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SUBJECT: Prior OIG Engagements Relevant to the Farm Production and Conservation Agencies' Disaster Relief Supplemental Appropriations Funding Provided under the American Relief Act, 2025.

The American Relief Act, 2025, Pub. L. No. 118-158, signed on December 21, 2024, provided more than \$39.8 billion to the USDA to carry out projects and activities related to agricultural disaster assistance. Of this amount, the Act provided more than \$2.1 billion to Farm Production and Conservation (FPAC) agencies for disaster-related programs and activities. Additionally, as of March 5, 2025, USDA plans to allocate at least \$28.4 billion to FPAC agencies for these purposes. These programs and activities include:

- \$18.4 billion¹ for disaster-related expenses that occurred during calendar years 2023 and 2024 (e.g., losses of revenue, quality or production of crops, trees, bushes, vines, etc.).
- \$10 billion for economic assistance, which will be delivered through the Emergency Commodity Assistance Program (E-CAP).²
- \$356.5 million³ for the Emergency Forest Restoration Program (EFRP), which provides payments to eligible owners of nonindustrial private forest land to carry out emergency measures to restore land damaged by a natural disaster.
- \$828 million for the Emergency Conservation Program (ECP), which provides financial and technical assistance to repair and restore farmland affected by natural disasters and help farmers and ranchers implement emergency conservation measures that rehabilitate

¹ As of March 5, 2025, USDA plans to allocate at least \$18,439,200 to the Farm Service Agency for these expenses.

² As of March 5, 2025, USDA plans to allocate these funds to FSA to administer this program and carryout the Act's economic assistance provision.

³ The American Relief Act, 2025, provided \$356,535,000 for the Emergency Forest Restoration Program.

damaged land, restore agricultural production, and prevent further environmental degradation.

- \$920 million for the Emergency Watershed Protection (EWP) Program, which provides financial and technical assistance to help local communities relieve imminent threats to life and property caused by floods, fires, windstorms and other natural disasters that impair a watershed.

As part of the Office of Inspector General's (OIG) oversight responsibility, we reviewed the results of prior OIG and Government Accountability Office (GAO) engagements that were relevant to the supplemental disaster and crop insurance funding provided by the American Relief Act, 2025.⁴ We identified areas with reported past weaknesses and recommendations that may provide FPAC agencies insight when disbursing funds allotted by the American Relief Act, 2025. These results will help FPAC agencies as they design new programs and determine whether to maintain or further strengthen controls of existing programs that receive the supplemental disaster funding. By maintaining strong controls, agencies are better suited to provide the supplemental funds to those most impacted by disasters, while helping reduce or prevent potential fraud, waste, and abuse.

Based on our review, we identified the following findings and recommendations that FPAC agencies may consider to help ensure their activities and programs operate effectively with the proper control environment. These engagements are listed by agency in chronological order (most recent first). According to information maintained by the Office of the Chief Financial Officer (OCFO), as of March 5, 2025, some of the recommendations associated with these prior audits have not yet been implemented. These outstanding recommendations are noted as applicable.

Relevant OIG Reports

Farm Service Agency (FSA)

- *Wildfires and Hurricanes Indemnity Program – Puerto Rico*:⁵ OIG reported that all 37 prices FSA established in Puerto Rico for tree, bush, and vine losses were inaccurate, not adequately supported, or both. As a result, FSA issued more than \$157 million in questioned payments for tree, bush, and vine losses in Puerto Rico. Additionally, FSA Puerto Rico officials did not use the correct actual production value when calculating WHIP payment amounts for producers who had insured production losses, which resulted in more than \$15.6 million in questioned costs and FSA having reduced assurance that the net payments for all insured production losses paid for 1,521 producer applications in Puerto Rico were accurate.

OIG recommended FSA strengthen controls; establish policy; conduct training; assess the actual production value for all questioned insured production losses OIG identified and, based on the assessment, recover any disallowed costs from the producers and issue payments to the producers for any underpayments; and, when designing future disaster relief programs, ensure handbook procedures include a requirement that program documents related to current State committee members must be reviewed by a State or

⁴ We included in our review recent related engagements with recommendations tracked by the Office of the Chief Financial Officer.

⁵ Audit Report 03702-003-31, *Wildfires and Hurricanes Indemnity Program – Puerto Rico*, Mar. 2023.

national office employee. According to OCFO, as of March 5, 2025, three of five recommendations remain open.

- ~~Corrective~~⁶ five FSA programs did not meet the Payment Integrity and Information Act of 2019 (PIIA) compliance requirements for reporting one or more of the following: annual reduction targets, gross improper payment rates of less than 10 percent, or corrective action plans. These programs included FSA's Noninsured Disaster Assistance Program, Emergency Conservation Program, and Wildfires and Hurricanes Indemnity Program.⁷ As a result, these programs could not ensure taxpayer money served its intended purpose. .

