSCP) in Susquehanna, Pennsylvania. During the inspection, 184 helmets were selected randomly for testing. [REDACTED] assisted in the helmet inspection, and said that approximately 1,500 helmets (half of the 3,000 helmets) had visual defects, including blisters, bubbles, creases, loose material, and missing serial number tags.

During the week of March 22 - 25, 2010, the DCMA conducted an audit of the FPI Beaumont factory and issued a Level III Corrective Action Request that showed the FPI was not in compliance with the contractual requirement to maintain a quality system. The audit cited the following non-conformance issues:

- failure of management to assure the continued health of the Quality Management System;
- corrective action taken was not adequate or sufficient to correct or prevent a deficiency;
- failure to follow quality procedures;
- lack of document control of quality procedures;
- inadequate quality procedures;
- no exclusions listed in the Quality Management Scope (QM-4220) concerning design authority;
- inadequate, outdated, or missing training documentation; and
- failure to segregate and dispose of non-conforming material and products.

### ***Ballistic and Non-Ballistic Results***

In February 2010, following the inspection of 3,000 helmets at the DSCP, 184 helmets were selected randomly, and 64 of those helmets were sent to Natick Project Manager Soldier Protection Equipment (Natick) in Natick, Massachusetts, for testing. Natick develops and fields state-of-the-art force protection equipment that defeats ballistic and fragmentation threats. Natick reported that 7 out of 23 helmets (30 percent) failed standardized ballistic tests. The ballistic failures were so severe that all of the helmets shipped to the DOD were quarantined as were the approximately 20,000 helmets at the FPI factory. Natick found that of the 64 helmets it tested, 1 was overweight and approximately 32 had blisters, mounting hole diameters that were out of tolerance, and fibers had been stripped from the pattern sets as seen in Figure 4.



**Figure 4. Areas of stripped Kevlar.**

### ***Stop Work Order***

The variety of identified problems with the LMCH resulted in the quarantine of approximately 23,000 helmets as well as the DOD issuing a stop work order in February 2010, at a cost to the government of \$19,325,513, and no delivery of helmets to the U.S. Marine Corps.

The OIG and DCIS developed similar allegations concerning the FPI's manufacture of ACH and PASGT helmets, reference OIG Files 2010-001969 and 2010-007817, respectively. The PASGT allegations were forwarded to the Army Criminal Investigation Command for review. Ultimately, 31,089 PASGT were recalled from 13 different allied countries at a cost of over \$8 million. The DOD recalled 126,052 ACH helmets, and the government incurred monetary losses and costs totaling \$19,083,959. We found that both the ACH and PASGT had similar defects and deficiencies in the manufacturing processes, including abnormalities in helmets, ballistic failures, cutting and stripping of ballistic material, and unauthorized repressing of helmets.

## DCMA Helmet Inspections

This investigation determined through testimony and a review of documentation that FPI staff pre-selected helmets for ballistic and non-ballistic testing. The investigation also determined [REDACTED] falsified Department of Defense (DD) Forms 1222 (Request for and Results of Tests) and DD Forms 250 (Material Inspection and Receiving Report) by signing the forms without inspecting the helmets listed on them. Additionally, [REDACTED] recreated inspection documents after being interviewed by investigators, and did not follow established LMCH inspection and acceptance protocols.

During the course of this investigation, the DCIS and OIG interviewed [REDACTED] on three separate occasions. In a December 11 and 14, 2009, OIG interview and in his affidavit, [REDACTED] said he was colorblind, was unable to determine the color of the LMCH, and was unfamiliar with his duties. In a subsequent interview on September 24, 2010, and in a second affidavit, [REDACTED] said he prepared certain inspection documents months after he conducted the inspections, and believed it might have been after this investigation was initiated. [REDACTED] reluctantly admitted that he backdated inspection documents to augment his files. In a July 21, 2011, DCIS interview and in his third affidavit, [REDACTED] said he had memory lapses and could not recall whether he examined an entire helmet lot during his inspections or if he examined a sample of helmets set out for him. [REDACTED] acknowledged that it appeared that he did not do his job.

### *Helmet Pre-Selection*

The OIG found through testimony of staff and inmates that FPI staff and inmates pre-selected LMCH helmets for inspection by [REDACTED], who was selecting helmets from a pre-determined sample of helmets that did not constitute a random sample from a lot. We also found that:

- [REDACTED] did not properly perform helmet inspection and, on occasions, executed DOD Forms DD-250 and DD-1222 falsely stating inspections were completed, and then mailed or faxed the forms to the FPI;
- there were instances where the DCMA approved helmet lots that had not yet been manufactured;
- [REDACTED] altered DCMA internal documents with the intent to impede, obstruct, or influence this investigation; and
- fabricated records such as "Contract Review with Acceptance Criteria" sheets to falsely indicate he properly conducted inspections.

