



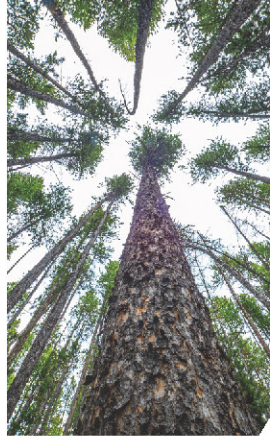
U.S. Department of Agriculture
Office of Inspector General

SEMIANNUAL REPORT TO CONGRESS

Second Half

April 1, 2025–September 30, 2025

Fiscal Year 2025
Number 94
December 2025



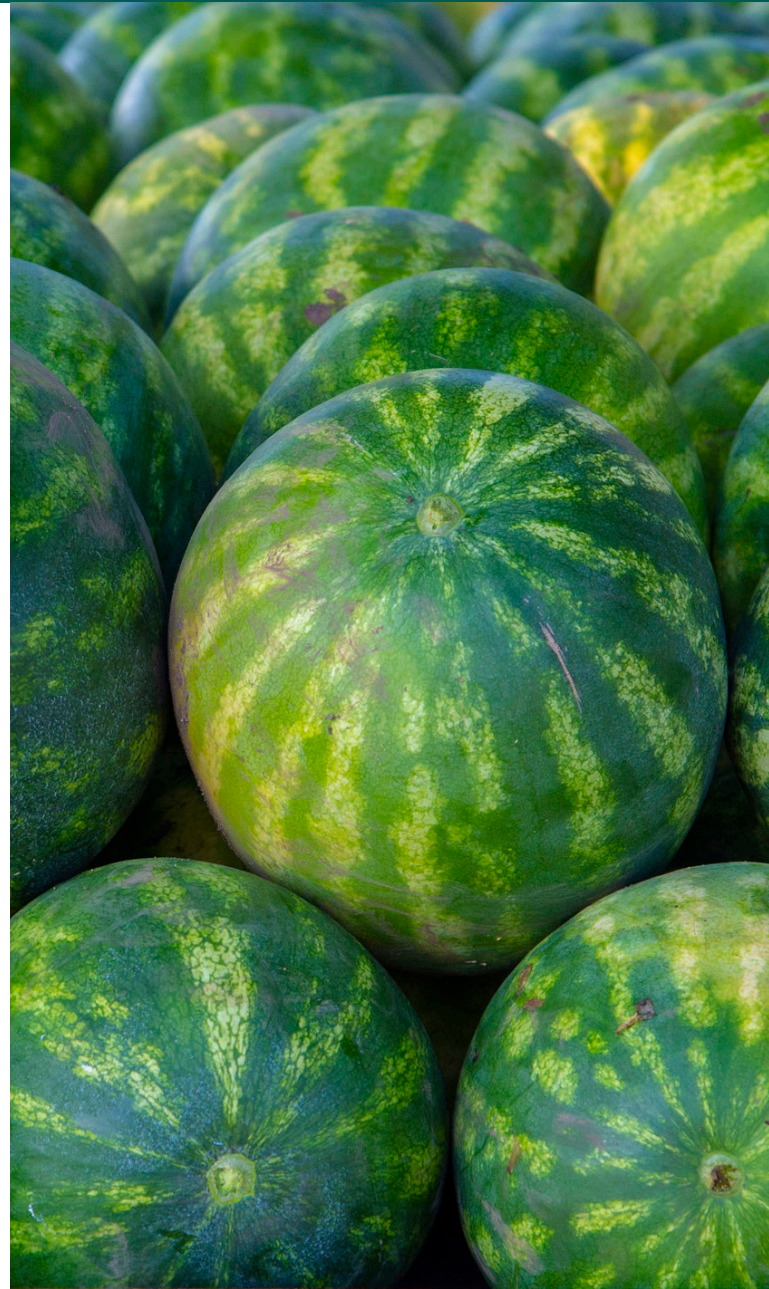


SEMIANNUAL REPORT TO CONGRESS

April 1, 2025–September 30, 2025

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Harvested watermelon on a farm. USDA photo by Preston Keres. This photo is from USDA's Flickr account and does not depict any specific audit, inspection, or investigation summarized or listed in this report.



Message from the Acting Inspector General

I am pleased to present the U.S. Department of Agriculture's (USDA) Office of Inspector General (OIG) *Semiannual Report to Congress* for the second half of fiscal year (FY) 2025. This report summarizes OIG's activities from April 1, 2025–September 30, 2025, as required by the Inspector General Act of 1978, as amended.

Our mission is to promote the economy, efficiency, and effectiveness of and to prevent and detect fraud, waste, and abuse in USDA's programs and operations. Our work is accomplished through independent and objective audits, investigations, inspections, and reviews. Our primary focus areas include safety and security, integrity of benefits, and the efficient delivery of USDA programs and operations. We also provide oversight of USDA programs and operations that receive supplemental funding.¹

This 6-month reporting period, our Office of Audit issued 37 products, which identified more than \$819.5 million in monetary impact, and made 83 recommendations to improve programs and operations. We processed 8,402 complaints through the OIG Hotline, and OIG's investigative work resulted in 293 arrests, 143 indictments, 108 convictions, and monetary impact of more than \$35.8 million. OIG's Office of Analytics and Innovation provided analytics support to 64 audits, inspections, and investigations. OIG's work during this 6-month reporting period resulted in a total dollar impact of more than \$855.4 million, resulting in cost savings and recoveries of more than \$15 for every dollar invested. Across the full FY 2025, our monetary impact was over \$1.2 billion, a return on investment of \$11 for every dollar invested. The following examples highlight the independent, objective, and impactful oversight work OIG accomplished in the second half of FY 2025.

Safety and Security

Our work in this area focuses on issues such as safety of facilities, safety of the food supply, animal welfare, and information technology (IT) security and management.

This 6-month reporting period, OIG conducted impactful investigations, including a recently closed food safety case where six individuals were sentenced to a total of 19 months in prison for smuggling prohibited animal product into the U.S. via China, which was then shipped to New York and illegally sold to local restaurants. This was a joint investigation with U.S. Department of Homeland Security, Homeland Security Investigations (DHS-HSI), the Food Safety and Inspection Service's (FSIS) Office of Investigations, Enforcement, and Audit (OIEA), and the Animal and Plant Health Inspection Service (APHIS).

We also identified key findings and issued multiple recommendations related to USDA security. For example, USDA OIG performed an audit of USDA's National Bio and Agro-Defense Facility (NBAF)—where USDA plans to conduct research on animal diseases—to evaluate the implementation of physical security controls at the facility. We issued nine recommendations and reached management decision on all. Related to IT security, we performed an inspection to determine whether USDA's password management practices effectively prevented the use of passwords that are commonly used, expected, or compromised. We made three recommendations to the Office of the Chief Information Officer (OCIO) and reached management decision on all.

We also note that OIG's continued important role in the national security arena was reflected in USDA's National Farm Security Action Plan, issued during this reporting period, on July 8, 2025.

Integrity of Benefits

Our work in this focus area helps ensure or restore integrity in various USDA benefit and entitlement programs, including programs that provide payments directly and indirectly to individuals and entities. Some of the programs are among the largest in the Federal Government and support nutrition, farm production, and rural development.

¹ USDA received supplemental funding from the [American Relief Act of 2025](#), the [Inflation Reduction Act of 2022](#) (IRA), and the [Infrastructure Investment and Jobs Act of 2021](#) (IIJA).



