

“Employment and Training Enterprises Corporation Act”

Act No. 47 of August 6, 1991, as amended,

(Contains amendments incorporated by:

Act No. 43 of July 31, 1992

Act No. 115 of August 11, 1966

Act No. 4 of January 4, 2000

Act No. 302 of December 25, 2002

Act No. 150 of June 27, 2003

Act No. 478 of September 23, 2004

Act No. 133 of September 28, 2007

Act No. 118 of October 7, 2009)

(Amendments non-incorporated:

Act No. 205 of December 29, 2009

Act No. 4 of January 4, 2010

Reorganization Plan No. 2 of November 21, 2011

Act No. 253 of December 16, 2011)

To create the Employment and Training Enterprises Corporation and provide for its purposes, objectives, powers, duties and faculties and its clients; provide for the Employment and Training Enterprises Corporation Consulting Board; the appointment of the Executive Director; provide for his/her powers and faculties; provide for the custody, protection and remuneration of the participants; provide for the creation of special funds, reports, transfers, and to repeal Act No. 117 of July 22, 1974, as amended, which created the Correctional Enterprises Corporation, repeal subsection (z) of Section 6 of Title II, and Title XI of Act No. 116 of July 22, 1974, as amended, known as Organic Act of the Correctional Administration, and for other purposes.

STATEMENT OF MOTIVES

The Commonwealth of Puerto Rico has always recognized that employment and training programs constitute one of the most valuable instruments for treatment in the moral and social rehabilitation process of inmates.

It is precisely in view of the marked importance and significance that these programs have had, that Act No. 505 of April 30, 1946, was approved, to create the Puerto Rico Prison Industries Corporation. Its purpose was to provide diversification of employment to the inmates of penal institutions, as well as training and teaching them trades and occupations; authorizing the establishing of industries for the production of consumer goods and objects in penal institutions, or for their sale to departments and establishments.

Industries sponsored under said legislation could be established, not only within the premises of any penal institution, but also in any other convenient place in which they could be built, or adequate property for such purposes could be acquired. Income derived from the sale of goods produced by the Corporation's programs was covered into a special fund which could be directed to defray the cost of purchasing, constructing or repairing buildings, machinery or industrial equipment, purchase of raw material, compensation of the inmates employed in these industries, or payment of the officials and employees' salaries. All this effort was directed to enable the largest number of inmates to defray the expenses of their imprisonment by the fruit of their labor, to provide for the support of their families, to attenuate the consequences of their crime on their victims, acquire some knowledge or skill in trades or occupations to provide them with the means to earn a living upon their release, and create a savings fund for them to have on their return to the community.

In 1948, the legislation was extended in this area in order to promote agricultural production in the Island's penal institutions, and regulate the sale of said products. This action responded to the acknowledgement that a large part of the population imprisoned in the penal institutions at that time had agricultural knowledge and skills that could not be developed in shops and other workplaces in said institutions.

Along this same course, the Correctional Enterprises Corporation was created as part of the Judicial System Reform which took place in 1974. At that time, Act No. 117 of July 22, 1974, endowed the Corporation with the resources, faculties and flexibility to allow maximum expansion and development in benefit of the largest number of inmates. This legislative reform placed emphasis on industrial and technological training as a complement to the agricultural activities that were being developed up to that time.

Upon evaluating the legal framework and scope of the employment and training programs for inmates we presently have, the need arises to modify these offerings substantially for the following reasons:

1. The dramatic changes that have been recorded in the characteristics of the penal population, and the number of inmates and those released from the penal institutions, have required the government to give priority to the consideration of everything connected with this sector, in terms of the programs, budget, and resources of the criminal Justice system.

2. The unprecedented increase of the penal population has made it necessary to extend the capacity of the employment and training programs to accommodate a larger number of clients, and thus provide the convicts with occupations for their free time.

3. The existing employment and training programs should not be addressed exclusively to the clients of the correctional system who are confined. The reason for this is that the rehabilitating efforts that are initiated while the convict is confined in a penal institution would be impaired if the convict who is returned to the free community, is not able to incorporate him/herself to productive life either through remunerated employment or by developing his/her own enterprise or trade.

4. Experience has shown that inmates who return to the free community after serving their sentence, as well as those who have been granted suspended sentence, parole, or other study and work programs for inmates under probation, have serious limitations to develop legitimate lucrative activities, obtain a job and be admitted to educational programs.

5. The juvenile justice system has faced similar situations and problems in the case of those transgressors who are minors, whether they are in juvenile institutions, or those who

have been located in half-way house programs, are under the supervision of their relatives, or in other rehabilitation programs.

For the above reasons, this Legislature deems that it is necessary to create a new government entity to replace the Correctional Enterprises Corporation, which we are interested in endowing with broad faculties and duties to propitiate the attainment of these objectives in the shortest time possible, and in benefit of the largest number of clients of the conventional system, as well as the convicts and transgressing minors who seek to avail themselves of the new employment and training programs which take into consideration the treatment needs they require.

The main purpose of this legislation is to extend the employment and re-education opportunities of the correctional and juvenile justice system's clients, as well as any transgressing minor or ex-convict who is in the free community or under any of the suspended sentence, parole or probation, rehabilitation or re-education treatment programs or a half-way house program.

Be it enacted by the Legislature of Puerto Rico :

Section 1. — Brief Title. (4 L.P.R.A. § 1521 note)

This Act shall be known as the "Employment and Training Enterprises Corporation Act".

