

U.S. Department of Agriculture Executive Order 13520, "Reducing Improper Payments"
High-Dollar Overpayments Report
2nd Quarter FY 2012

Name of Program Responsible for Overpayment	Recipient (Entity or Individual)	City/County and State	Total Dollar Amount of the Payments Identified (Sum of Proper Amount and Overpayment Amount)	Proper Dollar Amount That Should Have Been Paid	Overpayment Dollar Amount	Reason For Overpayment	Actions Taken or Planned to Recover the Overpayment	Overall Actions and Strategies Taken or Planned to Prevent Overpayments in the Future
Natural Resources Conservation Service (NRCS) - Farm Security and Rural Investment Program (FSRIP)	Individual	Makoti, ND	\$9,058	\$4,557	\$4,501	Payment was issued on acres that were not fully completed per program specifications due to extreme wet conditions.	Overpayment recovered.	Guidance will be reinforced to ensure that activities are completed as stipulated in the contract before activities are certified and payment is issued. State Conservationists will be reminded of existing national policy that NRCS retains approval authority for all practice documentation and certifications and that adequate supporting documentation must be provided to support these approvals. During annual contract status reviews, field offices are reminded to verify contract acreage to ensure that land no longer under the participant's control is removed from the contract and future payment calculations. NRCS's guidance will be reinforced to ensure that participants fully understand the requirements of the contracts that they have signed. Additionally, NRCS current guidance reinforces the need to perform a more thorough review of land/acreage information. Also, field verifications are now required prior to contract obligation. During annual contract status reviews, field offices are reminded to verify contract acreage to ensure that land no longer under the participant's control is removed from the contract and future payment calculations. Guidance will be reinforced to ensure that activities are completed as stipulated in the contract before activities are certified and payment is issued. State Conservationists will be reminded of existing national policy that NRCS retains approval authority for all practice documentation and certifications and that adequate supporting documentation must be provided to support these approvals. Current guidance will be reinforced to ensure a more thorough review of land/acreage information. Also, field verifications are now required prior to contract obligation. During annual contract status reviews, field offices are reminded to verify contract acreage to ensure that land no longer under the participant's control is removed from the contract and future payment calculations. NRCS State Office (SOF) will provide additional training for field staff on the Protracts system. Contracting and financial management staff were reminded of the correct payment procedures to prevent this mistake in the future. Also, the NRCS SOF hired additional personnel to alleviate workload issues that contributed to the error. NRCS current guidance will be reinforced to ensure a more thorough review of land/acreage information to prevent acres from multiple programs from being enrolled simultaneously. Current guidance will be reinforced to ensure a more thorough review of land/acreage information. Also, field verifications are now required prior to contract obligation. Reiterated existing policy not to issue closing agent payments prior to 7 days before the estimated closing date.
	Individual	Powers Lake, ND	\$7,129	\$891	\$6,238			
	Individual	Noble, OH	\$7,041	\$0	\$7,041	The participant failed to complete all activities as stipulated in contract.	Demand letter and bill has been sent to the recipient who received overpayment.	
	Individual	Staplehurst, NE	\$15,548	\$10,080	\$5,468	Participant loss control of cropland acres after the full payment was made.		
	Individual	Buchanan, IA	\$14,786	\$7,577	\$7,209	After the payment was made, participant involuntarily lost control of land as a result of estate settlement.	Overpayment recovered.	
	Individual	Miller, MO	\$14,831	\$6,824	\$8,007	Ineligible acres were included in the contract	Demand letter and bill has been sent to the recipient who received overpayment.	
	Individual	Buchanana, IA	\$14,527	\$7,007	\$7,520	After the payment was made, participant involuntarily lost control of land as a result of estate settlement.	Overpayment recovered.	
	Individual	Caruthersville, MO	\$26,822	\$15,650	\$11,172	Participant lost ownership of a portion of acres after the payment was made.		
	Individual	Portales, NM	\$16,102	\$7,296	\$8,806	The participant did not complete all actions stipulated in the contract.		