SEMIANNUAL REPORT TO CONGRESS

April 1, 2025–September 30, 2025

OIG's oversight of feeding programs, including the Supplemental Nutrition Assistance Program (SNAP) and Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), led to numerous arrests and convictions during this period. For example, the owner of an Illinois grocery store was sentenced to 42 months in prison, 4 years of supervised release, and restitution of over \$8.9 million for fraudulently redeeming, or causing to redeem, SNAP and WIC benefits for non-eligible items or cash on behalf of stores ineligible to participate in SNAP and WIC. This was a joint investigation with Internal Revenue Service Criminal Investigations (IRS-CI) and the Federal Bureau of Investigation (FBI).

In another case involving the Child and Adult Care Feeding Program (CACFP) and Summer Food Service Program (SFSP), a Missouri owner of a non-profit organization was sentenced to 5 years of probation and restitution of more than \$2 million after pleading guilty to one count of conspiracy. USDA OIG's investigation revealed that the owner and a co-conspirator submitted false CACFP and SFSP claims and, based on those misrepresentations, received more than \$2 million dollars in reimbursements to which they were not entitled. Instead, the funds were used to purchase real estate, vehicles, and luxury items. This was a joint investigation with the FBI.

We also issued audit reports to support program integrity in programs including SNAP, CACFP, the Farm and Food Workers Relief Grant Program, the Risk Management Agency's (RMA) oversight of high-indemnity payments, and the Food Distribution Program on Indian Reservations and Commodity Supplemental Food Program. This work identified over \$600 million in monetary impact, along with 17 recommendations.

Efficient Delivery of USDA Programs, Operations, and Initiatives

Our work in this area focuses on topics such as financial management and accountability, property management, employee integrity, and the Government Performance and Results Act.

To support the financial management and accountability of USDA operations, OIG evaluated the Food and Nutrition Service's (FNS) fraud risk assessment process for SNAP electronic benefits transfer (EBT) and the design and implementation of its strategy to mitigate fraud risks. We found that FNS reported replacing more than \$220 million

in stolen SNAP EBT benefits with Federal funds for FYs 2023 and 2024, had not comprehensively assessed SNAP fraud risks in adherence with the Government Accountability Office (GAO) Fraud Risk Management Framework, and had not documented a prioritized approach to managing fraud risks. FNS agreed to corrective action on all four of our recommendations.

OIG also shared information about the processes that FNS uses to disburse SNAP benefits using the EBT system through an informational inspection. We outlined OIG's SNAP oversight activities from FY 2015 to FY 2024, which included 26 engagements with 80 reportable findings and 157 recommendations and investigative work which resulted in over 1,800 indictments and 2,000 retailer fraud convictions.

Oversight of USDA Activities Associated with Supplemental Funding

Our work in this focus area provides critical oversight of various USDA programs and operations that received supplemental funding from Congress, including the American Relief Act in 2025, IRA in 2022, and IJIA in 2021.

During this reporting period, we continued to conduct oversight of the more than \$19 billion IRA provided the Natural Resources Conservation Service (NRCS) and other USDA programs over 5 years. We performed an audit of IRA's Discrimination Financial Assistance Program (DFAP) to evaluate USDA's internal controls related to consistent and accurate reviews of applications for assistance and proper disbursements of DFAP. We made three recommendations and reached management decision on all of them.

These accomplishments are the result of the dedicated work of OIG's professional staff and their commitment to ensuring the efficiency and effectiveness of USDA programs and operations. We would like to thank the USDA staff for their coordination and cooperation as we carry out our important work. We appreciate our productive working relationships with the Secretary of Agriculture and the USDA management team, Congressional Committees, and Members of Congress to best ensure that USDA programs are accomplishing their intended missions.

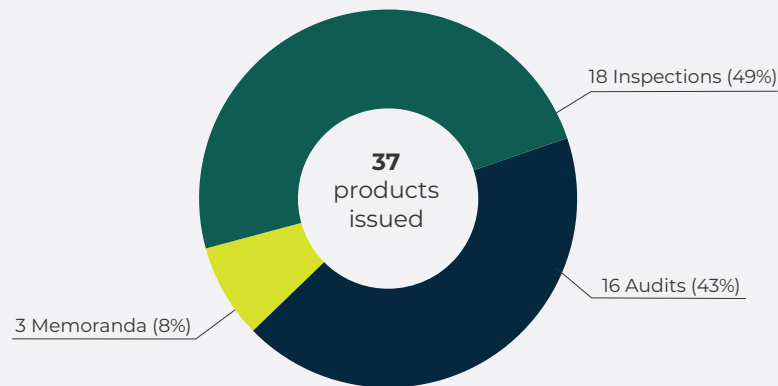
Janet M. Sorensen
Acting Inspector General



HIGHLIGHTS

Fiscal Year 2025, Second Half

Office of Audit



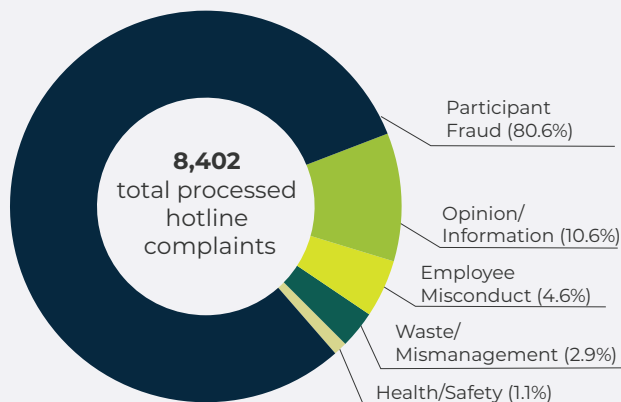
83 recommendations to improve USDA programs & operations



\$819.5 million*

in questioned costs and funds to be put to better use

Office of Investigations



The categories "Bribery" and "Reprisal" were less than 1% of the total processed complaints each.



\$24,735,343
restitutions



\$558,073
fines



\$5,101,006
other monetary remedy



\$365,298
administrative penalties



\$4,095,873
asset forfeitures



\$15,415
special assessments



\$1,019,533
recoveries/collections



\$7,008
cost avoidance



66 reports issued



143
indictments



108
convictions



293
arrests



\$35.8 million

total monetary impact of investigations

* We issued three reports that contained sensitive content that was withheld from public release. The monetary impact amounts redacted from those reports are reflected in monetary totals.



A bee and monarch butterfly. USDA photo by Lance Cheung. This photo is from USDA's Flickr account and does not depict any specific audit, inspection, or investigation summarized or listed in this report.

Our Oversight Work

OIG was established to promote the economy, efficiency, and effectiveness of and to prevent and detect waste, fraud, and abuse regarding USDA's programs and operations. OIG's work is accomplished through independent and objective audits, investigations, inspections, and reviews. Through these efforts, OIG helps USDA meet critical challenges in four focus areas: safety and security; integrity of benefits; efficient delivery of USDA programs, operations, and initiatives; and oversight of USDA activities associated with supplemental funding. Through effective oversight, we identify these issues and share them with stakeholders in USDA and Congress, and when we find criminal wrongdoing, we work with the U.S. Department of Justice (DOJ) or other prosecutorial entities. These activities help improve USDA programs and operations and therefore benefit all Americans.

When applicable, the following focus areas are linked to the OIG reports and DOJ press releases issued between April 1, 2025–September 30, 2025, and are published on [USDA OIG's website](#). Our [Audit Work Plan](#), also published

on our website, includes the titles of ongoing work, mandatory work planned to start throughout the fiscal year, and discretionary work planned to start in the first quarter of the fiscal year.



Safety and Security

Our work in this area focuses on issues such as facility safety, the safety of the food supply, animal welfare, and IT security and management.

An Animal and Plant Health Inspection Service Veterinary Medical Officer calibrates a thermography camera. The goal of this instrument is to identify the effects of soring or the effects of substances that mask soring. USDA photo by Christophe Paul. This photo is from USDA's Flickr account and does not depict any specific audit, inspection, or investigation summarized or listed in this report.