Section 2. — Definitions. (4 L.P.R.A. § 1521)

For the purposes of this Act, the following terms and phrases shall have the meanings stated below:

- (a) *Corporation.* — Means the Employment and Training Enterprises Corporation.
- (b) *Executive Director or Director.* — Means the person who is responsible for the general administration of the Corporation.
- (c) *Governor.* — Means the Governor of the Commonwealth of Puerto Rico.
- (d) *Advisory Board or Board.* — Means the Corporation's Advisory Board.
- (e) *Participants.* — Means the beneficiaries of the Corporation's programs and activities.

Section 3. — Creation of the Corporation. (4 L.P.R.A. § 1522)

The Employment and Training Enterprises Corporation is hereby created, which shall be the government dependency responsible for exercising the functions and powers directed to providing training, entrepreneurial development, with special emphasis on cooperative organizations, and employment experiences for the clients of the correctional system, to wit, of the Corrections Administration and the Juvenile Institutions Administration, following the procedures established in this Act.

Section 4. — General objectives of the Corporation. (4 L.P.R.A. § 1523)

The Corporation shall be charged with establishing the programs and activities authorized by this Act, to the extent its resources allow, in benefit of the following persons:

(a) Clients who are imprisoned by virtue of a sentence or order, in the facilities and institutions of the Correctional Administration or Juvenile Institutions Administration, subject to compliance with the constitutional and legal provisions that forbid the imprisonment and the transfer of minors together with adult convicts.

(b) Transgressing minors and convicts who are in the free community under any suspended sentence, parole, probation, rehabilitation or reeducation treatment, or half-way house programs.

(c) Any adult or minor who is in the free community after having served his/her sentence or court order, or has been pardoned.

(d) Any minor or adult who is participating in a prevention, training or rehabilitation program of the Administration of Mental Health and Addiction Services, or a duly-licensed private institution.

For the attainment of these objectives, the Corporation shall establish the systems and projects that will improve the productivity and competitiveness of these programs, and the real capacity to integrate the persons who have completed their programs and services to the socioeconomic system of our country, in order to ameliorate the problem or the high level of unemployment faced by the convicts and transgressing minors and those who have been discharged from juvenile institutions.

The Corporation shall have the task of innovatively planning and diversifying the training, entrepreneurial development, [preferably in the cooperative sphere], and employment activities of these clients for the purpose of developing in all participants a positive attitude towards work as well as their self-esteem and a sense of self-improvement, leadership and good citizenship. In this manner, the most effective means for allowing the participants of these programs to contribute with their efforts or work to cover the expenses for their support and that of their families, give retribution to the victims of their crimes, encourage saving for the moment when the inmates and transgressing minors in custody are returned to the free community and contribute to cover the expenses of the programs of the Corporation and those of the corrections and juvenile justice systems.

Section 5. — Duties and faculties of the Corporation. (4 L.P.R.A. § 1524)

To achieve the purposes and objectives listed in this Act, the Corporation, during its effective term and to the extent its resources so allow shall have the following powers and duties:

(a) Adopt, alter and use a corporate seal of which juridical cognizance shall be made.

(b) Sue and be sued.

(c) Draw up contracts and execute all instruments that are necessary and convenient in the exercise of its powers.

(d) Decide the nature and need of all its expenses and the manner they shall be incurred, authorized and paid.

(e) Render services, technical assistance and the use of its real property and chattels, with or without compensation.

(f) Determine, fix or alter taxes, rentals, and other imposts for the use of the facilities, equipment or services rendered or furnished by the Corporation, whether to public corporations, government agencies, or private enterprises.

- (g) Bring civil or criminal suit when necessary or proper.
- (h) Exclusively control its properties and activities and establish its own accounting system for the adequate control and registration of all its operations.
- (i) Acquire by any legal means, any chattels and real property, corporeal or incorporeal, or any right or interest thereon; retain, keep, use and operate them; and sell or lease such property, to carry out the ends and purposes of this Act.
- (j) Submit to the Office of the Management and Budget the Corporation's budget petition which specifies the amount of resources needed, its working plan, the use to be given to the funds, and including any other sources of revenue.
- (k) Adopt regulations to govern its activities and exercise the powers granted by this Act.
- (l) Identify the skills, abilities and needs of the participants and stimulate their interest in benefiting from the training and entrepreneurial development and employment activities, preferably in the cooperative sphere, that are developed by the Corporation. To do so, the Corporation shall use as input the information that the Corrections Administration and the Juvenile Institutions Administration have on this particular matter and any other data the Puerto Rico Cooperative Development Commission may gather.
- (m) Provide for the participants of its programs, to the extent its resources so allow, the most extensive opportunities for acquiring the knowledge and skills that will allow them to perform the functions of gainful employment or devote themselves to an artisanal trade, occupation or work or to a cooperative, commercial, industrial, agricultural or service enterprise, directing these offerings to respond adequately to the demands of the market and to needs of the correctional or the juvenile justice system and offer the training that will provide continued improvement.
- (n) Design educational and training offerings in coordination with the Department of Education, the Puerto Rico Cooperative Development Commission or with any other educational body of the Government of the Commonwealth of Puerto Rico, in order to expedite the integration of the participants to the labor market or to devote themselves to a trade or occupation on their own.
- (n) Provide, on its own, or through other agencies of the government, the municipalities, instrumentalities or public corporations, for profit or nonprofit private persons or entities, such gainful work experiences in technical, occupational, vocational, industrial, service, animal husbandry, agricultural, and artisanal areas, and the establishment of workshops, camps, small businesses, cooperatives, special employee-owned corporations, special partnerships and other initiatives, that channel the participants' capacity and skills for self-employment; and offer, to the extent possible, advice, and the technical and financial assistance needed to attain the objectives of this Act.
- (o) Organize, establish and operate its activities within the premises of the facilities, classrooms, workshops, camps, farms, schools or institutions of any other nature that the Correctional Administration and the Juvenile Institutions Administration operate directly or sponsor, or in any other place that is convenient or adequate, whether it belongs to a for profit or nonprofit public or private per-son or entity. In order to ensure compliance with the institutional safety standards, the Corporation shall observe and give priority attention to such norms, conditions and requirements related to these matters that the Correctional Administration and the Juvenile Institutions Administration may establish.

