



U.S. Department of Agriculture
Office of Inspector General





OFFICE OF INSPECTOR GENERAL

United States Department of Agriculture



DATE: April 14, 2025

TO: Daniel B. Whitley
Administrator
Foreign Agricultural Service

ATTN: James Gartner
Audit Liaison
Foreign Agricultural Service

FROM: Steven Rickrode
Acting Assistant Inspector General for Audit

SUBJECT: Prior OIG Audits Relevant to Trade Promotion Program Funding

To help address agriculture's \$50 billion trade deficit, on April 2, 2025, Secretary of Agriculture Rollins announced that United States Department of Agriculture was launching its agricultural trade promotion programs for 2025 and accepting applications for funding. Together, the Secretary rolled out more than \$250 million in funding for the Market Access Program (MAP), the Foreign Market Development Program, the Technical Assistance for Specialty Crops Program, and the Emerging Markets Program. The programs are designed to help U.S. agricultural producers promote and sell their goods internationally.

As part of the Office of Inspector General's (OIG) oversight responsibility, we reviewed the results of prior OIG engagements that were relevant to the funded trade programs.¹ We identified areas with reported past weaknesses and recommendations that may provide the Foreign Agricultural Service (FAS) insight when disbursing funds under these programs. The results shared will help FAS as it determines whether to maintain or further strengthen existing controls for the four programs that receive trade promotion funding. By maintaining strong controls when disbursing the funds, agencies are better suited to provide them to the most deserving applicants, as well as help reduce or prevent fraud, waste or abuse.

Based on our review, we identified the following findings and recommendations that FAS may consider to ensure their activities and programs operate effectively with the proper control environment. According to information maintained by the Office of the Chief Financial Officer (OCFO), as of April 8, 2024, nine of the recommendations associated with these prior audits have not been implemented.

Relevant OIG Reports

¹ We limited our review to prior OIG engagements with recommendations tracked by the Office of the Chief Financial Officer from April 2020 through March 2025.

- *Foreign Agricultural Service's Controls Over McGovern-Dole International Food for Education Program Funding:*² OIG reported that FAS did not oversee its McGovern-Dole Program agreements or demonstrate how it met statutory provisions to ensure recipients properly expended program funds for authorized purposes. Further, FAS did not review and approve recipients' advance payment requests to assess "rollover" funds, which allow recipients to retain unused portions of advance payments for future periods.

Additionally, as of fiscal year (FY) 2022, FAS did not close out 32 McGovern-Dole Program agreements that ended 1 to more than 11 years earlier. As a result, FAS lacked assurance that recipients properly expended more than \$99.2 million in funds for authorized purposes, and that more than \$67.7 million funds earmarked for local and regional commodity procurements were properly obligated and expended in accordance with the statutory requirements. Furthermore, FAS had not de-obligated potentially more than \$19.9 million that could be used for other new or ongoing McGovern-Dole Program projects.

We recommended that FAS strengthen the design of its compliance review controls, as well as strengthen oversight controls related to the local and regional procurement earmarks, advance payment review and approval, and agreement closeout processes. According to OCFO, as of April 8, 2025, FAS had implemented one of our ten recommendations.

- *Controls Over the Market Access Program:*³ OIG reported that FAS' MAP grant review and funding process is not sufficiently transparent to allow applicants to make informed decisions when preparing their application to compete for MAP grant awards. Specifically, FAS did not develop and document in the Notice of Funding Opportunity (NOFO) its criteria to make funding determinations and recommend funding levels. Additionally, FAS did not develop controls to consistently apply its processes to recommend and allocate MAP funding to all applicants. This occurred because FAS officials administered MAP using historical processes and did not establish oversight controls to periodically evaluate if its grant review and funding recommendation process was transparent to the public and met the competitive standards required to award MAP funds. As a result, FAS could not support how it consistently, transparently, and fairly recommended and allocated more than \$194 million to 67 MAP applicants.

Also, FAS did not evaluate if FAS' Cooperator Programs Division marketing specialists' role as reviewer of MAP applications during the divisional review phases created an appearance of a conflict of interest (COI) due to their ongoing professional role with MAP applicants. In addition, FAS did not obtain a COI form for all reviewers, specifically individuals involved in the sufficiency review, competitive review, and final review and allocation decision making phases of FAS' MAP review and selection process. This occurred because FAS did not

² Audit Report 07601-0002-41, *Foreign Agricultural Service's Controls Over McGovern-Dole International Food for Education Program Funding*, July 2024.

³ Audit Report 07601-0001-21, *Controls Over the Market Access Program*, July 2023.

establish oversight controls to assess the role of its reviewers to ensure they were free from the appearance of a COI and did not implement sufficient oversight controls to ensure all individuals signed a COI form. As a result, FAS could not reasonably ensure that the awarding process is objective and free of bias and conflict.

We recommended that FAS establish oversight controls to periodically review its grant policy to ensure compliance with regulations; ensure that its review and selection processes are developed and described in the NOFO and can be applied to all applicants; and consult with the Office of Ethics to assist with identifying and addressing potential conflicts of interest. According to OCFO, as of April 22, 2024, FAS had implemented all seven recommendations.

- *Oversight of the Agricultural Trade Promotion Program:*⁴ OIG found that FAS awarded \$300 million in Agricultural Trade Promotion Program (ATP) funding to applicants who may not have been the most meritorious based on the announced criteria and program regulations. This occurred because FAS did not make establishing controls over its grant programs a priority even though FAS agreed to do so in response to recommendations OIG made in 2014. Additionally, FAS did not maintain sufficient documentation about the reviews performed on applications and the selections made, which impaired OIG's ability to fully evaluate those reviews and selections. As a result, we were unable to attest to the merits of the 59 ATP grants awarded in fiscal year (FY) 2019, totaling \$300 million.

As a result, we recommended that FAS approve and implement a written policy designed to ensure FAS complies with Federal grant requirements as well as published program regulations when awarding grants. We recommended this policy also include a process to document decisions throughout the grant selection process. We also urged FAS to develop and implement plans to train personnel on how to perform their assigned roles and responsibilities as prescribed in the new grant policy and ensure FAS personnel are held accountable for the roles and responsibilities assigned to them. Finally, we recommended that FAS determine if the control issues we identified should be included in the agency's Federal Managers' Financial Integrity Act assurance statement. According to OCFO, as of August 11, 2023, FAS had implemented all four recommendations.

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

⁴ Audit Report 07601-0001-24, *Oversight of the Agricultural Trade Promotion Program*, August 2022.



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