

U.S. Department of Agriculture Executive Order 13520, "Reducing Improper Payments"  
High-Dollar Overpayments Report  
2nd Quarter FY 2013

| 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  |
|--|----------------------------------|-----------------------------------|--|---|---------------------------|--|--|--|
| Rural Housing Service (RHS) Rental Assistance Program  | Individual                       | Dumas, AR                         | \$18,125   | \$7,960   | \$10,165                  | Income calculation/reporting issues  | Payment agreements are in place for tenant to repay improper payment. If payment is not received, the debt will be sent to Treasury to be put into the Treasury Offset Program.  | Legislative proposal submitted to target income reporting; RHS has modified its Improper Payment Information Act of 2002 protocol to expand detection of Unauthorized Assistance.  |
|  | Individual                       | Monticello, AR                    | \$5,918  | \$0   | \$5,918                   |  |  |  |
|  | Individual                       | Natchez, LA                       | \$7,486  | \$998   | \$6,488                   |  |  |  |
|  | Individual                       | Snow Hill, MD                     | \$47,597   | \$28,688  | \$18,909                  |  |  |  |
|  | Individual                       | Zimmerman, MN                     | \$7,179  | \$0   | \$7,179                   |  |  |  |
|  | Individual                       | Warsaw, NC                        | \$13,603   | \$2,078   | \$11,525                  |  |  |  |
|  | Individual                       | Jewett, TX                        | \$13,444   | \$5,824   | \$7,620                   |  |  |  |
| Natural Resources Conservation Service (NRCS) Farm Security and Rural Investment Program (FSRIP) | Individual                       | San Joaquin, CA                   | \$20,381   | \$12,409  | \$7,972                   | Participant lost control of acres for which the individual/entity was paid.  | Demand letter was issued.  | Continuous monitoring of contracts to ensure eligibility and control of land continues from year to year.<br>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.<br>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. Also, state program personnel will ensure that participants fully understand all contract terms. |
|  | Individual                       | Buena Vista, IA                   | \$8,205  | \$4,501   | \$3,704                   |  |  |  |
|  | Individual                       | Buchanan, IA                      | \$9,786  | \$1,506   | \$8,280                   |  |  |  |
|  | Entity                           | Brown, SD                         | \$34,075   | \$22,781  | \$11,294                  |  |  |  |
|  | Individual                       | Clayton/ Union, NM                | \$349,498  | \$0   | \$349,498                 |  |  |  |
|  | Individual                       | Bremer, IA                        | \$6,648  | \$0   | \$6,648                   | Participant did not install food plots per the terms of the contract.  | Field offices have been reminded of the need to perform a quality review prior to contract obligation. Additionally, annual quality assurance reviews will be performed to ensure that contracts are in compliance with NRCS policy. |  |
|  | Entity                           | Stoneville/ Washington County, MS | \$90,080   | \$0   | \$90,080                  | Duplicate payment was issued to the same vendor.   | Funds have been recovered. No further action required.   | Financial management staff have been reminded of payment procedures and will make sure that all procedures are appropriately followed to prevent this mistake from happening in the future.  |
| NRCS FSRIP   | Entity                           | Sterling, VA                      | \$32,865   | \$6,318   | \$26,547                  | Incorrect invoice amount was paid. Corrected invoice was paid instead of the difference between the incorrect invoice and the corrected invoice. | Funds have been recovered. No further action required.   | Financial management staff will annotate relocation invoices submitted to NFC to more clearly indicate that a corrected invoice has been submitted.  |
|  | Entity                           | Chittenden, VT                    | \$37,125   | \$0   | \$37,125                  | Wrong payee was paid due to a processing error related to assignment payments.   | Demand letter will be issued.  | Guidance will be provided on how to properly process assignment payments.  |
|  | Individual                       | Kayemta, AZ                       | \$5,363  | \$3,277   | \$2,086                   | Incorrect payment due to a financial management system processing error related to advance payments.   | Funds have been recovered. No further action required.   | NRCS is working with the Department on a solution to prevent the financial management system from issuing improper payments caused by liquidating advances.  |
|  | Individual                       | Shade/ Athens, OH                 | \$16,441   | \$3,537   | \$12,904                  | Advanced payment was issued and participant did not fully complete practice to NRCS standards and specs.   | Demand letter was issued.  | The field, area and program staff will more carefully review advance payment requested to ensure they are "shovel ready" before authorizing the payment.   |

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| NRCS FSRIP  | Individual                       | Sacramento, CA         | \$5,526  | \$0   | \$5,526                   | The participant was given an advance payment for a practice on their contract. The work was not completed.             | Demand letter was issued.   | The field, area and program staff will more carefully review advance payment requested to ensure they are "shovel ready" before authorizing the payment.   |
| Risk Management Agency (RMA)<br>Federal Crop Insurance Corporation (FCIC)<br>Program Fund | Entity                           | West Des Moines, IA    | 225,875  | \$33,474  | \$192,401                 | RMA determined the Company was not in compliance with FCIC policy or procedure in computing the premium and indemnity. | Final findings were issued by RMA to the reinsured company, accounts receivable were established for the overpayments and recovery actions initiated. Most receivables have been recovered. A small amount of contested receivables continue in due process review. | 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         | 50,649   | \$0   | \$50,649                  |  |   |  |
|   | Entity                           | Topeka, KS             | \$65,849   | \$0   | \$65,849                  |  |   |  |
|   | Entity                           | Overland Park, KS      | \$350,600  | \$0   | \$350,600                 |  |   |  |
|   | Entity                           | Overland Park, KS      | \$316,461  | \$163,650                                       | \$152,811                 |  |   |  |
|   | Entity                           | Johnston, IA           | \$90,167   | \$31,232  | \$58,935                  |  |   |  |
|   | Entity                           | Johnston, IA           | \$73,261   | \$40,855  | \$32,406                  |  |   |  |
|   | Entity                           | Johnston, IA           | \$73,258   | \$40,854  | \$32,404                  |  |   |  |

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.