(p) Coordinate its activities with public agencies, corporations or instrumentalities, municipalities, for profit or nonprofit public or private persons or entities, by contracts or collaboration agreements, and promote the review of any order, requirement, regulations or norm of the Correctional Administration or the Juvenile Institutions Administration, or of any other government or private entity which prevents or hinders the access of the participant to any activity that is consistent with the objectives of this Act.

(q) Expedite the placing of the participants of the Corporation's programs in gainful employment available in the community, by using government or private occupational information systems or keeping an updated registry of the participants that are eligible for these jobs, and of the available employment and training opportunities.

(r) Receive, solicit and accept gifts and contributions of money, goods, services or others, of the Government of the Commonwealth of Puerto Rico, the federal government, or private sources, to carry out the purposes of this Act under the conditions established by law, regulations, or applicable agreements or contracts. To do so, it may sponsor projects originated under federal or state laws, and acts as a delegating or delegatory agency and supervise the use of the funds thus acquired, unless otherwise provided by laws, regulations, agreements or contracts.

(s) Manufacture for the Department of Transportation and Public Works and any other public or private entity concerned, the license plates to be used on any motor vehicle or trailer.

(t) Perform all incidental acts that are necessary and convenient to implement the powers conferred by this Act or any act in effect in the Commonwealth of Puerto Rico.

Any action, activity, or program that it carries out for the participants to achieve the objective of obtaining abilities and skills pursuant to the provisions of this Act, shall be coordinated and articulated normatively and programmatically with the Occupational-Technological Education Council as provided in Section 6 of Act No. 97 of December 18, 1991 [18 L.P.R.A. 1585].

Section 6. — Advisory Board, Creation and Duties. (4 L.P.R.A. § 1525)

The Employment and Training Enterprises Corporation Advisory Board is hereby created with the purpose of constituting a task force of the heads of government agencies mainly responsible for offering direct services to the Corporation's clients, and by citizens who represent the public interest. The Advisory Board's functions shall be to collaborate with the Director in complying with the objectives of this Act, and expedite the coordinated efforts of the agencies directly concerned with the rehabilitation and resocialization of the clientele.

The Board shall evaluate those matters related to the operation and functioning of the Corporation referred by the Director, and draft the recommendations that it deems proper to ensure compliance with this Act and any other applicable statutes.

The Board shall be constituted by the Secretary of Department of Corrections and Rehabilitation, who shall preside, the Administrator of the Corrections Administration, the Administrator of the Juvenile Institutions Administration, the Secretary of the Department of Justice, the Commissioner of the Puerto Rico Cooperative Development Commission, the Administrator of the Mental Health and Addiction Services Administration, the Secretary of the Department of Education, the Administrator of the Right to Employment Administration, the Deputy Administrator of the Puerto Rican Industries Promotion Administration of the

Industrial Development Administration, the Administrator of the Future Workers Employees and Training Administration, the Chairperson of the Occupational Development and Human Resources Council, or their authorized representatives who shall have the capacity, knowledge and decision making power to effectively represent the executive official they represent. The designees must respond directly to the Head of the Agency, who shall in turn be responsible for the determinations reached by the Board. Two (2) citizens appointed by the Governor shall also be members of the Board.

The citizens of the public interest shall be persons of known interest, professional prestige and experience in the areas of finance, management and business administration who have shown an interest in the rehabilitation and reeducation of the clients the Corporation is concerned with.

The initial appointments of the members of the Advisory Board who are citizens of the public interest, shall be one for the term of two (2) years and three (3) years, respectively. Successive appointments shall be for terms of four (4) years.

In case of resignation, removal, death or disability of the public interest representatives, the Governor shall appoint the members to succeed them who meet the above qualifications.

The Advisory Board shall approve the regulations for its internal operations. The regulations shall authorize the reimbursement of expenses and payment of per diems that shall not exceed fifty dollars (\$50), to each member for each day that they attend Board meetings or perform official duties. The payment of per diems shall apply only to those Board members who are not public officials or employees.

In addition to the duties and responsibilities that this Act assigns to it, the Advisory Board shall perform the following functions:

- (a) Receive and attend to all matters related to the operation and functioning of the Corporation referred by the Executive Director and draft those recommendations it deems are proper, pursuant to the purposes of this Act.
- (b) Evaluate the operations of the Corporation in order to draft recommendations to the Executive Director to achieve the objectives of this Act.
- (c) Be responsible for facilitating and permanently maintaining the needed coordination between the government agencies represented on the Board, and the Corporation.
- (d) Promote direct preferred purchasing of products, goods and services produced by the Corporation in all agencies, departments, instrumentalities and public corporations as well as in the municipalities.
- (e) Collaborate with the Executive Director in collecting money and accounts receivable from the public and private sector which have been transferred by this Act to the Corporation, or that arise as a result of the Corporation's operations as created by this Act.

It shall be the duty of the Advisory Board to hold meetings to attend to and evaluate the matters within its jurisdiction, at least once a month.

The Executive Director shall provide the facilities and technical and administrative assistance required by the Advisory Board to perform its duties.

Section 7. — Appointment of the Executive Director. (4 L.P.R.A. § 1526)

The Executive Director is the person who is responsible for the general management of the Corporation and shall be appointed by the Governor, who shall fix his/her remuneration taking into consideration the salary earned by other officials of similar rank and nature and shall establish the other working conditions. The Executive Director shall hold office at the Governor's volition. He/she shall have broad experience and knowledge as a business administrator or manager in government or the private sector.

