

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

**High-Dollar Overpayments Report**

**1st Quarter FY 2016**

Name of Program Responsible	Recipient (Entity or Individual)	Total Dollar Amount of the Payments Identified (Sum of Intended Amount and Overpayment Amount)	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) Livestock Forage Disaster Program (LFP)	Entity	\$ 124,999	\$ 61,111	\$ 63,888	Adjusted Gross Income (AGI) Ineligibility - Entity members misunderstood AGI Compliance.	Producers provided updated AGI and paid the full amount owed.	Continue to inform the producers of the importance of completing AGI certifications correctly. Customers are continually advised of program AGI requirements. The county office will review AGI requirements with customers and ensure document is loaded correctly.
FSA Supplemental Revenue Assistance Payments (SURE)	Individual	\$ 46,112	\$ -	\$ 46,112	During an Adjusted Gross Income (AGI) review, it was discovered that an individual was participating in a scheme or device. Producer was not actually engaged in farming.	Receivable has been established and demand letters sent to the producer.	End-of-year reviews for payment eligibility/limitation compliance purposes (the actively engaged part of eligibility) are completed after the fact, because the producer is required to provide a complete set of final business documents that illustrate how the farming operation was conducted for the year under review. The County Office will continue to enforce and inform producers of the program eligibility requirements applicable for actively engaged to mitigate risks associated with producers becoming non-compliant.
Natural Resources Conservation Service (NRCS) Conservation Security Program	Individual	\$ 34,719	\$ -	\$ 34,719	The participant did not have control over the acres for which he was paid.	Demand letter has been sent to the payee.	Under the Conservation Security program (CSP), NRCS has historically paid participants at the beginning of the fiscal year. Since these payments are made in advance of practice implementation, improper payments are sometimes detected via annual quality assurance reviews but cannot always be prevented. Improper payments are sometimes detected for work that has not been performed or for acres that are no longer under the participant's control. CSP has now been replaced by the Conservation Stewardship Program (CStP). Under the Stewardship Program, payments are made after October 1 of each fiscal year for activities completed in the previous fiscal year. Annual payments are considered recurrent payments and participants self-certify that work was completed as scheduled and all other contract provisions were followed. However, NRCS program staff are required to validate the self-certification. States are reminded annually (via a National Bulletin) to perform quality assurance reviews on 10% of all CSP and CStP contracts. If improper payments are detected, contracts are terminated or adjusted as applicable, and a demand letter seeking recovery is sent to the participant. Program staff provide guidance on performing quality assurance reviews, spot checks and other programmatic issues on a regular basis during monthly video teleconferences, emails, and other directives. The State of AR also issued a state bulletin regarding annual stewardship payments.

Name of Program Responsible	Recipient (Entity or Individual)	Total Dollar Amount of the Payments Identified (Sum of Intended Amount and Overpayment Amount)	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
NRCS Conservation Stewardship Program (CSTP)	Individual	\$ 80,000	\$ -	\$ 80,000	The participant was not eligible for the program because adjusted gross income (AGI) requirements were not met.	Demand letter has been sent to the payee.	Participants self-certify adjusted gross income on forms completed and submitted by the participant to FSA. Based on this information, FSA determines income eligibility and provides the eligibility determination to NRCS through agency business tools. FSA is currently working with the IRS to validate 2009-2013 income self certifications. FSA has informed NRCS of participants that have been deemed AGI Non-Compliant. NRCS has issued demand letters to collect improper payments that have been made to AGI non-compliant participants. Additionally, NRCS has made changes to the Protracts software to prevent improper payments from being made to participants that are retroactively determined to be AGI-ineligible. NRCS has issued guidance to States via a series of national bulletins and video teleconferences on to how address AGI-eligibility issues.
NRCS CStP	Individual	\$ 40,000	\$ -	\$ 40,000	The participant was deceased.	The State Office in Georgia have sent out a demand letter to recover the funds and have cancelled the contract.	Prior to processing payment, field office staff have been instructed to inquire about Power of Attorney (POA). POA's are invalid upon death. This has been reiterated to the field office staff and CPM Part 512 has been updated to better reflect the correct process. Contract management training has been provided and will be provided each year to include a portion on deceased participants.
Risk Management Agency (RMA) Federal Crop Insurance Corporation Program Fund (FCICPF)	Entity	\$ 320,993	\$ 164,791	\$ 156,202	The insured's Actual Production History (APH) database contained several inconsistencies that required a recertification of all the crop years (1996-2010) in the database to include a 2011 APH review on this onion policy. Overpayment was recovered. No further action is required.	An accounting report reflecting the corrections were filed with the Reinsurance Accounting and Eligibility Tracking Branch.	RMA requested that a 2011 APH Review be conducted, which included a recertification of all actual yields for all crop years in the APH database. RMA reviewed all corrections and the APH review along with the correction to premium. This policy is cumulative, so correcting these errors corrects the basis of all future years as well as the current year.

Name of Program Responsible	Recipient (Entity or Individual)	Total Dollar Amount of the Payments Identified (Sum of Intended Amount and Overpayment Amount)	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
RMA FCICPF	Entity	\$ 110,700	\$ 65,946	\$ 44,754	The insured's APH database contained several inconsistencies that required a recertification of all the crop years (1996-2010) in the database to include a 2011 APH review on this onion policy. Overpayment was recovered. No further action is required.	An accounting report reflecting the corrections were filed with the Reinsurance Accounting and Eligibility Tracking Branch.	RMA requested that a 2011 APH Review be conducted, which included a recertification of all actual yields for all crop years in the APH database. RMA reviewed all corrections and the APH review along with the correction to premium. This policy is cumulative, so correcting these errors corrects the basis of all future years as well as the current year.
RMA FCICPF	Entity	\$ 122,451	\$ 77,610	\$ 44,841	(1) There were four claim errors on 2011 wheat, pasture, rangeland, and forage (PRF), and 2010 PRF hayland in the Supplemental Revenue Assistance Payments Program (SURE); and (2) there were two hotline complaints on APH and program abuse/fraud.	(1) There were shares that changed in the policyholder inquiry system and were reported to the Reinsurance Accounting and Eligibility Tracking Branch; and (2) The AIP adjusted the APH and the Reinsurance Year Federal Crop Insurance Corporation Program Annual Settlement Reports for the attached policies by using the appropriate information and guidance to be supplied by Product, Analysis, and Accounting Division, and Reinsurance Services Division for each of the policies.	(1) RMA will continue to work with the Farm Service Agency (FSA) by using the AD-2007 referral form to make sure all discrepancies are fixed between the FSA and RMA on incorrect shares, and (2) RMA will work with OIG on hotline complaints and reviews for detection of fraud, waste, and abuse.