	Individual	Wentworth, MO	\$29,783	\$16,304	\$13,479	Ineligible acres were included in the contract.	Demand letter and bill has been sent to the recipient who received overpayment.	
	Individual	Heartwell, NE	\$16,365	\$819	\$15,546	Participant loss of control of cropland acres after the payment was made.		
	Entity	Ward, SC	\$27,058	\$7,468	\$19,590	Conservation activity information was entered into Protracts incorrectly causing incorrect payment information to be calculated.	Overpayment recovered.	
	Entity	Newberry, FL	\$26,409	\$0	\$26,409	Vendor was paid twice due to administrative error.		
	Individual	Yreka, CA	\$88,863	\$36,513	\$52,350	Ineligible acres were included in the contract.	Demand letter and bill has been sent to the recipient who received overpayment.	
	Entity	Crawford, OH	\$70,000	\$0	\$70,000	The participant did not complete all actions stipulated in contract.		
Entity	Daupin, PA	\$129,150	\$0	\$129,150	Closing agent/settlement agent paid too early (prior to 7 days before closing, per policy)	Overpayment recovered.		

Name of Program Responsible for Overpayment	Recipient (Entity or Individual)	City/County and State	Total Dollar Amount of the Payments Identified (Sum of Proper Amount and Overpayment Amount)	Proper Dollar Amount That Should Have Been Paid	Overpayment Dollar Amount	Reason For Overpayment	Actions Taken or Planned to Recover the Overpayment	Overall Actions and Strategies Taken or Planned to Prevent Overpayments in the Future
NRCS FSRIP	Entity	Menomonie, WI	\$1,663,215	\$946,652	\$716,563	The entity knowingly submitted false claims and caused overpayments by NRCS.	Due to the Department of Justice settlement, \$63,050 was recovered and forwarded to NRCS. The settlement prevents further collection actions.	The entity and its executive director have been placed on the Suspension and Debarment list. The executive director is prevented from participating in NRCS conservation programs for life. In addition, 1) NRCS will conduct a peer technical review for all appraisals and 2) update NRCS policy and the cooperative agreement to require the cooperating entity to submit a financial and activity progress report every three months during the life of the cooperative agreement.
Farm Service Agency (FSA) Direct and Counter Cyclical Program (DCP)	Individual	Hamilton, NE	\$38,119	\$0	\$38,119	The direct yield for a crop on the farm was entered incorrectly causing the producer to be overpaid.	Overpayment recovered.	County Offices (COF) are reminded of the importance to correctly load farm information when farm transfers are received.
	Individual	Madison, LA	\$20,161	\$12,345	\$7,816	Shares were not properly divided among the participants on the DCP contract.		Remind COFs to review contracts thoroughly to ensure disbursements are divided properly among the participants.
	Entity	Maricopa, AZ	\$40,000	\$0	\$40,000	Payments were issued to producer at the same time changes were made to the entity file causing an erroneous payment.	Demand letter and bill has been sent to the recipient who received overpayment.	Reminded the county to check files for accuracy before approving contracts.
	Individual	Seneca, OH	\$5,243	\$0	\$5,243	Producer did not provide COF with Average Crop Revenue Election (ACRE) production.	Overpayment recovered.	Perform review to ensure all documentation is on file prior to payment disbursement.
FSA Miscellaneous Disaster Program (MDP)	Individual	Blaine, OK	\$6,782	\$4,062	\$2,720	The acres on the application were entered incorrectly causing an overpayment.		Emphasized the necessity of having a second party conduct a review to ensure accuracy and completeness prior to payment disbursement.
	Individual	Blaine, OK	\$7,850	\$3,925	\$3,925			
	Individual	Blaine, OK	\$9,897	\$4,950	\$4,947			
	Entity	Bottineau, ND	\$272,560	\$0	\$272,560	The entity did not have a crop of economic significance that suffered a 10% loss of production. Therefore, the entire payment was not earned.		Remind COF of procedures to second party review Supplemental Revenue Assistance Payments (SURE) payments as an internal control to reduce improper payments.