Audits, Inspections, and Other Reviews

[USDA's Implementation of the National Bio and Agro-Defense Facility](#)

OIG performed an audit of USDA's NBAF in Manhattan, Kansas, to evaluate the implementation of physical security controls at the facility. We made nine recommendations to the Agricultural Research Service (ARS) and reached management decision on all of them. This report contained monetary results withheld from public release due to sensitive content.² (Audit Report Number: 50601-0011-31)

[Agricultural Research Service Northeast Area Facility's Condition and Security](#)

OIG performed an evaluation of an ARS facility's physical condition and security. We made four recommendations to ARS and reached management decision on all of them. (Inspection Report Number: 02801-0002-21)

² Those monetary results are reflected in monetary totals identified in the OIG Accomplishments for FY 2025, Second Half and Full Year tables on pages 19 and 20.

[USDA's Management of Password Security—Final Report](#)

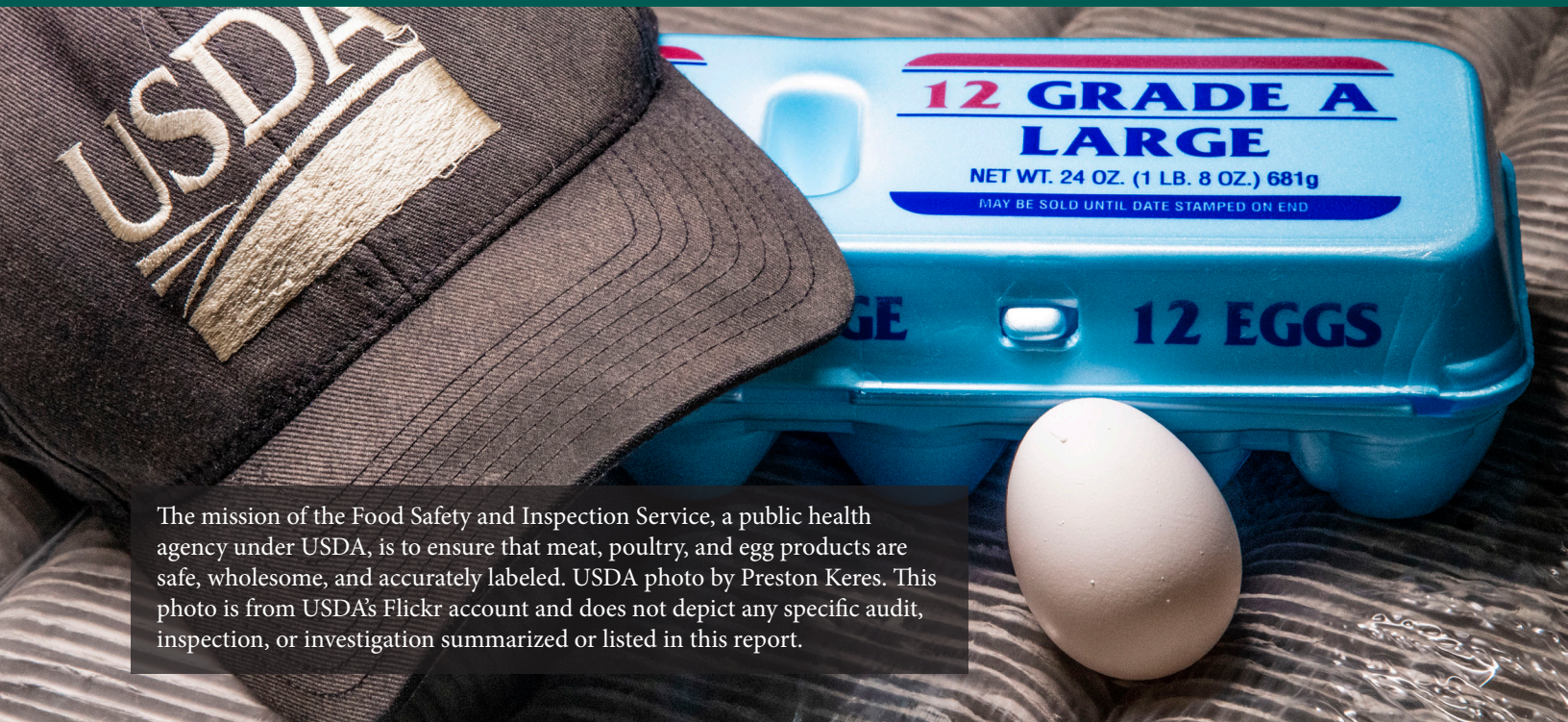
OIG performed an inspection of two USDA offices to assess USDA's management of password security. We made three recommendations to OCIO and reached management decision on all of them. (Inspection Report Number: 50801-0015-12)

[Animal and Plant Health Inspection Service's Horse Protection Act Inspection and Disqualification Processes at Horse Show Events](#)

OIG reviewed APHIS' Horse Protection Act horse show inspection and disqualification processes. We made five recommendations to APHIS and reached management decision on all of them. (Inspection Report Number: 33801-0001-22)



Safety and Security



The mission of the Food Safety and Inspection Service, a public health agency under USDA, is to ensure that meat, poultry, and egg products are safe, wholesome, and accurately labeled. USDA photo by Preston Keres. This photo is from USDA's Flickr account and does not depict any specific audit, inspection, or investigation summarized or listed in this report.

Fiscal Year 2024 Quarter 2 Security Evaluation

OIG performed an inspection of the Office of the Chief Economist (OCE) to determine the likely level of sophistication an attacker would need to compromise selected USDA systems or data. We made three recommendations to OCE and reached management decision on all of them. (Inspection Report Number: 50801-0014-12)

U.S. Department of Agriculture, Office of the Chief Information Officer, Fiscal Year 2025 Federal Information Security Modernization Act

OIG engaged an independent certified public accounting firm to conduct an audit in accordance with the Federal Information Security Modernization Act of 2014 (FISMA) to determine the effectiveness of USDA's information security program. OIG made 11 recommendations, and we have reached management decision on none of them.³ (Audit Report Number: 50503-0014-12)

Animal and Plant Health Inspection Service's Control Over Hawaii Pre-Departure Agriculture Inspections

OIG assessed APHIS' internal controls governing the inspection of passenger baggage for commercial and private aircraft departing Hawaii to the continental United States to protect against invasive plant and plant product

pests and diseases. We made two recommendations to APHIS and reached management decision on both. (Audit Report Number: 33601-0004-41)

Food Safety and Inspection Service's Cooperative Interstate Shipment Program

OIG reviewed FSIS compliance with the Cooperative Interstate Shipment program requirements of the 2008 Farm Bill. We made one recommendation to FSIS and reached management decision on it. (Audit Report Number: 24601-0004-22)

Investigations

Six Individuals Sentenced to Prison in Animal Product Smuggling Scheme

Six individuals in New York were sentenced to a total of 19 months in prison and fined \$1,000 for a scheme that involved smuggling animal products into the United States. All six individuals were charged with and pleaded guilty to charges related to the smuggling conspiracy. USDA OIG initiated an investigation based on a referral from the FSIS OIEA. The investigation revealed that a group of individuals operating in an area of New York smuggled prohibited animal product into the United States via China

³ The 11 recommendations included 2 for the U.S. Forest Service (FS), 1 each to the Office of the Chief Financial Officer (OCFO) and Marketing and Regulatory Programs, and 7 to OCIO.

and through the Port of Los Angeles. The prohibited animal product was shipped to New York then illegally sold to local restaurants. This was a joint investigation with DHS-HSI, FSIS OIEA, and APHIS.