## Contraband Items

This investigation determined through testimony, inspections, and review of documentation that inmates manufactured unauthorized weapons and tools (“hatchets” and “screw tools”), and that FPI staff allowed inmates to use these contraband items without any controls in complete disregard of BOP and FPI policies. The use of these contraband items adversely affected prison security as well as the safety of inmates and staff and factory visitors. We found that FPI staff was aware of the “hatchets” and “screw tools,” and that inmates used materials from the factory to make these items with staff oversight. ██████ authorized the “hatchets” to remove paint from helmets. Figures 15 – 17, depict the contraband items. Our investigation also determined that:

- ██████, and ██████ allowed inmates to make “hatchets” and “screw tools” in violation of BOP and FPI policies;
- ██████, and ██████ allowed inmates to use “hatchets” and “screw tools” to manufacture helmets, contrary to contract specifications;
- ██████ and ██████ were in charge of the FPI when inmates made these contraband items;
- ██████, ██████ and ██████ acknowledged the “hatchets” and “screw tools” could be used as weapons;
- ██████ and ██████ failed to report the existence or use of these weapons;
- the “hatchets” “screw tools” were not secured or inventoried and
- toothpaste tubes were found in the paint and glue area.

██████ admitted seeing the “hatchets” used by inmates and said he stopped their use and confiscated them. However, ██████ actually reported the “hatchets” on December 21, 2012, to ██████

██████ told the OIG there were no “hatchets” at the FPI, that they were not needed, and that the “hatchets” would constitute a weapon. However, ██████ said ██████ only authorized the use of metal plates to remove paint from helmets.

In his OIG interview, ██████ admitted authorizing inmates to use metal plates to remove paint from helmets, but denied authorizing inmates to attach the metal plates to wooden handles to make “hatchets.” ██████ also admitted that he did not have DOD approval to use these items in the manufacturing process.

In separate OIG interviews and in their respective affidavits, ██████, and ██████ admitted seeing inmates use “screw tools” to strip ballistic material, and did not report it. ██████ and ██████ said inmates were using the “screw tools” to strip Kevlar, and told the OIG were in the bottom of a trash can located in a closet.



**Figure 5: "Screw Tool."**



**Figure 6: Hatchets.**

## Policy Reviews

This investigation found that the FPI was in violation of several relevant BOP and FPI policies as well as applicable institutional supplements.

- BOP Program Statement (PS) PS5580.07, Personal Property, Inmate, Section 10 (Contraband 553.12), (1): "Staff shall consider as hard contraband any item which poses a serious threat to the security of an institution and which ordinarily is not approved for possession by an inmate or for admission into the institution. Examples include knives or tools not provided in accordance with the Correctional Services Manual."

- PS5580.07 Section 10 (Procedures for Handling Contraband): “Staff shall seize any item in the institution which has been identified as contraband whether the item is found in the physical possession of an inmate, in an inmate’s living quarters or in common areas of the institution.”
- BOP Complex Supplement BMX 5500.12.2B (Tool Control), Section 2 (A) (Program Objectives): “The use of tools in escape attempts, weapons manufacture, or situations hazardous to institution security or individual safety will be prevented.”
- BMX 5500.12.2B, Section 7A: “All tools regardless of the classification will be properly maintained by the employee responsible and accounted for at all times.”

BMX 5500.12.2B Section 8: “Complete tool inventories will be conducted in all areas of the complex during the month of January of each calendar year. If a change is to be made to a tool inventory, a memorandum must be submitted by the staff member through his Department Head and Tool Room Officer to the Captain and/or a Deputy Captain. All signatures of approval must be on the memorandum before the change can be made.”

- BMX 5500.12.2B Section 9: “No shop personnel or inmates will be permitted to manufacture any tool or parts thereof for any purpose until all efforts to obtain an acceptable tool on the market have been exhausted. In the event it becomes necessary to fabricate a specific purpose tool, prior approval must be obtained from the Complex/Deputy Captain and the completed item will be handled through the Central Tool Room. Walk-through metal detectors and routine pat searches will be used to screen inmates assigned to Facilities and UNICOR as well as other manufacturing areas.”
- The FPI Inmate Handbook, Section 8, specifies that: “All workers are required to follow established procedures regarding the tool room and use accountability tools. All tools will be turned in during tool call and at all times prior to leaving the factory for any reason. No tools will be issued to any worker in the factory without any chits.”

## Conclusion

The FPI manufactured the LMCH for the DOD from 2008 to 2009, but because of the issuance of the stop work order, the FPI did not receive payment for the helmets from the DOD. We found that the FPI had endemic manufacturing problems, and that the helmets were not manufactured according to contract specifications. A review of documentation and interviews of FPI employees and subcontractors as well as scientific examinations disclosed the helmets were defective and posed a potential safety risk to the user. Our investigation found numerous defects including serious ballistic failures, blisters and as well as the repressing of helmets. We also found that the FPI did not maintain the requisite business records or traceability documents as required by the contract. Additionally, the FPI used unauthorized tools and manufacturing techniques as well as damaged or degraded material to make the helmets.

We also found that rejected helmets were sold to the DOD, that helmets were pre-selected for inspection, helmets were substituted in lots to pass testing, helmet serial numbers were exchanged, and that the DCMA inspectors did not perform proper inspections, lacked training, and fabricated or falsified inspection records. FPI staff allowed inmates to make and use contraband weapons and tools, endangering the safety and security of the FPI factory as well as the prison. Also troubling was the development of information that the FPI also manufactured PASGT and ACH helmets that had similar manufacturing problems and defects. Our findings led to the quarantine of approximately 23,000 helmets as well as a stop work order, and monetary losses and costs to the government totaling \$19,325,513.07.

## Legal Coordination

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The OIG has completed its investigation and is providing this report to the BOP for its review and appropriate action.