	Individual	Coles, IL	\$5,521	\$1,511	\$4,010	COF loaded the incorrect commodity, using corn instead of soybeans.		COF has started 3rd party reviews for SURE applications.
	Individual	Griggs, ND	\$35,431	\$0	\$35,431	COF issued incorrect payment due to data entry error in SURE workbook.		COF will increase effort to verify accuracy of SURE workbook.
	Individual	Kane, IL	\$100,000	\$31,922	\$68,078	COF entered incorrect shares for soybean production.		COF will review with producer all production evidence and shares.
	Individual	Larue, KY	\$8,332	\$0	\$8,332	COF issued incorrect payment due to data entry error in SURE workbook.		Memorandum distributed to County Executive Director (CED) with instructions to review procedures for multi county producers and multi county workbooks with all employees with responsibility for SURE.
	Individual	Lavaca, TX	\$8,686	\$2,462	\$6,224	Producer information was entered incorrectly causing an overpayment to occur.	Demand letter and bill has been sent to the recipient who received overpayment.	2nd party review of all information to include non-customer submitted information and COF Committee approved SURE workbook revisions.
	Individual	Milam, TX	\$7,818	\$4,500	\$3,318	Acreage was miscalculated from the acreage report to the Livestock Food Program (LFP) application causing an overpayment to occur.	Overpayment recovered.	All LFP applications are manually checked to ensure data is transferred correctly from the acreage reports.
Individual	Payne, OK	\$19,354	\$0	\$19,354	Producer did not have NAP coverage and was not eligible to receive LFP payments.		Emphasized the necessity of having a second party conduct a review to ensure accuracy and completeness prior to payment disbursement.	
FSA MDP	Individual	Sargent, ND	\$8,005	\$3,374	\$4,631	Producer incorrectly reported production on SURE application. The result of adding the grasses crop production constituted an overpayment.	Overpayment recovered.	COF to review SURE applications to ensure all commodities insured are included in the SURE workbook.

Name of Program Responsible for Overpayment	Recipient (Entity or Individual)	City/County and State	Total Dollar Amount of the Payments Identified (Sum of Proper Amount and Overpayment Amount)	Proper Dollar Amount That Should Have Been Paid	Overpayment Dollar Amount	Reason For Overpayment	Actions Taken or Planned to Recover the Overpayment	Overall Actions and Strategies Taken or Planned to Prevent Overpayments in the Future
FSA Noninsured Assistance Program (NAP)	Entity	Middlesex, CT	\$30,676	\$0	\$30,676	COF accepted summary production records that were not verifiable or reliable.	Demand letter and bill has been sent to the recipient who received overpayment.	Remind COFs of the procedure to have second party reviews. Remind COFs of the County Office Committee's responsibilities. Remind CEDs of the necessity to follow all handbook procedures and policies. Redelegations of authority have been revoked. District Directors have been reminded of the responsibilities to review the first 5 NAP and SURE applications according to the State Executive Director/State Technical Committee (STC) request.
	Individual	Middlesex, CT	\$30,676	\$0	\$30,676			
	Individual	Middlesex, CT	\$30,676	\$0	\$30,676	COF use the incorrect price in preparing calculation.		
	Entity	New Haven, CT	\$47,489	\$927	\$46,562			
	Entity	New Haven, CT	\$100,000	\$0	\$100,000	COF incorrectly used production by acre.		
	Individual	New Haven, CT	\$9,568	\$0	\$9,568	COF accepted summary production records that were not verifiable or reliable.		
	Individual	New Haven, CT	\$9,568	\$0	\$9,568			
	Individual	New Haven, CT	\$9,568	\$0	\$9,568	COF use the incorrect price in preparing calculation.		
	Individual	New Haven, CT	\$9,568	\$0	\$9,568			
	Individual	New Haven, CT	\$47,489	\$927	\$46,562	COF incorrectly used production by acre value and should have used total production for farm value.		
