

Department of Agriculture (USDA)
 Executive Order 13520 - Reducing Improper Payments
 High-Dollar Overpayment Report, 2nd Quarter FY 2011

USDA Agency/Program	Recipient (Entity or Individual)	City/County and State	Actual Payment Amount	Correct Amount	Overpayment Amount	Reason For Overpayment	Actions/Plans to Recover Overpayment	Overall Actions/Plans to Prevent Reoccurrence
Forest Service (FS) Wildland Fire Suppression Management Program (WFSMP)	Individual	Espanola, NM	\$6,224	\$0	\$6,224	Payment processed with incorrect Taxpayer Identification Number.	Bill for collection was issued.	Emphasis on proper preparation and approval of checklist.
Natural Resources Conservation Service (NRCS) Farm Security and Rural Investment Program (FSRIP)	Individual	Nelson, NE	\$182,515	\$0	\$182,515	Participant was ineligible for program.	\$10,168 waived under Equitable Relief. Bill and demand letter sent for the remainder.	Procedures were updated to require that NRCS use FSA farm records to ensure eligibility. The FSA farm records are used to validate that the participant is a valid USDA customer and conservation and adjusted gross income (AGI) compliance is met. Field verifications are performed prior to contract obligation.
	Individual	Hardy, NE	\$121,917	\$0	\$121,917		\$17,127 waived under Equitable Relief. Bill and demand letter sent for the remainder.	
	Entity	Edgar, NE	\$59,500	\$0	\$59,500		\$29,164 was collected. Bill and demand letter sent for the remainder.	
	Individual	Nora, NE	\$58,463	\$0	\$58,463		\$29,164 was collected. Bill sent for remainder.	
	Entity	Carthage, MO	\$130,962	\$0	\$130,962		\$7,116 was collected. Bill and demand letter sent for the remainder.	
	Individual	Carl Junction, MO	\$35,017	\$0	\$35,017		Waived under Equitable Relief.	
	Entity	Nora, NE	\$206,263	\$0	\$206,263		Bill and demand letter sent.	
	Entity	Edgar, NE	\$129,500	\$0	\$129,500			
	Individual	Queen Anne, MD	\$232,591	\$0	\$232,591			
	Individual	Easton, MD	\$36,370	\$0	\$36,370			
	Individual	Cordova, MD	\$35,050	\$0	\$35,050			
	Individual	Hillsboro, MD	\$20,035	\$0	\$20,035			
	Individual	Queen Anne, MD	\$7,652	\$0	\$7,652			
	Individual	Cordova, MD	\$201,128	\$0	\$201,128			
	Individual	Cordova, MD	\$102,888	\$0	\$102,888			
	Individual	Cordova, MD	\$25,608	\$0	\$25,608			
	Individual	Philadelphia, PA	\$23,378	\$0	\$23,378			
	Individual	Cordova, MD	\$20,255	\$0	\$20,255			
	Entity	Cordova, MD	\$66,952	\$0	\$66,952			
	Individual	Cordova, MD	\$30,093	\$0	\$30,093			
Individual	Cordova, MD	\$21,790	\$0	\$21,790				
Individual	Cordova, MD	\$30,026	\$0	\$30,026				
Entity	Carthage, MO	\$41,296	\$0	\$41,296				
Entity	Carthage, MO	\$102,376	\$0	\$102,376				
Entity	Nelson, NE	\$194,610	\$0	\$194,610				
Individual	Seward, MO	\$34,104	\$0	\$34,104				
Farm Service Agency (FSA) Conservation Reserve Program (CRP)	Individual	Lenawee, MI	\$9,865	\$0	\$9,865	Recipient was ineligible for program payment.	Receivable established to collect the overpayment.	State Executive Director and District Director will determine actions to be taken. Actions will include additional training for county office (COF) staff.
	Individual	Lenawee, MI	\$5,282	\$0	\$5,282			
FSA Direct and Counter-Cyclical Payments (DCP)	Individual	Pondera, MT	\$7,399	\$3,700	\$3,700	Calculation error.		
FSA Marketing Assistance Loan Program	Individual	Colusa, CA	\$6,155	\$0	\$6,155	Ineligibility determined subsequent to loan disbursement by COF.	Demand letter issued.	Steps will be taken to ensure second party reviews are performed prior to disbursement of payments.