OIG recommended that FSA provide information that describes the actions that the agency will take to come into compliance in the Office of Management and Budget annual data call. According to OCFO, as of March 5, 2025, FSA implemented the applicable recommendation.

- *Florida Citrus Recovery Block Grant Program:*⁸ OIG reported that overall, FSA and the State of Florida designed an adequate control structure over the block grant program. However, OIG identified discrepancies with 8 of the 39 grant payments in the sample. Specifically, six payments contained errors due to inaccurate payment calculations for young tree acreage, and two lacked sufficient documentation to support their Part 1 payments for grove rehabilitation. As a result, grant personnel issued eight improper payments, totaling more than \$7.5 million, to Florida citrus producers affected by Hurricane Irma. Additionally, we found that the Florida FSA State office issued an Emergency Conservation Program payment of more than \$50,000 for expenses already paid by the Citrus Recovery Block Grant Program.

OIG recommended that FSA require the State of Florida to review the more than \$7.5 million in improper payments; complete its internal review of young tree payments; and complete its review of supporting documentation. OIG also recommended that FSA's State office review the duplicate payment and take appropriate action. According to OCFO, as of March 5, 2025, FSA implemented the six recommendations.

- *2017 Hurricane Relief Emergency Conservation Program:*⁹ OIG reported that FSA needed to strengthen its internal controls within the Emergency Conservation Program (ECP). Specifically, OIG found that FSA did not properly document more than \$700,000 in ECP payments for 15 of 40 applications; district directors did not sufficiently document or timely review ECP applications in all four counties reviewed; and county executive directors did not perform spot checks to verify practice maintenance and cost documentation in three counties reviewed. As a result, the county committee may have been presented ineligible applications for approval and, because FSA did not complete spot checks, FSA could not ensure producers completed restoration practices on applications totaling more than \$1.9 million. Further, FSA processed cost-share payments for 14 of 40 applications (using insufficient documentation, included ineligible costs, or

⁶ Audit Report 50024-0002-24, *USDA's Compliance with Improper Payment Requirements for Fiscal Year 2021*, June 2022.

⁷ FSA's Market Facilitation Program and Trade Mitigation Program were the other two non-compliant programs, which are not related to the Act's supplemental disaster funding.

⁸ Audit Report 03702-0001-22, *Florida Citrus Recovery Block Grant Program*, June 2021.

⁹ Audit Report 03702-0002-23, *2017 Hurricane Relief Emergency Conservation Program*, June 2021.

calculated cost-share reimbursements incorrectly), which resulted in more than \$557,000 potential improper payments.

OIG recommended that FSA develop, implement, and clarify guidance to ensure the prior approval rule is appropriately waived, and that district director reviews and spot checks are performed and evaluated. OIG also recommended that FSA develop and implement a standardized format for documenting installation costs and ensure that these costs are supported by satisfactory evidence. According to OCFO, as of March 5, 2025, four of the ten recommendations remain open.

- *2017 Emergency Assistance for Honeybee Claims*:¹⁰ OIG reported, in two of three States we visited, county officials did not include inventory additions in the Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP) payment calculations for 18 of the 60 honeybee applications we reviewed, resulting in more payments than allowed. Further, one of the two States continued its miscalculations in subsequent years. We also questioned payments that FSA approved for two ineligible honeybee producers. At one county office, we found that 18 ELAP applications contained late-filed inventory reports that the county office committee did not review for accuracy, as required. Finally, four out of the five district directors responsible for the counties we reviewed either did not perform the required oversight reviews or did not report the results of these reviews to the State office. As a result, State officials were unaware of the county offices' implementation of ELAP, thus increasing the agency's risk of erroneous payments. For the one State and district that did not conduct the required reviews, we questioned all payments due to a lack of oversight. In total, we questioned costs of over \$10.1 million.

OIG recommended FSA State offices review and take appropriate action to address the identified incorrect payment calculations, ineligible honeybee producers, and lack of oversight. OIG also recommended that FSA require the use of a control to ensure proper review of ELAP, and that FSA amend its guidance to provide clear definitions and comprehensive examples for use in training sessions. According to OCFO, as of March 5, 2025, FSA implemented the 14 recommendations.

- *Wildfires and Hurricanes Indemnity Program*:¹¹ OIG reported that FSA allowed 1,160 applicants to have their applications processed after the deadline, and more than 1,650 applications were initiated without documented approval to do so. OIG also identified issues on 39 out of 73 sampled applications, including issues with eligibility documentation, payment calculations, and producer certifications. As a result, FSA issued more than \$103 million in program payments to producers in Florida and Georgia who did not submit signed applications by the designated deadline; and OIG identified more than \$8 million in improper payments in Florida and Georgia.