	Individual	New Haven, CT	\$47,489	\$927	\$46,562			
	Individual	New Haven, CT	\$100,000	\$0	\$100,000	COF accepted summary production records that were not verifiable or reliable.		
	Individual	New Haven, CT	\$5,065	\$0	\$5,065			
	Individual	New Haven, CT	\$5,065	\$0	\$5,065	Incorrect acreage was used to calculate payment.		
	Individual	New Haven, CT	\$22,347	\$12,905	\$9,442			
	Individual	New Haven, CT	\$7,830	\$0	\$7,830	Payment dispersed to producer without final inspection by Loss Adjuster which would have shown evidence of destroyed crop.		
	Individual	New Haven, CT	\$7,830	\$0	\$7,830			
	Individual	New Haven, CT	\$7,830	\$0	\$7,830	The crops were not planted by the producer.		
	Individual	New Haven, CT	\$7,830	\$0	\$7,830			
	Individual	New Haven, CT	\$13,215	\$0	\$13,215	Remind the CED as well as the producers of the necessity to follow all handbook procedures and policies which includes having a Loss Adjuster inspect all hand harvested crops.		
Individual	New Haven, CT	\$13,215	\$0	\$13,215				
Individual	New Haven, CT	\$5,742	\$0	\$5,742	Remind the COF's of the procedure to have second party reviews of all relevant facts regarding the NAP application (i.e. check that the acreage and crops planted properly reflect the acreage report provided by the producer.			
Individual	New Haven, CT	\$5,742	\$0	\$5,742				
Risk Management Agency (RMA) Federal Crop Insurance Corporation Program Fund (FCICPF)	Entity	Lubbock, TX	\$54,148	\$15,359	\$38,789	RMA determined the Company was not in compliance with FCICPF policy or procedure in computing the indemnity.	Receivable established and recovery actions initiated.	Provide corrective actions specific to each reinsured entity that address the types of errors identified relative to acreage reports, indemnity calculations, underwriting, and/or entity identification. Assess appropriate penalties on participating reinsured companies to improve improper payment rate. Use data mining to identify and spot check anomalous crop insurance participants using expanded data analysis that includes geospatial NEXRAD radar and weather information.
	Entity	Cincinnati, OH	\$39,756	\$0	\$39,756			
	Entity	Cincinnati, OH	\$25,623	\$0	\$25,623	RMA determined the Company was not in compliance with FCICPF policy or procedure in computing the premium.		
	Entity	Anoka, MN	\$117,634	\$27,362	\$90,272			
	Entity	Anoka, MN	\$44,827	\$19,367	\$25,460	RMA determined the Company was not in compliance with FCICPF policy or procedure in computing the premium and the indemnity.		
	Entity	Anoka, MN	\$132,400	\$52,497	\$79,903			
	Entity	Ramsey, MN	\$70,518	\$29,921	\$40,597	The Indianapolis reinsured company was merged into the Council Bluffs reinsured company. Recovery actions are dependent on the outcome of the State's liquidation proceedings for these reinsured companies.		
	Entity	Ramsey, MN	\$64,837	\$22,241	\$42,596			
	Entity	Ramsey, MN	\$58,674	\$25,209	\$33,465			
	Entity	Johnston, IA	\$2,357,711	\$0	\$2,357,711			
	Entity	Johnston, IA	\$70,560	\$0	\$70,560			
	Entity	Lubbock, TX	\$3,163,608	\$0	\$3,163,608			
	Entity	Lubbock, TX	\$361,549	\$0	\$361,549			
	Entity	Lubbock, TX	\$146,421	\$0	\$146,421			
	Entity	Lubbock, TX	\$43,218	\$0	\$43,218			
	Entity	Indianapolis, IN	\$637,537	\$0	\$637,537			
	Entity	Council Bluffs, IA	\$1,999,799	\$0	\$1,999,799			