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UNITED STATES GENERAL ACCOUNTING OFFICE
REGIONAL OFFICE
9226 FEDERAL BUILDING, SIXTH AND ARCH STREETS
PHILADELPHIA, PENNSYLVANIA 19106

November 19, 1974

Mr. William A. Daniels
Superintendent of Industries
Federal Prison Industries, Inc.
Federal Prison Camp, Allenwood
Montgomery, Pennsylvania 17810



Dear Mr. Daniels:

The General Accounting Office has examined the financial statements of the Federal Prison Industries, Inc., (FPI), Federal Prison Camp, Allenwood, for the fiscal year ended June 30, 1974. The examination was made pursuant to the Government Corporation Control Act (31 U.S.C. 841).

In connection with our examination we also reviewed the results of a recent audit performed by the Department of Justice's Internal Audit staff, Office of Management and Finance, for financial activities through February 28, 1974. In addition, we made a limited evaluation of FPI's management of its working capital with particular concern to cash and inventories,

Our review was made in accordance with generally accepted auditing standards and included such tests of accounting records of the custom furniture factory as we considered necessary in view of the nature and volume of transactions and effectiveness of internal controls.

At the conclusion of our examination, we discussed the results of our work with you and the Warden, U.S. Penitentiary. Corrective actions were taken on all matters. We also discussed our limited evaluation of the management of working capital which did not disclose any unusual problems.

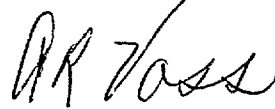
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We wish to acknowledge the cooperation extended to our representatives by your civilian and inmate personnel during our review.

Copies of this letter are being sent to the Assistant Attorney General for Administration, Department of Justice, Washington, D.C.; the Commissioner, Federal Prison Industries, Inc., Department of Justice, Washington, D.C.; the Warden, U.S. Penitentiary, Lewisburg, Pennsylvania; and the Superintendent, Federal Prison Camp, Allenwood, Pennsylvania.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "AR Voss".

Allen R. Voss
Regional Manager