OIG recommended that FSA establish a policy to clearly document and approve deviations from established procedures. OIG also recommended that FSA assess, confirm, and recover \$4.2 million in improper program payments, issue \$96,003 to underpaid producers, and review documentation and take appropriate action for the questioned \$3.7 million in program payments. Finally, OIG recommended that FSA

¹⁰ Audit Report 03702-0001-23, *2017 Emergency Assistance for Honeybee Claims*, Sept. 2020.

¹¹ Audit Report 03702-0002-31, *Wildfires and Hurricanes Indemnity Program*, Sept. 2020.

strengthen program guidance and controls concerning second-party reviews. According to OCFO, as of March 5, 2025, one of the five recommendations remain open.

Natural Resources and Conservation Service (NRCS)

- *Hurricane Disaster Assistance - Emergency Watershed Protection Program*:¹² OIG reported that NRCS did not establish and maintain a database to accurately track Emergency Watershed Protection (EWP) Program projects at the national level. Without a database, NRCS was unable to assess, improve, or report on program effectiveness. Additionally, OIG reported that for 15 of 20 sampled Damage Survey Reports (DSR), sponsors did not provide required eligibility documentation and that all three States in our sample did not submit 60-day or final reports for our sampled DSRs. As a result, we questioned NRCS' oversight of more than \$239.7 million in EWP project funds. Furthermore, OIG reported that State officials did not initiate the closeout process or de-obligate unused funds of more than \$9.5 million for 18 signed cooperative agreements in a timely manner. As a result, this could lead to lengthy, unliquidated obligations and potentially prevent the funds from being used on other EWP Program projects. Finally, OIG reported that NRCS had no performance measures specific to EWP. As a result, NRCS could not assess and report on the EWP Program's effectiveness.

OIG recommended NRCS establish a national database to track EWP projects; develop and implement a process to ensure States are confirming and documenting applicant eligibility; review all DSRs for Hurricanes Harvey, Irma, and Maria to confirm eligibility; update program guidance; develop and implement controls to ensure States timely and accurately submit 60-day and final reports; develop and implement controls to ensure project closeouts and de-obligations are completed timely; and develop and implement EWP Program performance measures. According to OCFO, as of March 5, 2025, NRCS implemented the nine recommendations.

Risk Management Agency (RMA)

- *Whole-Farm Revenue Protection Pilot Program*:¹³ OIG reported that RMA did not ensure the Whole-Farm Revenue Protection Pilot Program's (WFRP) insurance year 2019 activities were consistently included in its existing oversight processes. Overall, RMA did not document which existing oversight processes the agency used to ensure it performed sufficient and recurrent oversight of WFRP activities. We concluded that RMA's oversight of WFRP activities for insurance year 2019 was not sufficient to ensure that more than \$185.5 million in indemnities paid were accurately determined.

OIG recommended RMA document the oversight reviews and/or tools RMA will use to ensure that WFR activities are performed in accordance with program requirements. Also, RMA should establish a policy and develop procedures to ensure WFRP activities and data are reviewed in a consistent and regular manner. According to OCFO, as of March 5, 2025, RMA implemented the recommendation.

¹² Audit Report 10702-0001-23, *Hurricane Disaster Assistance - Emergency Watershed Protection Program*, June 2021.

¹³ Audit Report 05601-0005-22, *Whole-Farm Revenue Protection Pilot Program*, May 2024.

- *Prevented Planting Followup*.¹⁴ OIG reported that RMA did not ensure that the specific acreage in a producer's land was eligible for an insurance payment. To make this determination, the producers' insurance adjusters used a mathematical approach to determine the total acres eligible for a prevented planting claim. During OIG's review, we were unable to use the information in the adjusters' claim files to confirm that producers were eligible for the insurance payments they received. Without documentation, we determined that 9 of 9 approved insurance providers related to our sample made prevented planting payments totaling more than \$1.087 billion in crop year 2020 in North Dakota and South Dakota that were not fully supported.

OIG recommended that RMA strengthen the requirements in its Prevented Planting Standards Handbook to clarify how acres claimed are eligible for prevented planting. RMA should also identify new technologies that may improve approved insurance provider documentation to support and verify prevented planting claims. According to OCFO, as of March 5, 2025, RMA implemented the two recommendations.