The Director shall be the chief executive of the Corporation and shall represent it in all acts and contracts that must be executed. Said official shall execute all duties and powers that are conferred on the Corporation as well as those responsibilities, faculties and authority conferred on him/her by this [chapter], or any other statute.

The Director may appoint a Deputy Director and fix the corresponding remuneration pursuant to the customary practice for positions of a like or similar nature. The Deputy Director shall perform the functions, duties and responsibilities assigned by the Director, and shall act as his/her substitute in case of his/her absence, illness or temporary disability.

If perchance the Director dies, resigns or is removed or separated from office, the Deputy Director shall assume his/her functions, responsibilities, powers and duties as Acting Director until a successor is appointed and takes office.

The Director may avail him/herself of the benefits of the benefits of Act No. 447 of May 15, 1951 as amended, and Act No. 133 of June, 1966. as amended.

Section 8. — Functions and Powers of the Executive Director. (4 L.P.R.A. § 1527)

The Director shall have the following functions and powers, in addition to those conferred in other provisions of this Act, and those inherent to his/her office, without this being understood as a limitation:

- (a) Organize the operation of the Corporation and regulate the internal procedures and norms.
- (b) Appoint the Corporation's employees, assign their responsibilities and functions, fix and pay their corresponding remuneration, and administer a personnel system based on the merit principle without being subject to Act No. 5 of October 14, 1975, known as "Public Service Personnel Act of Puerto Rico".
- (c) Delegate any of his/her functions and powers on any official or employee under his/her orders, when circumstances warrant it.
- (d) Assign administrative tasks according to the criteria that will produce integrated and efficient operations and allow a more effective use of the components, activities and programs of the Corporation.
- (e) Approve, amend and repeal regulations for the operation of the Corporation subject to the provisions and procedures of Act No. 170 of August 12, 1988, as amended, known as Commonwealth of Puerto Rico Uniform Administrative Procedures Act. The regulations thus adopted shall include the necessary norms to complement the provisions of this Act. They shall establish, without it being considered as a limitation, what is related to the organization and operation of the Corporation's programs and activities, eligibility requirements, permanence, and termination of the participants in the Corporation's programs and activities, the conditions, incentives and other benefits to be received by the participants, in addition to

the manner that the resources, products, goods and services generated by its activities and programs are to be disposed of.

(f) Contract professional and consulting services to perform highly-specialized functions which cannot be rendered by the Corporation's personnel, or when it is impossible to attend to personnel needs through regular recruiting procedures.

(g) Administer the Corporation's functional expense budget and perform a complete and detailed recording and accounting of all its expenses, disbursements and income, pursuant to applicable laws and regulations.

(h) Appoint committees, commissions, councils, advisory boards and nonprofit associations or bodies of any other sort, to channel the broadest participation of the citizenry in the Corporation's programs and activities.

(i) Acquire in any legal way, lease, assign, sell or otherwise dispose of assets when needed, in order to perform the purposes of this Act, subject to any applicable laws and regulations.

(j) Acquire any materials, supplies, equipment, parts, services, or any improved or unimproved real property or chattels, by gift, lease, or purchase, it deems necessary for its operations, subject to the provisions of regulations adopted to such ends, without being subject to Act No. 164 of July 23, 1974 as amended, known as "General Services Administration Act". Regulations shall contain adequate standards to protect the use of the funds in the manner most compatible with the public interest, and among other measures for this purpose, shall include the requirement of public bidding in the purchase or other acquisition of materials, supplies machinery, equipment, parts or services that exceed ten thousand dollars (\$10,000), and construction of public works and improvements contracts, and nonprofessional services that exceed thirty thousand dollars (\$30,000).

(k) Create subsidiary corporations when needed to fully comply with the mission entrusted by this Act.

Section 9. — Promotion of private capital. (4 L.P.R.A. § 1528)

The Corporation is hereby authorized and empowered to promote, persuade and induce private capital to initiate and keep in operation, and otherwise promote the establishing and operation of any kind of commercial operations, special employee-owned corporations, partnerships, or any other service, industrial, agricultural cattle-raising, agro-industrial, and artisanal entity to achieve the objectives of this Act and for the benefit of the participants. It may likewise initiate any activity or program covered by this Act, on its own, or in conjunction with other private or government entities.

Section 10. — Granting of loans. (4 L.P.R.A. § 1529)

The Corporation is hereby authorized and empowered to promote and collaborate in the concession and granting of loans through the Government Development Bank of Puerto Rico and the Economic Development Bank for Puerto Rico, when the total amount of said loans is to be used in promoting the purposes of this Act. In granting such loans, preference and priority shall be given to government enterprises, to those governed by cooperative organizations, and the special employee-owned corporations, to nonprofit organizations, and

those that produce the highest yield in terms of the greater opportunities and benefits that they offer to the participants of the Corporation's activities and programs.

Section 11. — Participants of the Corporation's programs and services; Working day and distribution of remuneration. (4 L.P.R.A. § 1530)

The Corporation shall determine the participant's working day and shall fix the remuneration to be received by those who are under the custody of the Correctional Administration, and the Juvenile Institutions Administration, taking into consideration the nature of the work and the way it is performed. The compensation system and other training and employment conditions shall provide sufficient incentives to stimulate the participants to excel and improve themselves, as well as to discourage the violation of the norms and conditions to which they are subject.

In fixing remunerations, the Corporation may enter into agreements with the participants subject to the regulations adopted by the Corporation in order to separate and distribute part of the compensation that they are due, to pay, in whole or in part, for the support of their family or dependents, for child support, for penalties or orders of restitution to crime victims, or any other personal or family obligations, and for savings. The Corporation shall also determine the reasonable portion of their remuneration that the participants shall contribute to the Correctional Fund created by virtue of this Act.