North Carolina Man Sentenced for Cattle Theft Scheme

A North Carolina man was sentenced to 2 years in prison and 3 years of supervised release for his role in a scheme involving the theft of livestock from North Carolina stockyards and farms. The man was also ordered to pay \$334,350 to victims of the scheme. [His co-conspirator was sentenced to 27 months in prison, 2 years of supervised release, and restitution of \\$406,707 for his role in the scheme.](#) The investigation revealed the two men wrote checks not backed by sufficient funds to steal cattle from livestock sale barns and an individual livestock producer. These transactions at both sale barns and between individual parties are regulated by the Packers and Stockyards Act of 1921, and administrative enforcement of this Act is conducted by USDA Agricultural Marketing Service (AMS) Fair Trade Practices Program's Packers and Stockyards Division. This was a joint investigation with the U.S. Secret Service, IRS-CI, Special Rangers of the Texas and Southwestern Cattle Raisers Association, and AMS Packers and Stockyard Division.

Final of 14 Individuals Sentenced for Dog Fighting

Following a final sentencing hearing, all 14 defendants convicted in a large-scale dogfighting case in Georgia have been sentenced to a total of 343 months in prison for dogfighting and other charges. According to court documents filed in this case, defendants from three states converged on a Georgia property, where they held a large-scale dogfighting event. Law enforcement disrupted the event after a 911 call and rescued 27 dogs. Following a January 2024 indictment, all 14 defendants pleaded guilty to their respective charges. This was a joint investigation with a local county sheriff's office.

Massachusetts Man Sentenced to More Than a Year in Prison for Dogfighting

A Massachusetts man was sentenced for possessing dogs at his Massachusetts home for participation in a dogfighting venture. He was sentenced to 1 year and 1 day in prison, with the final 3 months to be served in community confinement, followed by 3 years of supervised release. The defendant was also ordered to pay a fine of \$10,000 and was prohibited from possessing pit bull-type dogs. This was the first Federal dog fighting prosecution in the District of Massachusetts. This was a joint investigation with the Bureau of Alcohol, Tobacco, Firearms, and

Explosives; DHS-HSI; U.S. Marshals Service; Customs and Border Protection; U.S. Coast Guard Investigative Service; and multiple State and local police departments.


Michigan Woman Sentenced to 2 Years of Supervised Release

A Michigan woman was sentenced to 2 years of supervised release after pleading guilty to one count of false statements and one count of forging USDA certificates. OIG initiated an investigation and discovered the woman forged official interstate health certificates of veterinary inspection for livestock and altered official Coggins Certificates, which test for equine infectious anemia, in violation of the Animal Health Protection Act. In addition, she utilized the name and accreditation number of a legitimate Doctor of Veterinary Medicine to knowingly counterfeit these official documents. This was a joint investigation with USDA APHIS Veterinary Services.



Integrity of Benefits

Our work in this focus area helps ensure or restore integrity in various USDA benefit and entitlement programs, including a variety of programs that provide payments directly and indirectly to individuals and entities. Some of the programs are among the largest in the Federal Government and support nutrition, farm production, and rural development.



In fiscal year 2023, the Supplemental Nutrition Assistance Program issued more than \$75.9 billion in benefits to low-income participants to help them obtain a nutritious diet. USDA photo. This photo is from USDA's Flickr account and does not depict any specific audit, inspection, or investigation summarized or listed in this report.

Audits, Inspections, and Other Reviews

Farm and Food Workers Relief Grant Program Use and Monitoring of Funds

OIG reviewed AMS' monitoring over grantees' use of funds within the Farm and Food Workers Relief Grant Program. We made four recommendations to AMS and reached management decision on two of them. (Audit Report Number: 01601-0002-22)

- Questioned costs—\$548,257,947
 - ◆ Unsupported—\$548,257,947
- Funds to be put to better use—\$0

Assessment of the Risk Management Agency's Oversight of High-Dollar Indemnities

OIG assessed whether RMA provided adequate oversight and ensured that all required high-dollar indemnity reviews were conducted. We made three recommendations to RMA and reached management decision on all of them. (Audit Report Number: 05601-0003-41)

- Questioned costs—\$61,917,976
 - ◆ Unsupported—\$61,917,976
- Funds to be put to better use—\$0

Food Distribution Program on Indian Reservations and Commodity Supplemental Food Program

OIG performed an inspection of the circumstances surrounding the oversight and enforcement of the Food Distribution Program on Indian Reservations and Commodity Supplemental Food Program food delivery contract. We made four recommendations to FNS and reached management decision on all of them. This report



Integrity of Benefits

contained monetary results withheld from public release due to sensitive content.⁴ (Inspection Report Number: 50801-0001-31)

Child and Adult Care Food Program Meal Reimbursement Claims Process for Childcare Centers

OIG assessed the adequacy of the CACFP meal reimbursement claims process in FY 2023 for childcare centers, the appropriateness of FNS approval of CACFP waivers over monitoring controls, and meal claims made at a sample of childcare centers in a selected State. We made four recommendations to FNS and reached management decision on all of them. (Audit Report Number: 27601-0004-31)

- Questioned costs—\$6,672,035
 - ◆ Unsupported—\$0
- Funds to be put to better use—\$0

Evaluation of SNAP Administrative Funds for Participants' Benefits

OIG issued seven inspection reports to evaluate selected states' use of SNAP administrative funds for participants' benefits. The inspections had two objectives. The issued reports provided the results of our first objective only, in which OIG determined whether select states used SNAP administrative funds to provide benefits to participants. For our second objective, OIG planned to analyze SNAP participant data to evaluate its quality and integrity. However, data requested was not received within a sufficient timeframe to include in our reports. Therefore, we will report on this additional objective in separate reports, as appropriate.

We issued seven reports for the following States:

- [California](#)
(Inspection Report Number: 27801-0001-18)
- [Illinois](#)
(Inspection Report Number: 27801-0003-21)
- [Florida](#)
(Inspection Report Number: 27801-0002-24)
- [Michigan](#)
(Inspection Report Number: 27801-0004-22)
- [New York](#)
(Inspection Report Number: 27801-0001-41)

- [Pennsylvania](#)
(Inspection Report Number: 27801-0002-12)

- [Texas](#)
(Inspection Report Number: 27801-0002-21)

For the State of California, we made two recommendations to FNS and reached management decision on both.

- Questioned costs—\$282,665
 - ◆ Unsupported—\$0
- Funds to be put to better use—\$0

We made no recommendations for the other six States. OIG also has three additional inspections ongoing for the States of Ohio, Georgia and North Carolina. These inspections will provide results related to two objectives. OIG will determine whether the selected States used SNAP administrative funds to provide benefits to participants, and we will analyze SNAP participant data to evaluate its quality and integrity.

Investigations

Illinois Grocery Store Owner Sentenced to 3 and a Half Years in Prison for Fraudulently Redeeming SNAP and WIC Benefits

The owner of an Illinois grocery store was sentenced to 42 months in prison, 4 years of supervised release, and restitution of more than \$8.9 million for fraudulently redeeming millions of dollars in benefits under SNAP and WIC. The man fraudulently redeemed or caused to redeem SNAP and WIC benefits for non-eligible items or cash and redeemed SNAP and WIC benefits on behalf of stores ineligible to participate in SNAP and WIC. He admitted in a plea agreement with the government that he caused a loss to those programs of more than \$8.3 million. This was a joint investigation with IRS-CI and the FBI.

Food Stamp Fraud Nets Two Former Pennsylvania Merchants Federal Prison Time

Two former Pennsylvania merchants were each sentenced to 21 months in prison, followed by 1 year of supervised release, and restitution of more than \$1 million for defrauding the United States. The merchants' scheme included SNAP trafficking, which occurs when a retailer allows customers to exchange SNAP benefits for cash, generally providing customers with less cash than the SNAP benefits collected during the unlawful transaction. A total of 24 transactions were observed at the market,

⁴ Those monetary results are reflected in monetary totals identified in the OIG Accomplishments for FY 2025, Second Half and Full Year tables on pages 19 and 20.