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FSA Milk Income Loss Contract (MILC) Program	Entity	Fresno, CA	\$59,867	\$3,463	\$56,404	Several members of the entity were not eligible because of AGI limitations.	Demand letter issued and the recipient is in claim.	Staff has been retrained on how to properly flag non-eligible AGI producers.	
	Entity	Fresno, CA	\$59,867	\$3,463	\$56,404				
	Individual	Holmes, FL	\$7,196	\$2,392	\$4,804				COF incorrectly input total pounds of milk for the payment month.
FSA Noninsured Assistance Program	Individual	Holmes, FL	\$50,000	\$0	\$50,000	Recipient provided their production using wrong unit of measure and was not eligible for program.	Receivable established to collect the overpayment.	COF provided producer with FSA chart explaining unit of measures.	
	Individual	Holmes, FL	\$31,965	\$0	\$31,965				
	Individual	Holmes, FL	\$18,035	\$0	\$18,035				
	Individual	Wise, TX	\$9,315	\$0	\$9,315				COF accepted and paid application on a notice of loss that was not timely filed.
	Individual	Wise, TX	\$17,732	\$0	\$17,732				COF failed to flag the recipient ineligible for payment.
Risk Management Agency (RMA) Federal Crop Insurance Corporation Program Fund (FCICPF)	Entity	Anoka, MN	\$300,834	\$150,417	\$150,417	Crop share was not insurable.	Receivable established to collect overpayments and recovery actions were initiated.	Provide corrective actions specific to each entity that address the types of error identified relative to acreage reports, indemnity calculations, underwriting, and/or entity identification. Assess appropriate penalties on participating entities to improve improper payment rate. Use data mining to identify and spot check anomalous crop insurance participants using expanded data analysis that includes geospatial radar and weather information.	
	Entity	Anoka, MN	\$52,952	\$0	\$52,952	Entity's adjusted gross revenue underwriting review was not in compliance with procedures.			
	Entity	Amarillo, TX	\$48,699	\$0	\$48,699	Crop share was not insurable.			
	Entity	Ramsey, MN	\$148,877	\$0	\$148,877	Standard loss adjustment procedures were not followed before the claim was paid. There was no verification of the insured and uninsured causes of loss.			
	Entity	West Des Moines, IA	\$205,621	\$51,798	\$153,823	Entity did not (1) carry out proper loss adjustment procedures, (2) perform adequate quality control, and (3) identify an agent/producer conflict of interest.			
	Entity	Johnston, IA	\$264,262	\$0	\$264,262	Entity did not (1) ensure the crop was insurable, (2) follow loss procedures and (3) conduct a review once the crop was insured.			
	Entity	Johnston, IA	\$94,768	\$42,551	\$52,217	Entity failed to identify the agricultural practices used and the condition of the peach orchards.			
	Entity	Johnston, IA	\$83,227	\$38,832	\$44,395	Loss adjusters did not properly account for all the production.			
	Entity	West Des Moines, IA	\$120,301	\$0	\$120,301	Crop share was not reported correctly.			
	Entity	Amarillo, TX	\$49,375	\$16,425	\$32,950	Crop share was not reported correctly.			
	Entity	Cincinnati, OH	\$74,960	\$0	\$74,960	Loss claim was not supported with adequate documentation and losses in the general area were not similar when compared to other growers.			
	Entity	Amarillo, TX	\$62,149	\$0	\$62,149	Producer failed to provide adequate records to show an insurable interest and the loss adjuster failed to follow approved policies and procedures.			
	Entity	Amarillo, TX	\$68,892	\$0	\$68,892	Producer failed to provide adequate records to show an insurable interest and the loss adjuster failed to follow approved policies and procedures.			
	Entity	Amarillo, TX	\$41,026	\$0	\$41,026	Wheat crop did not meet the criteria for insurance.			
	Entity	Cincinnati, OH	\$55,790	\$0	\$55,790	Wheat crop did not meet the criteria for insurance.			
	Entity	Johnston, IA	\$74,622	\$0	\$74,622	Entity failed to properly determine if the crop was insurable.			
	Entity	Anoka, MN	\$32,679	\$16,339	\$16,340	Premium was overstated because the policyholder did not have an insurable interest in the crop.			
Entity	Lubbock, TX	\$25,819	\$0	\$25,819	Premium was overstated because the policyholder did not have an insurable interest in the crop.				
Entity	Cincinnati, OH	\$29,018	\$0	\$29,018	Producer had not adequately seeded the crop and the wheat did not meet the criteria for insurance.				

A high-dollar overpayment is a payment in excess of 50 percent of the correct amount.
For an individual, the threshold is \$5,000 as a single payment or in cumulative payments for the quarter.
For an entity, the threshold is \$25,000 as a single payment or in cumulative payments for the quarter.