

U.S. Department of Agriculture Executive Order 13520, "Reducing Improper Payments"

Quarterly High-Dollar Overpayments Report

Fiscal Year 2017 Quarter 1

Name of Program Responsible	Recipient	Total Dollar Amount of the Payments Identified	Intended Dollar Amount That Should Have Been Paid	Overpayment Dollar Amount	Reason For Overpayments	Actions Taken or Planned to Recover the Overpayment	Overall Actions and Strategies Taken or Planned to Prevent Overpayments in the Future
Farm Services Agency (FSA) Supplemental Revenue Assistance Payments (SURE)	Individual	\$92,800.00	\$0.00	\$92,800.00	SURE workbook data was entered incorrectly by county office employee.	Granted full relief under the Finality Rule and Equitable Relief, FSA-321.	The SURE Program was not authorized with the 2014 Farm Bill; thus corrective actions cannot be implemented for this program. FSA management will be using lessons learned from the SURE program, to mitigate improper payments in similar programs, such as Loan Deficiency Payments (LDP).
FSA SURE	Individual	\$92,800.00	\$0.00	\$92,800.00	SURE workbook data was entered incorrectly by County Office employee.	Granted full relief under the Finality Rule and Equitable Relief, FSA-321.	The SURE Program was not authorized with the 2014 Farm Bill; thus corrective actions cannot be implemented for this program. FSA management will be using lessons learned from the SURE program, to mitigate improper payments in similar programs, such as LDP.
FSA Livestock Forage Program	Individual	\$42,162.00	\$0.00	\$42,162.00	During an Office of the Inspector General audit, it was discovered that the Entity Structure was incorrect. The Entity was listed as a General Partner, but was actually a Limited Liability Company.	Overpayment recovered by offset of future payments.	County Office employees will conduct 2nd party reviews to ensure program and eligibility data is accurately entered and reflected on program records and forms prior to issuing program payments.
Natural Resources Conservation Service (NRCS) Conservation Stewardship Program (CSTP)	Individual	\$80,000.00	\$0.00	\$80,000.00	The participant lost control of contracted land.	Demand letter has been sent to the payee.	Annual training will be provided to the Area and Field Office staff, on CSTP regulation and policy concerning contract modifications and transfers of land by the CSTP manager.
NRCS CSTP	Individual	\$40,000.00	\$0.00	\$40,000.00	The participant lost control of contracted land.	Demand letter has been sent to the payee.	Annual training will be provided to the Area and Field Office staff, on CSTP regulation and policy concerning contract modifications and transfers of land by the CSTP manager.
NRCS CSTP	Individual	\$64,088.00	\$0.00	\$64,088.00	The participant lost control of contracted land.	Demand letter has been sent to the payee.	Annual training will be provided to the Area and Field Office staff on CSP regulation and policy concerning contract modifications and transfers of land by the CSP manager.

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NRCS CSTP	Individual	\$40,000.00	\$0.00	\$40,000.00	The participant lost control of contracted land.	Demand letter has been sent to the payee.	Annual training will be provided to the Area and Field Office staff on CSTP regulation and policy concerning contract modifications and transfers of land by the CSTP manager.
NRCS CSTP	Individual	\$25,240.00	\$0.00	\$25,240.00	Payment issued to deceased individual.	Demand letter has been sent to the payee.	The Financial Resources Specialist reviewed the applicable policy (CPM 440 512.60.I.1) with the program staff explaining to them that if all the factors are met, payment can still be made to the estate number and not to the deceased participant's social security number.
NRCS CSTP	Individual	\$80,000.00	\$0.00	\$80,000.00	The participant lost control of contracted land.	Demand letter has been sent to the payee.	Annual training will be provided to the Area and Field Office staff on CSTP regulation and policy concerning contract modifications and transfers of land by the CtSP manager.
NRCS CSTP	Individual	\$26,675.00	\$0.00	\$26,675.00	Payment issued to deceased individual.	Demand letter has been sent to the payee.	The participant signature of completion was made by a power of attorney for the contract holder for completion after the death of the contract holder. Since the power of attorney is invalid upon death of the participant this resulted in an improper payment. NRCS State Office management will reinforce policy through checklists and training.
Risk Management Agency (RMA) Federal Crop Insurance Corporation Program Fund (FCICPF)	Entity	\$326,512.00	\$217,195.37	\$109,316.63	The insurer should have insured apples for processing instead of fresh apples.	Corrections were made in the RMA crop insurance database and monies were collected from the Approved Insurance Providers (AIP).	RMA will continue to perform limited scope reviews of apples in accordance with Federal Crop Insurance Corporation (FCIC) policies and procedures.

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RMA FCICPF	Entity	\$103,128.00	\$30,311.70	\$72,816.30	(1) The insurer should have insured apples for processing instead of fresh apples. (2) The producer's crops were small, sparse, and weedy compared to other growers because the producers did not utilize chemical and fertilizer treatment as requested by FSA. (3 ) Farmers with more than five years of experience, categorized themselves as begining farmers even though they did not qualify for crop insurance under those provisions.	Corrections were made in the RMA crop insurance database and monies were collected from the AIP.	(1) RMA will continue to perform limited scope reviews of apples. (2) RMA will continue to conduct reviews based off Regional Compliance Office Spot Check List/Growing Season Inspection reports from FSA. (3) RMA will continue to work with Center for Agriculture Excellence to review farmers with beginning farmer status.
RMA FCICPF	Entity	\$161,095.00	\$1,570.39	\$159,524.61	(1) Multiple producers owned policies even though they were ineligible due to a previous debt. (2) Producers having three years of cropping history were insured as new producers, but did not qualify for new-producer yields.	Corrections were made in the RMA crop insurance database, RMA actuarial database and monies were collected from the AIP.	(1) RMA will continue to perform program vulnerability assessments of Ineligible Tracking System (ITS) to prevent entities from obtaining crop insurance when they are ineligible. (2) RMA will continue to review the status of new producers in the RMA database.
RMA FCICPF	Entity	\$134,716.00	\$0.00	\$134,716.00	RMA conducted a review of producers listed in ITS and found multiple producers who owned policies even though they were ineligible due to a previous debt.	Corrections were made in the RMA crop insurance database and monies were collected from the AIP.	RMA will continue to perform program vulnerability assessments of ITS to prevent entities from obtaining crop insurance when they are ineligible.
RMA FCICPF	Entity	\$428,156.00	\$272,018.90	\$156,137.10	(1) Producers had excessive and unreasonable yields for actual production histories. (2) Multiple producers owned policies even though they were ineligible due to a previous debt. (3) RMA conducted a high risk ground review and found the proper premium rates were not charged.	Corrections were made in the RMA crop insurance database and monies were collected from the AIP.	(1) RMA will continue to perform reviews on excessive and unreasonable yields. (2) RMA will continue to perform program vulnerability assessments of ITS to prevent entities from obtaining crop insurance when they are ineligible. (3) RMA will continue to perform high risk ground reviews.

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RMA FCICPF	Entity	\$289,719.00	\$0.00	\$289,719.00	RMA conducted a data mining spot check and determined the acreage was newly broken ground which was not insurable.	Corrections were made in the RMA crop insurance database and monies were collected from the AIP.	RMA will continue to perform program reviews using data mining spot checks.