Integrity of Benefits

during which SNAP benefits were exchanged for U.S. currency. This was a joint investigation with DHS-HSI.

Missouri Non-Profit Owner Sentenced to 5 Years of Probation and Restitution of More Than \$2 Million

A Missouri owner of a non-profit organization was sentenced to 5 years of probation and restitution of more than \$2 million after pleading guilty to one count of conspiracy. OIG's investigation revealed the owner and a co-conspirator submitted false claims to receive more CACFP and SFSP funds than those to which they were entitled. Actual purchases of milk supported less than a quarter of the number of meals claimed for reimbursement under these programs. Based on these misrepresentations, the owner and co-conspirator received more than \$2 million dollars in reimbursements to which they were not entitled. Instead, the funds were used to purchase real estate, vehicles, and luxury items. This was a joint investigation with the FBI.

New York Man Sentenced to 41 Months' Imprisonment for Wire Fraud and Money Laundering in Connection with Embezzling More Than \$883,000 in Federal Feeding Program Funds

A New York man was sentenced to 41 months in prison, 1 year of supervised release, and restitution of \$883,518 for wire fraud and money laundering in connection with embezzling Federal feeding program funds. The investigation revealed the individual and three co-conspirators submitted false claims to receive more CACFP and SFSP funds than those to which they were entitled. The funds were converted for his personal use, including over \$175,000 in jewelry purchases; \$45,000 in payments toward the purchase and financing of a 2015 Mercedes S550 and 2018 Jeep Wrangler; \$75,000 in clothing and cosmetics purchases; \$12,000 in liquor purchases; \$100,000 in entertainment, travel, and dining purchases, including international travel; and \$220,000 in cash withdrawals from automatic teller machines. This was a joint investigation with the FBI and IRS-CI.

Pennsylvania Man Sentenced to More Than 2 Years in Prison for Defrauding the Government of More Than \$1 Million in SNAP, Medicaid Benefits

A Pennsylvania man was sentenced to 28 months in prison, 3 years of supervised release, and \$398,708 in restitution for his role in a scheme to use stolen identities and Social Security numbers to file for Government benefits, including SNAP and Medicaid payments, with a total loss



Potatoes in the produce section of a grocery store. USDA photo by Lance Cheung. This photo is from USDA's Flickr account and does not depict any specific audit, inspection, or investigation summarized or listed in this report.

to the Government of more than \$1 million. As part of the scheme, the defendant and a previously convicted co-conspirator sold the fraudulently acquired SNAP cards for profit at a local supermarket. This was a joint investigation with the U.S. Department of Health and Human Services (HHS) OIG.

Romanian Man Sentenced for Conspiracy to Commit Access Device Fraud

A Romanian man was sentenced to 27 months in prison, followed by 3 years of supervised release, after previously pleading guilty to conspiracy to commit access device fraud. OIG initiated an investigation into multiple card skimmers that were placed on point-of-sale terminals throughout the New Orleans, Louisiana, area. These skimmers were placed to steal credit/debit and EBT card numbers, which were then cloned and funds stolen. Law enforcement officers seized six credit card skimmers before the man was able to retrieve them. The skimmers captured approximately 421 credit, debit, and SNAP EBT card numbers. This was a joint investigation with the U.S. Secret Service and a local sheriff's office.



Integrity of Benefits

New York Man Sentenced to 52 Months for Fraud on Federal Childcare Programs

A New York man was sentenced to 52 months in prison for two fraudulent schemes involving Federally funded childcare companies. He was also sentenced to 3 years of supervised release, ordered to pay a fine of \$200,000 and restitution of more than \$1.8 million to New York City Administration for Children's Services, and to forfeit more than \$1.7 million. The investigation revealed the individual and several co-conspirators associated with an early learning center devised a scheme to fraudulently seek reimbursements from the City of New York's Administration for Children's Services, HHS, and USDA child feeding programs by claiming reimbursements for after-school programs that children did not attend. A total of seven individuals were convicted and sentenced in this investigation. This was a joint investigation with the FBI and HHS OIG.

sentenced to 2 years of probation. Both defendants were ordered to pay joint and several restitution of \$656,834. Additionally, as part of a civil settlement agreement, the co-conspirator agreed to pay \$355,432 in restitution and \$249,568 in civil penalties for violating the False Claims Act and the Financial Institutions Reform, Recovery and Enforcement Act. The farmer and her co-conspirator altered documents and provided them to the insurance company to make it appear the farming operation suffered significant crop losses. This was a joint investigation with USDA RMA Special Investigations Staff.

Oklahoma Woman Sentenced to 5 Years of Probation and Restitution of \$285,178

An Oklahoma daycare owner was sentenced to 5 years of probation and restitution of \$285,178. The daycare owner and a co-conspirator pleaded guilty to one count each of conspiracy to defraud the United States and theft of Government property. USDA OIG's investigation revealed the woman, who was previously banned from operating a daycare in Oklahoma, used the co-conspirator's name on CACFP documents to conceal her involvement at the daycare, thereby receiving Federal funds to which she was not entitled.

Kentucky Farmer Sentenced to Federal Prison for Crop Insurance Fraud

A Kentucky farmer was sentenced to 1 year and 1 day in prison, followed by 2 years of supervised release, for committing crop insurance fraud from 2014 through 2021. He was also ordered to pay restitution of more than \$1.6 million and fined \$250,000. The farmer also agreed to a 7-year voluntary debarment from USDA programs. The farmer sold his crops under the names of other people, thereby significantly underreporting his true production on crop insurance claim forms, resulting in over \$1.6 million in fraudulent insurance overpayments. This was a joint investigation with RMA.

California Farmer Sentenced to Prison for Crop Insurance Fraud

A California farmer was sentenced to 1 year and 1 day in prison, followed by 2 years of supervised release, for committing crop insurance fraud. Her co-conspirator was



Efficient Delivery of USDA Programs, Operations, and Initiatives

Our work focuses on areas such as financial management and accountability, property management, employee integrity, and the Government Performance and Results Act.



Courtesy photo/Adobe Stock

Audits, Inspections, and Other Reviews

Food and Nutrition Service's Supplemental Nutrition Assistance Program Fraud Risk Assessments

OIG evaluated FNS' fraud risk assessment process for SNAP EBT and the design and implementation of its strategy to mitigate fraud risks. We made four recommendations to FNS and reached management decision on all of them. (Audit Report Number: 27601-0001-24)

FNS SNAP: Disbursement of SNAP Benefits Using the EBT System

OIG provided information about the processes that FNS uses to disburse SNAP benefits using the EBT system, as well as the related oversight activities. We made no recommendations in this report. (Inspection Report Number: 27801-0002-23)

USDA's Compliance with Improper Payment Requirements for Fiscal Year 2024

OIG engaged an independent certified public accounting firm was engaged to review USDA's compliance with improper payment and high-dollar overpayment requirements for FY 2024. OIG made four recommendations to FNS and three to the Farm Service Agency (FSA) and reached management decision on the four for FNS. (Audit Report Number: 50024-0016-11)

Food and Nutrition Service's Preparedness for the 2026 Thrifty Food Plan Change

OIG reviewed FNS' plans for reassessing the Thrifty Food Plan in 2026 and assessed how well FNS integrated recommendations from GAO's 2022 report into the planning process. We made no recommendations in this report. (Inspection Report Number: 27801-0001-24)

Assessment of Forest Service's Preseason Procurement Awards

OIG evaluated the FS' procurement and administration of preseason contracts, specifically, evaluating how



Efficient Delivery of USDA Programs, Operations, and Initiatives

FS determined the quantity and type of firefighting equipment and ensured it contracted the appropriate amount of firefighting equipment in FY 2023. We made one recommendation to FS and reached management decision on it. (Inspection Report Number: 08801-0004-41)