In the event the participants are under the custody of the Correctional Administration, the amount they are entitled to shall be covered into the bank accounts that are provided for them pursuant to the provisions of Section 40 of Act No. 116 of July 22, 1974, as amended, known as the Organic Act of the Correctional Administration. If the transgressors are minors, the Corporation shall establish the methods and procedures to deposit moneys belonging to the minors who participate in the Corporation's programs in bank accounts in their behalf, by means of an agreement with the Juvenile Institutions Administration.

Section 12. — State Insurance Fund Protection. (4 L.P.R.A. § 1531)

A. Work accident compensation to participants.

(1) The provisions of Act No. 45 of April 18, 1935, as amended, known as "Work Accident Compensation Act", are hereby extended to accidents and occupational diseases suffered by the Corporation's employees, which are compensable under said Act, shall also be applicable to the participants assigned to works or projects that are carried out under the Corporation itself.

The entity that uses the client shall prepare the accident reports in duplicate, within the term indicated said Act, and Act No. 45, supra, and shall send a copy to the State Insurance Fund Administrator. In case of injuries that require any type of specialized treatment that cannot be given conveniently in the institution itself, the Administrator shall authorize the hospitalization of the injured person in a hospital designated by the State Insurance Fund Administrator, or that is selected by common accord by the State Insurance Fund Administrator, and the Correctional Administrator, or the Juvenile Institutions Administrator, as the case may be.

The responsibility of the custody of the participant while he/she receives treatment shall correspond to the Correctional Administration or Juvenile Institutions Administration, as the case may be.

No compensation shall be paid for temporary disability to the participants for the duration of their confinement. These stipends may only be received by those who are released before their disability has ceased and until they are discharged. Compensation payments for partial or total permanent disability shall be made in behalf of the participant but they shall be remitted to the Correctional Administration or the Juvenile Institutions Administration for the corresponding legal purposes, for the duration of their confinement.

(2) *Participant's service; base pay.*

Those entities that use the services of the participants shall include them in their payroll for the purposes of this Act, on the basis of the wage they receive, which for the purposes of the payroll report to be rendered annually to the State Insurance Fund Administrator, shall not be less than eight dollars (\$8) a week, or whichever is established in the future by the State Insurance Fund Administrator as authorized by law. These entities shall be bound by law to include in their annual expense budget, sufficient funds to cover the payment of the corresponding premiums for the use of the clients.

(3) The Executive Director shall keep a detailed report of the accidents and occupational diseases suffered by the participants while they are engaged in the activities indicated in this Act, and of their claims, and shall intervene in the designation of a legal representative to represent the client in any action or appearance that may be needed before the State Insurance Fund Administrator or the Industrial Commission, or the courts, related to any claim the client may be entitled to under the provisions of Act No. 45 of April 18, 1935, as amended. The term to appeal the Administrator's decisions or the resolutions of the Industrial Commission shall be counted from the date the injured person is served there with through the Executive Director.

(4) The same norms that apply in the case of other workers or employees shall be used in order to determine who the beneficiaries of a participant who died from a work-related injury are. In the absence of persons who, in fact, depend on the participant at the time of death, those relatives who depended on the decedent before he/she began to serve his/her sentence shall be deemed as dependents, if they qualify in all other concepts and are needy persons. If there are none, those persons who at the moment of his/her death are indigents, shall be entitled even though they never depended on the deceased client.

(5) The State Insurance Fund Administrator is hereby authorized to promulgate the needed regulations to carry out the purposes of this Act.

B. *Work accident compensation to minors in the Juvenile Institutions Administration employed in contravention of the laws in effect.*

The compensation which workers who are less than eighteen (18) years of age, who are employed in contravention of the laws in effect on the date of employment, who suffer injuries or occupational diseases pursuant to the terms of this Act, are entitled to in case of disability, or to which their beneficiaries are entitled in case of death, shall be twice the amount that corresponds to a worker who is eighteen (18) years of age and legally employed; Provided, That the employer shall pay the additional compensation provided herein, the sum of which shall constitute a lien on the employer's total assets and shall be effective in the

manner provided in this Act for the collection of compensation in the case of uninsured employers; and Provided, further, That the State Insurance Fund Administrator, prior to collecting said additional compensation from the employer, as well as the worker, shall have the opportunity to be heard in their defense.

C. Work accident compensation to volunteer workers, ex-convicts, pardoned Convicts, and those under suspended sentence, parole, supervised release, rehabilitation treatment, and half-way programs.

(1) The State Insurance Fund Administrator is hereby empowered and directed to extend benefits under Act No. 45 of April 18, 1935, as amended, to convicted adults and transgressing minors who are in the free community under any suspended sentence, parole, supervised release, rehabilitation treatment, half-way house programs, pardoned convicts, and those adults and minors who are participating in a prevention, treatment or rehabilitation program of the Administration of Mental Health and Addiction Services; and their dependents in case of death, in cases of accidents that cause death or injury, or occupational disease, and which occur in the course of and as a result of their work in the Corporation's programs, or during the course of and as a result of training.

(2) For the purposes of this Act, it shall be deemed that an adult or a minor under training who receives no cash compensation of services rendered to the Corporation, or who receives a minimum compensation, shall receive at the time of the accident the weekly wage earned by him/her in his/her regular employment or office; Provided, That with regard to the unemployed, the weekly salary received on the date of having ceased his/her employment shall rule. When it is not possible to determine the salary, the benefits shall be figured on the basis of the minimum provided by law.

(3) By request of the Corporation, the State Insurance Fund Administrator shall extend insurance coverage to convicted adults, transgressing minors and participants of the Administration of Mental Health and Addiction Services, subject to the conditions established in this Act, and shall liquidate the insurance annually, based on the expenses incurred.