- *RMA Apiculture Pilot Insurance Program*.¹⁵ OIG reported that, for three of the five Apiculture policies we reviewed that used lease certification forms, in lieu of providing lease agreements, we found the forms did not provide sufficient information to verify that a lease was in place. As a result, the lack of lessor information required on the form hinders the reviewer's ability to properly confirm eligibility for the Apiculture program and potentially puts producers at risk for not meeting insurability requirements. Therefore, the indemnities paid on the three policies totaling \$442,188 were questionable. Our review also found that an approved insurance provider (AIP) was not in compliance with the review requirements for policies that pay indemnities of \$200,000 or more (\$200,000 Indemnity Reviews). Without adequate reviews of these policies, there was reduced assurance that the payments made for four policies in crop year (CY) 2020—totaling \$1,082,604—met all insurability requirements. Finally, although the Apiculture Program pays indemnities based on a lack of or decline in precipitation, the indemnity payment calculations did not differentiate between irrigated and non-irrigated farming practices. As a result, producers insuring bee colonies on irrigated land were able to receive the same level of indemnity payments even if they may not have been impacted by the lack of or decline in precipitation.

OIG recommended that RMA require that the AIP responsible for administering the three policies identified with insufficient lease documentation provide adequate support that producers had the right to place colonies on insured land; and if adequate support was not provided, recover the \$442,188 in indemnities paid for the three policies. In addition, we recommended RMA review CY 2020 AIP \$200,000 Indemnity Reviews in California and Florida and recover \$1,810,328 if adequate documentation was not provided. Further, we recommended RMA revise the lease certification form guidance to incorporate additional information for reviewers to validate the accuracy and completeness of the producers' self-certified information. According to OCFO, as of March 5, 2025, one of the eight recommendations remains open.

- *Controls Over Crop Insurance Section 508(h) Products*.¹⁶ OIG reported several weaknesses that RMA needed to address to improve its oversight of Section 508(h)

¹⁴ Audit Report 05601-0008-31, *Prevented Planting Followup*, Feb. 2024.

¹⁵ Audit Report 05601-0002-41, *RMA Apiculture Pilot Insurance Program*, May 2023.

¹⁶ Audit Report 05601-0007-31, *Controls Over Crop Insurance Section 508(h) Products*, June 2020.

submissions. First, although in 2006 RMA agreed to formalize a review process to include annually scheduled reviews of all insurance products, RMA did not have a formalized system for documenting these reviews for Section 508(h) products. We found that, in our sample, only one out of three products had a documented RMA review in the past 5 years. Until RMA implemented a process to document its monitoring of all Section 508(h) products, there was an increased potential for RMA to neither detect nor address vulnerabilities in privately developed products, which may have resulted in losses. Second, we found that none of the divisions that reviewed Section 508(h) products had fully assessed certain vulnerabilities of such products, as the role of the RMA Compliance Office had been lessened greatly in 2016 when RMA's directive made this review optional.

OIG recommended that RMA develop and formalize Section 508(h) product monitoring procedures and involve the Compliance Office in determining who decides when a Compliance Office review of Section 508(h) submissions is appropriate and needed. According to OCFO, as of March 5, 2025, RMA implemented the two recommendations.

Related GAO Reports

We also noted the following GAO reports that FPAC agencies may want to consider, which include findings and recommendations relevant to the funding provided by the American Relief Act, 2025:

- [*High-Risk Series: Heightened Attention Could Save Billions More and Improve Government Efficiency and Effectiveness*](#),¹⁷
- [*Status of USDA Debt Assistance for Distressed Borrowers*](#),¹⁸
- [*Emergency Relief Program 2022: FSA Should Publicly Report Progress in Issuing Payments*](#),¹⁹
- [*Crop Insurance: Update on Opportunities to Reduce Program Costs*](#),²⁰
- [*Emergency Watershed Protection: Assistance Program Helps Meet Post Disaster Needs and Could Be Improved with Additional Guidance*](#),²¹ and
- [*Farm Programs: USDA Has Improved Its Completion of Eligibility Compliance Reviews, but Additional Oversight Is Needed*](#).²²

This memorandum contains publicly available information and will be posted in its entirety to our website (<https://usdaoig.oversight.gov>).

¹⁷ GAO-25-107743, *High-Risk Series: Heightened Attention Could Save Billions More and Improve Government Efficiency and Effectiveness*, Feb. 2025.

¹⁸ GAO-25-107008, *Status of USDA Debt Assistance for Distressed Borrowers*, Dec. 2024.

¹⁹ GAO-24-107345, *Emergency Relief Program 2022: FSA Should Publicly Report Progress in Issuing Payments*, Sept. 2024.

²⁰ GAO-24-106086, *Update on Opportunities to Reduce Program Costs*, Nov. 2023.

²¹ GAO-22-104326, *Emergency Watershed Protection: Assistance Program Helps Meet Post Disaster Needs and Could Be Improved with Additional Guidance*, Oct. 2021.

²² GAO-21-95, *USDA Has Improved Its Completion of Eligibility Compliance Reviews, but Additional Oversight Is Needed*, Oct. 2020.

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