Partnerships for Climate-Smart Commodities—Performance Measures and Monitoring

OIG reviewed USDA's performance measures and monitoring for the Partnerships for Climate-Smart Commodities. We made two recommendations to NRCS and reached management decision on both. (Inspection Report Number: 10801-0001-22)

- Questioned costs—\$92,556,095
 - ◆ Unsupported—\$0
- Funds to be put to better use—\$0

Controls Over USDA's Completion of Contractor Performance Assessment Reporting System Requirements

OIG reviewed the Office of Contracting and Procurement's (OCP) controls over Contractor Performance Assessment Reporting System requirements. We made two recommendations to OCP and reached management decision on both. (Audit Report Number: 96601-0001-21)

USDA Actions to Address Program Discrimination

OIG evaluated the Office of the Assistant Secretary for Civil Rights' (OASCR) efforts to ensure compliance and accountability among USDA agencies and staff, in accordance with applicable civil rights laws and regulations. We made four recommendations to OASCR and reached management decision on all of them. (Inspection Report Number: 60801-0001-21)

Agreed-Upon Procedures—Employee Benefits, Withholdings, Contributions, and Supplemental Semiannual Headcount Reporting Submitted to the Office of Personnel Management for Fiscal Year 2025

OIG performed agreed-upon procedures to assess information reported to the Office of Personnel Management by USDA's National Finance Center. We made no recommendations in this report. (Audit Report Number: 11303-0001-11).

Systems and Organization Controls 1 Type 2 Examinations

OIG engaged an independent certified public accounting firm to review the System and Organization Controls 1 Type 2 examinations for the Financial Management Services description of its financial systems (Audit Report Number: 11303-0008-12), the National Finance Center's description of its payroll and personnel systems (Audit Report Number: 11303-0007-12), and the Chief Information Officer's description of its data center hosting and security systems (Audit Report Number: 88303-0004-12) throughout the period October 1, 2024, to June 30, 2025. We made no recommendations in these reports.

- [Independent Service Auditor's Report on Financial Management Services' Description of Its Financial Systems and the Suitability of the Design and Operating Effectiveness of Controls for the Period October 1, 2024, through June 30, 2025](#)
- [Independent Service Auditor's Report on National Finance Center's Description of Its Payroll and Personnel Systems and the Suitability of the Design and Operating Effectiveness of Its Controls for the Period October 1, 2024, through June 30, 2025](#)
- [Independent Service Auditor's Report on the Office of the Chief Information Officer's Description of Its Data Center Hosting and Security Systems and the Suitability of the Design and Operating Effectiveness of Its Controls for Oct. 1, 2024, through June 30, 2025](#)

Investigations

USDA Employee Sentenced to 2 Years of Probation and Restitution of \$10,544 for Theft

An AMS grain inspector in Illinois was sentenced to 2 years of probation, 30 hours of community service, and restitution of \$10,544 after pleading guilty to one count of theft. USDA OIG's investigation revealed the grain inspector used his issued Government Services Agency (GSA) fleet card for personal gain by purchasing gasoline for non-government vehicles in exchange for cash from the owners/operators of those vehicles. The investigation also revealed the individual operated his government-issued vehicle after his driving privileges were suspended by the state of Illinois. This was a joint investigation with GSA OIG.



Efficient Delivery of USDA Programs, Operations, and Initiatives

USDA Employee Sentenced to 2 Days in Prison and Fined \$550 for Controlled Substance Violation

A former Rural Development employee was sentenced in Michigan to 2 days in prison, followed by 6 months of probation, and was fined \$555 for a controlled substance violation. USDA OIG initiated an investigation after the employee was found in possession of USDA Office of Human Resources Management investigator credentials during a local police department and U.S. Postal Inspection Service (USPIS) search warrant at the employee's residence. During the search warrant, law enforcement also found cocaine. Subsequently, the employee pleaded guilty to one count of use/possession of narcotics. This was a joint investigation with a local police department, USPIS, and a county prosecutor's office.



Oversight of USDA Activities Associated with Supplemental Funding

Our work in this focus area provides critical oversight of various USDA programs and operations that received supplemental funding from Congress.



A car drives through a park in a national forest. USDA Photo by Preston Keres. This photo is from USDA's Flickr account and does not depict any specific audit, inspection, or investigation summarized or listed in this report.

Inflation Reduction Act

IRA, signed into law on August 16, 2022, provided USDA with more than \$19 billion for conservation programs administered by NRCS.

IRA—Discrimination Financial Assistance Program

OIG performed an audit of IRA DFAP to evaluate USDA's internal controls related to consistent and accurate reviews of applications for assistance and proper disbursements of DFAP. This report contained monetary results withheld from public release due to sensitive content.⁵ We made three recommendations to the Farm Production and Conservation Business Center and reached management decision on all of them. (Audit Report Number: 50601-0006-23)

⁵ Those monetary results are reflected in monetary totals identified in the OIG Accomplishments for FY 2025, Second Half and Full Year tables on pages 19 and 20.

Infrastructure Investment and Jobs Act

IJA, signed into law November 15, 2021, provided USDA with more than \$8.3 billion in funding. More than \$2.9 billion was directed toward broadband loans and grants, watershed and flood prevention operations, and other initiatives. IJA also provided more than \$5.4 billion for forestry programs designed to reduce wildland fire risks and restore ecosystems. OIG received more than \$27.1 million in multi-year and no-year funds to provide oversight of the forestry programs.

IJA—Rural Utilities Service's Evaluation and Prioritization of the Level of Service for its Broadband ReConnect Program

OIG engaged an independent certified public accounting firm to review the Rural Utilities Service's (RUS) process for evaluating and prioritizing the level of service provided for its broadband program, as well as how the current mapping software addresses previously identified



Oversight of USDA Activities Associated with Supplemental Funding

programming errors. We made two recommendations to RUS and reached management decision on both. (Inspection Report Number: 09803-0002-51)

IIJA—Legacy Road and Trail Remediation Program Capping Report on Implementation by Regions 3 and 6

OIG summarized the issues identified during the audits of Region 3 and Region 6's implementation of Legacy Road and Trail Remediation Program. We made three recommendations to FS and reached management decision on all of them. (Audit Report Number: 08601-0007-31)



The Forest Service manages wildfires in national forests and grasslands across nine regions. USDA Photo by Lance Cheung. This photo is from USDA's Flickr account and does not depict any specific audit, inspection, or investigation summarized or listed in this report.



OIG Engagements Relevant to Emerging Issues

As part of OIG's oversight responsibility, we reviewed the results of prior OIG and GAO engagements that we deemed relevant to various emerging issues that the Department was engaged in this reporting period, including specific funding streams. Our intent was for this information to provide USDA insight when implementing programs and activities and disbursing funds. Memos were issued on the following topics and contained no recommendations.

The National Farm Security Action Plan⁶

On July 8, 2025, USDA issued the National Farm Security Action Plan. In a July 23, 2025, memorandum to the Secretary and Deputy Secretary of USDA, we identified OIG and GAO work that may provide USDA with insight when implementing security activities regarding the critical areas outlined in the plan. According to OCFO and GAO, 81 recommendations associated with relevant, prior OIG and GAO related reports remained open at the time the memorandum was issued.

Trade Promotion Program Funding

In April 2025, USDA announced the launch of its agricultural trade promotion programs for 2025 and began accepting applications for funding. More than \$250 million in funding was rolled out for various programs designed to help U.S. agricultural producers promote and sell their goods internationally.⁷ We issued a memorandum to the Administrator of the Foreign Agricultural Service (FAS) in which we identified areas with reported past weaknesses and recommendations that may provide FAS insight when disbursing funds under the programs. This information should help FAS as it determines whether to maintain or further strengthen existing controls for the four programs that receive trade promotion funding. We made no recommendations in this memorandum but noted that at the time this memorandum was issued, nine of the recommendations associated with those prior related audits had not been implemented.