(4) At the close of the fiscal year, the Administrator shall present an invoice, to the Director of the Corporation for reimbursement, and the Corporation shall reimburse the amount shown thereon to the State Insurance Fund from the funds appropriated for such purposes, and in case the Corporation has no appropriation, or the appropriation available is insufficient, the State Insurance Fund's claim shall be paid from any unencumbered funds in the Treasury of the Commonwealth of Puerto Rico.

(5) Insurance of adults and minors exempted from the provisions of the Merit Classification System and the experience with regard to accidents and the cost of this insurance, shall be kept apart from the general experience of the other insured, for statistical and actuarial purposes.

The provisions of this section shall not apply to any person whose right to receive benefits under Act No. 45 of April 18, 1935, as amended can be established other than from the provisions of this Act.

Section 13. — Prohibition to interfere with labor relations. (4 L.P.R.A. § 1532)

Any agreement entered into by the Corporation with government agencies, corporations and public instrumentalities, municipalities, or private for profit persons or entities, shall not interfere with labor-management relations nor with collective bargaining agreements, nor shall they affect the conditions of the respective employees and officials.

Section 14. — Custody and safety. (4 L.P.R.A. § 1533)

The responsibility for the custody and safety of inmates and transgressing minors who are participants in the Corporation's programs and activities, shall rest on the Correctional Administration and the Juvenile Institutions Administration, as the case may be. Notwithstanding the above, the Correctional Administration and the Juvenile Institutions Administration may, by request of the Corporation, enter into agreements with agencies, municipalities, and private for profit or nonprofit persons and entities that are developing some program or activity together with the Corporation, to help them in performing this duty, either through the assignment of personnel or the total or partial payment of their cost. The Correctional Administration or the Juvenile Institutions Administration shall provide custodial officers when required by the case.

Section 15. — Periodic evaluations. (4 L.P.R.A. § 1534)

The corporation shall periodically evaluate the way the participants perform in the Corporation's programs and activities in order to orient, retrain, or refer them to other jobs or educational programs sponsored by the Corporation or other government agencies, corporations and public instrumentalities, municipalities, or private for profit or nonprofit persons or entities, in case it is necessary.

Section 16. — Sale of products, goods and services. (4 L.P.R.A. § 1535)

The Corporation shall have the authority to sell its products, goods and services to the institutions of the Correctional Administration or the Juvenile Institutions Administration, or to the departments, agencies, corporations and instrumentalities of the Government of Puerto Rico, as well as to the municipalities, federal agencies and any state of the United States of America.

It may also extend the sale of its products, goods and services to juridical persons such as organizations, associations, partnerships, churches, private schools, groups, entities and nonprofit institutions, and to other natural and juridical persons, in the manner that is most beneficial to the Corporation's interests and the public interest.

The Corporation may make use of Act No. 25 of December 8, 1989, known as "Act to Establish a Prompt Payment System for Purveyors of Goods and Services to the Government", in the sale of its products, goods or services to departments, agencies, corporations and instrumentalities of the Government of Puerto Rico.

Section 17. — Preferential transactions with the Government. (4 L.P.R.A. § 1536)

All departments, agencies, and public instrumentalities and corporations, as well as the municipalities, shall purchase preferentially and directly, those products, goods and services generated by the activities and programs whose establishment is hereby authorized, if they reasonably meet the requirements with regard to specifications and quality, if they are available for delivery in a reasonable time, if the funds needed for their acquisition are available, and if the prices compare reasonably with the current market prices.

When purchases are made from the Corporation, the departments, agencies, and public instrumentalities and corporations of the Government and the municipalities of the Commonwealth of Puerto Rico shall not be bound to comply with the public bidding requirement.

In the direct preferential purchases from the Corporation by the departments, agencies, and public instrumentalities and corporations whose expense budget comes from the General Fund, the Office of the Management and Budget shall establish a line item for the payment of the purchasing services offered by the Corporation to these agencies.

Section 18. — Operation of markets and stores. (4 L.P.R.A. § 1537)

The Corporation is hereby authorized to establish and operate markets and stores in places that it deems pertinent and convenient to facilitate the sale of its products, goods and services. The operation of these markets and stores shall be subject to the regulations to be approved to govern the sale of goods, products or services, to keep an account of the same and supervise these activities.

The Corporation may operate the markets and stores it establishes directly, as provided in this section, or through a concession or other agreement with profitable or nonprofit government agencies, corporations, public instrumentalities, municipalities or persons or entities. All concessions or agreements executed pursuant to the provisions of this section shall be preceded by a study on the feasibility and convenience of this delegation and for the duration of these concessions, contracts or agreements and shall be conducted in accordance with the bidding procedure, subject to periodic evaluations, and to the authorization of the Corporation to terminate these contracts in order to en-sure compliance of the conditions imposed.

The moneys obtained from the operation of the stores and markets shall be accounted for separately from any other funds of the Corporation.

Section 18-A. — Strategies for the promotion, marketing and exhibition of products and services . (4 L.P.R.A. § 1537a)

The Corporation shall develop strategies for the promotion, marketing and exhibition of the products and services made and offered, respectively, by the Corporation, with the collaboration of the different agencies, departments, instrumentalities, corporations and municipalities of the Commonwealth of Puerto Rico.

The Corporation shall prepare and distribute a catalogue, brochure and/or any other propaganda about the products and services made and offered by the same, for the purposes

of marketing them to all the agencies, departments, instrumentalities, corporations and municipalities of the Common-wealth of Puerto Rico, as well as to private entities and individual persons. Furthermore, the Corporation shall prepare and maintain updated and accessible to public view a page on the World Wide Web, better known as the Internet, to promote the products and services that made and offered by the same.