The One Big Beautiful Bill Act⁸

On July 4, 2025, President Trump signed the Act to provide for reconciliation pursuant to Title II of H. Con. Res. 14 into law, also known as the "One Big Beautiful Bill Act."⁹ This act addressed a wide range of USDA programs, including changes to SNAP extending other USDA programs authorized by the Agriculture Improvement Act of 2018 (commonly known as the 2018 Farm Bill). We issued a memorandum to the Secretary and Deputy Secretary of Agriculture where we identified work that may provide USDA insight when administering these programs and disbursing funds. Our intent was that this information will help USDA determine whether existing program controls should be strengthened to better safeguard U.S. agricultural resources. We made no recommendations in this memorandum. At the time this memorandum was issued, according to OCFO and GAO, 39 recommendations associated with prior related OIG and GAO engagements had not been implemented.¹⁰

⁶ The memorandum contained sensitive content and was withheld from public release due to privacy concerns and the risk of circumvention of law.

⁷ Programs that received funding included the Market Access Program, the Foreign Market Development Program, the Technical Assistance for Specialty Crops Program, and the Emerging Markets Program.

⁸ Pub. L. No. 119-21, 139 Stat. 72 (2025).

⁹ Pub. L. No. 119-21, 139 Stat. 72 (2025).

¹⁰ There were 32 recommendations associated with prior OIG engagements and 7 recommendations associated with prior GAO engagements were not implemented. For the OIG engagements, 18 recommendations were made to ARS, 6 to FNS, 4 to RMA, 3 to NRCS, and 1 to FSA. For the GAO engagements, five recommendations related to FSA and two to FNS.



Peer Reviews and Other Reviews

External Peer Review of USDA OIG's Audit Division

In September 2023, the U.S. Postal Service OIG issued its [final report](#) on the peer review it conducted on USDA OIG's Office of Audit for work conducted under Generally Accepted Government Auditing Standards. USDA OIG received a "pass" rating. The report contained no recommendations.

In March 2025, the Special Inspector General for Afghanistan Reconstruction issued its [final report](#) on the peer review it conducted for USDA OIG's Office of Audit for work conducted under the Council of the Inspectors General on Integrity and Efficiency's Quality Standards for Inspection and Evaluation. USDA OIG received a "pass" rating for the year ending September 30, 2024.

External Peer Review of USDA OIG's Investigations Division

In June 2025, HHS OIG issued its [final report](#) on the peer review of USDA OIG's system of internal safeguards and management procedures for the investigative function. HHS OIG determined that USDA OIG was compliant with the quality standards established by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) and other applicable guidelines and statutes cited. No findings or deficiencies were identified.

Peer Review Conducted by USDA OIG

During the current reporting period, USDA OIG did not complete a peer review of another audit, inspection, or investigative organization.



PEER REVIEW ACTIVITIES

Review of Legislation, Regulations, Directives, and Memoranda

Pursuant to the Inspector General Act of 1978, one of the duties and responsibilities of the Inspector General is to review existing and proposed legislation and regulations relating to the agency's programs and operations and to make recommendations concerning the impact of such legislation or regulations on (1) the economy and efficiency in the administration of programs and operations administered or financed by the agency or (2) the prevention and detection of fraud and abuse in such programs and operations. As such, OIG reviews proposed legislation and regulations that we identify or are sent to us for review through USDA. OIG also participates in reviews of legislative items that may affect the Inspector General community at large, through participation in the CIGIE activities. OIG also responds to Congressional requests for technical assistance and input as requested. During this reporting period, OIG reviewed three legislative/regulatory items and provided input on one of those items. Specifically, OIG reviewed three legislative proposals for CIGIE and provided comments on one pertaining to agency cooperation with OIG requests. We also reviewed one internal USDA regulation/policy proposal and provided comments.



Assessing Performance Results

Measuring Progress Against the USDA OIG Strategic Plan—Fiscal Years 2025–2029

Our mission is to promote the economy, efficiency, and effectiveness of and to prevent and detect fraud, waste, and abuse in USDA's programs and operations. Our work is accomplished through independent and objective audits, investigations, inspections, and reviews. We accomplish our mission by way of an organizational culture that values our employees and encourages innovation, trust, and positive change.

Impact of OIG Audits, Inspections, Investigations, and Analytics Work on Department Programs

We measure our impact by assessing the extent to which our work is focused on the key issues under our first goal: Promote effective oversight of USDA programs and operations with a focus on safety and security, integrity of benefits, and efficient delivery of USDA programs and initiatives. This goal is split into four focus areas:

- Safety and Security
- Integrity of Benefits
- Efficient Delivery of USDA Programs, Operations, and Initiatives
- Oversight of USDA Activities Associated with Supplemental Funding

Impact of OIG Audits, Inspections, Investigations, and Analytics Work on Department Programs

We also measure our impact by tracking the outcomes of our audits, inspections, investigations, and analytics work. Many of these measures are codified in the Inspector General Act of 1978, as amended. The following pages present a statistical overview of OIG's accomplishments this period.

For audits and inspections, we present:

- Reports issued,
- Management decisions made (number of reports and recommendations),
- Total dollar impact of reports (questioned costs and funds to be put to better use) at issuance, and
- Reports without corrective action.

For investigations, we present:

- Reports issued,
- Indictments,
- Convictions,
- Arrests,
- Total dollar impact (recoveries, restitutions, fines, and asset forfeiture),
- Administrative sanctions, and
- OIG Hotline complaints.

For analytics, we present public data analytics products issued.



Assessing Performance Results

Performance Results Under Our Strategic Goals

OIG developed new performance measures that support OIG's strategic and performance goals, as outlined in its [USDA OIG Strategic Plan—Fiscal Years 2025–2029](#). We have begun to pilot these performance measures in FY 2025 to assess their feasibility and establish a baseline for the performance measure targets for FYs 2026 through 2029.

Performance Measures	FY 2025 1st Half Actual	FY 2025 2nd Half Actual	FY 2025 Year End Actual
Audit recommendations where management decisions are achieved within 1 year	100%	100%	100%
Percentage of cases closed with a result	96.1%	95.3%	95.9%
OIG's return on investment	\$6.82	\$15.33	\$11.07
Strategies that assess and communicate the value created by OIG's engagements ¹¹	N/A	N/A	N/A

N/A means that no results were reported this half.

¹¹ We reassessed and changed this performance measure for FY 2026.



Assessing Performance Results

OIG Accomplishments for Fiscal Year 2025, Second Half (April 1, 2025–September 30, 2025)

Summary of Audit Activities		FY 2025 2nd Half
Number of Final Reports		16
Number of Final Report Recommendations		53
Number of Inspection Reports		18
Number of Inspection Report Recommendations		30
Memoranda		3
Total Dollar Impact of Reports at Issuance		\$819,513,200 ¹²
Questioned/Unsupported Costs		\$740,101,112/\$610,175,923 ¹³
Funds to Be Put to Better Use		\$79,412,088 ¹⁴
Management Decisions Reached		
Number of Final Reports		9
Number of Final Recommendations		31
Number of Inspection Reports		10
Number of Non-Audit Services Recommendations		30
Summary of Investigative Activities		
Reports Issued		66
Indictments		143
Convictions		108
Arrests		293
Administrative Sanctions		36
Total Dollar Impact		\$35,897,549
Summary of Analytics and Innovation Activities		
Number of Public Data Analytics Projects		0
Return on Investment		\$15.33 ¹⁵

¹² We issued three reports that contained sensitive content that was withheld from public release. One report contained Questioned Costs, one contained Funds to Be Put to Better Use, and one contained both Questioned Costs and Funds to Be Put to Better Use. The monetary impact amounts redacted from those reports are reflected in the monetary totals.