All agencies, departments, instrumentalities, corporations and municipalities of the Common-wealth of Puerto Rico shall provide an area in the lobby of their main offices, which are visited by the public seeking their services, to the Corporation free of charge for a period of not less than fifteen (15) working days a year, either consecutively or interruptedly, upon agreement, to promote and exhibit the products and services made and offered, respectively, by the Corporation. The fore-going provision shall apply to the main lobbies of government public service centers.

All agencies, departments, instrumentalities, corporations and municipalities of the Common-wealth of Puerto Rico shall provide to the Corporation, a permanent area in the lobby of their main offices that are visited by the public in order to receive services, for the placement of a bulletin board on which the Corporation may affix materials for the promotion of the products and services made and offered, respectively, by the Corporation. The foregoing provision shall apply to the main lobbies of government public service centers. The area for the placement of the bulletin board, including its size, shall be identified by mutual agreement between the Corporation and the different agencies, departments, instrumentalities, corporations and municipalities of the Commonwealth of Puerto Rico. The bulletin board shall be supplied by the Corporation.

All passenger airports in Puerto Rico, as well as the sea ports of San Juan, Cataño, Fajardo, Vieques and Culebra, shall be subject to the provisions of this Section. For such purposes, they shall provide to the Corporation, free of charge, for a period of not less than fifteen (15) working days a year, consecutively or [discontinuously], upon agreement, an area or main lobby which is visited by the general public and passengers, for the promotion and exhibition of the products and services made and offered, respectively, by the Corporation.

The areas designated to comply with the purposes of this section shall be subject to strict compliance with state and federal regulations and/or laws, as well as internal regulations and/or rules for the regulation of the operations in said facilities. The use of such areas by the Corporation to comply with the purposes of this section shall not affect the operations and services rendered and/or offered to the citizenry by the different agencies, departments, instrumentalities, corporations and municipalities of the Commonwealth of Puerto Rico. The areas designated to comply with the purposes of this section shall not be for-profit business areas or establishments.

The Corporation, by itself or through a representative or employee, shall not conduct sales transactions of its products and services in the areas designated to comply with the purposes of this section.

Pursuant to the preceding paragraphs of this section, if the Corporation needs any utilities, such as electric power services, among other similar ones in addition to the area for promoting and exhibiting, it shall assume the cost thereof before the public or quasi-public entity, unless there is a written agreement to the contrary between the parties.

Section 19. — Special funds. (4 L.P.R.A. § 1538)

Moneys obtained by the implementation of this Act shall be covered into a special fund denominated as the Employment and Training Enterprises Corporation Fund. These amounts, as well as any other resource that is covered into this Fund, shall be used to defray the operating expenses of the Corporation's programs and activities.

A special fund is hereby created, denominated as the Special Correctional Fund. The amounts contributed by the participants of the programs and activities, the contribution for the operation of the stores and markets, and any other contribution that the Executive Director of the Corporation deems is needed, shall be deposited in this Special Fund.

Every three (3) months, the Executive Director shall evaluate the finances of the operations of the markets and stores in the facilities of the Correctional Administration and the Juvenile Institutions Administration in view of the projections of income and expenses, to determine the amounts of these resources that shall be transferred to the Correctional Fund. To the extent the resources allow, the amount to be transferred to the Correctional Fund shall not be less than the amount that the Correctional Administration is receiving from the operation of the stores and markets operated by said Administration on the effective date of this act.

The resources transferred to the Correctional Fund shall be made available to the Correctional Administration and the Juvenile Institutions Administration, respectively, to complement the fiscal resources that said Administrations have available for operating expenses. The Correctional Administration and the Juvenile Institutions Administration may also use the resources of said funds to grant special benefits to their clients and their relatives when it is compatible with the good conduct bonus, work or study systems, when their financial needs justify it, and to compensate, in whole or in part, for the expenses incurred by the Correctional Administration, the Juvenile Institutions Administration or the Commonwealth of Puerto Rico, for violations of the applicable laws, norms or regulations committed by the clients of both government dependencies during the period they are in custody or confinement.

When the availability of funds allows it, the Director may make contributions of funds to the agencies and institutions with whom it develops activities or business transactions, in order to comply with and promote the purposes of this Act.

Section 20. — Accounts. (4 L.P.R.A. § 1539)

All the Corporation's moneys that are covered into the Employment and Training Enterprises Corporation's Fund and into the Correctional Fund, shall be deposited in recognized depositories of Commonwealth Government Funds. Disbursements shall be made by the Corporation itself pursuant to the regulations and budgets that are approved.

After consultation with the Secretary of the Treasury, the Corporation shall establish the accounting system that is required for an adequate control and registration of all expenses and income belonging to or administered or controlled by the corporation.

The Corporation shall establish an internal auditing system to examine the accounts, books, loans, income, disbursements, contracts, leases, accrued and invested funds, and any other matters related to its financial statement, and shall prepare a report with the results of the audit, at least once a year. A copy of this report shall be sent to the Governor, the Advisory

Board, the Correctional Administration, the Juvenile Institutions Administration and the Legislature.

Section 21. — Transfers, authorization. (4 L.P.R.A. § 1540)

The agencies, corporations and public instrumentalities and municipalities are hereby authorized to assign and transfer any property or interest hereon that the Corporation deems necessary or convenient to perform its own ends, to the Corporation at its request, and under reasonable terms and conditions without need of public bidding or other additional formalities, and to grant the corresponding deed.

The Secretary of Transportation and Public Works shall transfer to the Corporation free of charge, those lands of the Commonwealth of Puerto Rico that, in the judgment of the Governor of Puerto Rico, are needed by the Corporation to carry out its ends and purposes. These provisions shall not be interpreted in the sense of authorizing the assignment or transfer of property destined to other purposes by legislative provisions.

The Secretary of Transportation and Public Works shall submit to the Legislature a list of the properties assigned and transferred each year to the Corporation by virtue of the authorization thus granted, and the valuation of each property.

The agencies, corporations and public instrumentalities and municipalities, may likewise place at the disposal of the Corporation such funds, equipment, machinery, personnel, materials and other resources that are needed to jointly carry out any project or activity that is included in the duties imposed by this Act.

Section 22. — Property disposal, authorization. (4 L.P.R.A. § 1541)

In addition to the power to make purchases recognized in subsection (i) of Section 5 of this Act, the Corporation is hereby authorized to sell or otherwise dispose of any real property, chattels, or mixed property, or any interest thereon which, in the Corporation's judgement, is no longer necessary or useful for its business or its other purposes.

Any transaction made by the Corporation under this section shall be made, taking into account the public end that is obtained from said transaction. Under no circumstances may real property be disposed of without first being appraised by appraisers of the Government of the Commonwealth of Puerto Rico on the worth of the real property to be sold. In the case of the sale of chattels, the authorization of the Governor of Puerto Rico is required after considering the recommendations of the Board of Advisors. Those real properties or chattels that have been transferred to it or assigned free of charge or at a price below its market value by any agency, corporation or instrumentality of the Federal Government or the Puerto Rico Government or its municipalities, as well as by private for profit or nonprofit persons or entities, shall be used for the activities and programs that are established pursuant to this Act and disposal of these properties shall only be made pursuant to the provisions of this section and with the prior authorization of the person or entity that made the transfer or assignment.

Section 23. — Tax exemption. (4 L.P.R.A. § 1542)

The Corporation and any subsidiary organized under this Act or that is organized in the future, shall be exempted from the payment of Commonwealth of [sic] municipal taxes or imposts on all property acquired by it or by any of them, as well as those properties that are under its jurisdiction, dominium or possession, including the income generated by their activities.

Section 24. — Exemption of Commonwealth liability. (4 L.P.R.A. § 1543)

The debts and obligations of the Corporation and its subsidiaries, and the stores and markets shall [sic] not be debts of the Commonwealth of Puerto Rico nor any of its municipalities, not shall be payable from any other funds than the Corporation's funds.

Section 25. — Annual and special reports. (4 L.P.R.A. § 1544)

At the end of the fiscal year, the Corporation shall submit to the Legislature and to the Governor of Puerto Rico, a financial statement which shall include the Corporation's income and disbursements during the fiscal year thus audited, the Corporation's general balance sheet at the end of said fiscal year and a complete report on the activities and undertakings conducted during the preceding fiscal year. The Corporation shall also remit a complete report of the status and progress of all its undertakings, programs and activities from the date of the last of these reports, as the case may be.

Regardless of what has been stated above, the Corporation shall submit to the Legislature and to the Governor the official reports of its undertakings and activities as required. It shall also include in said reports an additional item detailing the dealings, agreements and businesses entered into with the Puerto Rico Cooperative Development Commission that foster the development of the cooperative philosophy among the components of the Corporation.

Section 26. — Transfer. (4 L.P.R.A. § 1521 note)

(a) All powers, faculties, duties, files, documents, obligations, exemptions, records, files, equipment, machinery, materials, properties, accounts payable, accounts receivable, and the unspent balances of appropriations, items or other funds available to be used by the Correctional Enterprises Corporation, created by Act No. 117 of July 22, 1974 as amended, which is hereby repealed, are hereby transferred to the Employment and Training Enterprises Corporation.

(b) All personnel of the Correctional Enterprises Corporation is [are] hereby transferred to the Employment and Training Enterprises Corporation. The personnel that is [are] filling regular positions with regular functions on the effective date of this Act, shall be transferred with their regular status. Confidential employees who on said date are entitled to be reinstated, shall be transferred with their confidential status and shall remain in their positions until the nominating authority reinstates them in a career position. Personnel thus transferred shall retain the same rights and benefits they have at the time they are transferred, as well as

the rights and obligations with respect to any pension, retirement, or savings and loan funds system. The classification, reclassification and compensation of the positions shall be established in harmony with the classification and compensation plans established by the Corporation.

(c) All moneys in the Corrections Administration Institutions' Stores Fund created on the books of the Secretary of the Treasury pursuant to Title XI of Act No. 116 of July 22, 1974 as amended, which is hereby repealed, shall be transferred to the Employment and Training Enterprises Corporation Fund, as created in Section 19 of this Act.

Section 27. — Provisional Measures. (4 L.P.R.A. § 1521 note)

(a) Every regulation or norm concerning the functioning and operation of the Correctional Enterprises Corporation, which are in effect when this Act becomes effective, shall remain in force as long as they are not in contravention of the provisions of this Act, and until they are amended or repealed.

(b) The Office of the Budget and Management, in coordination with the Department of the Treasury shall establish a special mechanism within the first four (4) months of the effectiveness of this Act, for the collection of debts from previous years owed by the departments, agencies, instrumentalities, public corporations or municipalities to the Correctional Enterprises Corporation.

Section 28. — Repeal.

Act No. 117 of July 22, 1974, as amended, subsection (z) of Section 6 of Title II, and Title XI of Act No. 116 of July 22, 1974, as amended, are hereby repealed.

Section 29. — Effectiveness.

This Act shall take effect thirty days from its approval.

Note. This compilation was prepared by the Puerto Rico OMB staff who have striven to ensure it is complete and accurate. However, this is not an official compilation and may not be completely free of error. It contains all amendments incorporated for reading purposes only. For accuracy and exactitude please refer to the act original text. Compiled by the Office of Management and Budget Library.