¹³ Ibid.

¹⁴ Ibid.

¹⁵ The monetary impact amounts from the redacted reports are reflected in the return on investment.



Assessing Performance Results

OIG Accomplishments for Fiscal Year 2025, Full Year (October 1, 2024–September 30, 2025)

Summary of Audit Activities		FY 2025 Full Year
Number of Final Reports		25
Number of Final Report Recommendations		68
Number of Inspection Reports		29
Number of Inspection Report Recommendations		84
Number of Final Action Verification Reports		1
Memoranda		7
Total Dollar Impact of Reports at Issuance		\$1,053,478,345 ¹⁶
Questioned/Unsupported Costs		\$974,066,257/ \$610,175,923 ¹⁷
Funds to Be Put to Better Use		\$79,412,088 ¹⁸
Management Decisions Reached		
Number of Final Reports		17
Number of Final Recommendations		52
Number of Inspection Reports		21
Number of Non-Audit Services Recommendations		86
Summary of Investigative Activities		
Reports Issued		176
Indictments		257
Convictions		191
Arrests		459
Administrative Sanctions		48
Total Dollar Impact		\$181,926,030
Summary of Analytics and Innovation Activities		
Number of Public Data Analytics Projects		3
Return on Investment		\$11.07 ¹⁹

¹⁶ We issued three reports that contained sensitive content that was withheld from public release. One report contained Questioned Costs, one contained Funds to Be Put to Better Use, and one contained both Questioned Costs and Funds to Be Put to Better use. The monetary impact amounts redacted from those reports are reflected in the monetary totals.

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ The monetary impact amounts from the redacted reports are reflected in the return on investment.



Assessing Performance Results

Reports with Quantifiable Monetary Benefits for the Period April 1, 2025–September 30, 2025

Focus Area/Reports	Number of Reports	Questioned Costs	Funds to Be Put to Better Use	Total Monetary Impact
Safety and Security	1	[Redacted]	[Redacted]	[Redacted]
USDA's Implementation of the National Bio and Agro-Defense Facility (Audit Report 50601-0011-31, issued 04/30/2025) ²⁰	1	[Redacted]	[Redacted]	[Redacted]
Integrity of Benefits	5	\$617,130,623	[Redacted]	\$617,130,623
Assessment of Risk Management Agency's Oversight of High-Dollar Indemnities (Audit Report 05601-0003-41, issued 08/13/2025)	1	\$61,917,976		\$61,917,976
Child and Adult Care Food Program Meal Reimbursement Claims Process for Childcare Centers (Audit Report 27601-0004-31, issued 08/13/2025)	1	\$6,672,035		\$6,672,035
Evaluation of California's Use of Supplemental Nutrition Assistance Program Administrative Funds for Participants' Benefits (Inspection Report 27801-0001-18, issued 08/25/2025)	1	\$282,665		\$282,665
Farm and Food Workers Relief Grant Program Use and Monitoring of Funds (Audit Report 01601-0002-22, issued 09/29/2025)	1	\$548,257,947		\$548,257,947
Food Distribution Program on Indian Reservations and Commodity Supplemental Food Program (Inspection Report 50801-0001-31, issued 07/15/2025) ²¹	1	[Redacted]	[Redacted]	[Redacted]
Efficient Delivery of USDA Programs, Operations, and Initiatives	1	\$92,556,095	\$0	\$92,556,095
Partnerships for Climate-Smart Commodities—Performance Measures and Monitoring (Inspection Report 10801-0001-22, issued 06/12/2025)	1	\$92,556,095		\$92,556,095

²⁰ Report contained sensitive information and the individual monetary impact amounts were not released due to privacy concerns.

²¹ Ibid.



Assessing Performance Results

Reports with Quantifiable Monetary Benefits for the Period April 1, 2025–September 30, 2025

Focus Area/Reports	Number of Reports	Questioned Costs	Funds to Be Put to Better Use	Total Monetary Impact
Oversight of USDA Activities Associated with Supplemental Funding	1	[Redacted]	[Redacted]	[Redacted]
IRA—Discrimination Financial Assistance Program (Audit Report 50601-0006-23, issued 09/08/2025) ²²	1	[Redacted]	[Redacted]	[Redacted]
Total ²³	8	\$740,101,112	\$79,412,088	\$819,513,200

²² Ibid.

²³ Three reports contained sensitive information and the individual monetary impact amounts were not released due to privacy concerns. However, the redacted monetary amounts were included in these totals.



APPENDIX 1

Reports with Corrective Actions That Have Not Been Completed by September 30, 2025, by Agency

This appendix provides a summary of audit and inspection reports issued by OIG prior to April 1, 2025, with recommendations that have corrective actions that were not completed by September 30, 2025. Corrective actions are recommendations that are pending final action, collection, or management decision and the Department has not taken corrective action to close them in its records. A link to each report shows the detail for each recommendation on OIG's website.

APHIS: Animal and Plant Health Inspection Service
33601-0001-22**[Animal Care Program Oversight of Dog Breeder Inspections](#)**

Issue Date: 02/03/2025

Recommendation Nos. 1, 2, 3, 4, 5

Potential Cost Savings: N/A

CCC: Commodity Credit Corporation
06403-0007-11**[Commodity Credit Corporation's Financial Statements for Fiscal Years 2024 and 2023](#)**

Issue Date: 11/12/2024

Recommendation No. 1

Potential Cost Savings: N/A

FAS: Foreign Agricultural Service
07601-0002-41**[Foreign Agricultural Service's Controls Over McGovern-Dole International Food for Education Program](#)**

Issue Date: 07/10/2024

Recommendation No. 2

Potential Cost Savings: \$67,773,633

Recommendation No. 10

Potential Cost Savings: \$19,925,665

Recommendation Nos. 3, 8, 9

Potential Cost Savings: N/A

FS: Forest Service

08801-0002-22

[IIJA—Collaborative Aquatic Landscape Restoration Program](#)

Issue Date: 12/12/2024

Recommendation No. 1

Potential Cost Savings: \$5,713,000

.....
08801-0002-23**[IIJA—Forest Service Implementation of Federal Wildland Firefighter Salary Requirements and the Conversion of Employees](#)**

Issue Date: 03/18/2025

Recommendation No. 1

Potential Cost Savings: \$519,907

Recommendation Nos. 3, 4, 5

Potential Cost Savings: N/A

.....
08801-0002-41**[IIJA—Restoration Projects on Federal Land](#)**

Issue Date: 03/25/2025

Recommendation Nos. 1, 2, 3

Potential Cost Savings: N/A

FSA: Farm Service Agency

03099-0181-TE

[Farm Service Agency Payment Limitation Review in Louisiana](#)

Issue Date: 05/08/2008

Recommendation No. 2

Potential Cost Savings: \$1,432,622

.....
03601-0003-31**[Market Facilitation Program](#)**

Issue Date: 03/09/2022

Recommendation No. 1

Potential Cost Savings: \$57,199,419

Recommendation Nos. 2, 4

Potential Cost Savings: N/A

.....
03702-0002-23**[2017 Hurricane Relief Emergency Conservation Program](#)**

Issue Date: 06/09/2021

Recommendation No. 3

Potential Cost Savings: \$718,755

Recommendation Nos. 4, 5

Potential Cost Savings: N/A

.....
03702-0002-31**[Wildfires and Hurricanes Indemnity Program](#)**

Issue Date: 09/28/2020

Recommendation No. 2

Potential Cost Savings: \$4,268,395

.....
03702-0003-31**[Wildfires and Hurricanes Indemnity Program—Puerto Rico](#)**

Issue Date: 03/24/2023

Recommendation No. 1



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Potential Cost Savings: \$157,212,092

Recommendation No. 2

Potential Cost Savings: N/A

03801-0001-31

[COVID-19—Coronavirus Food Assistance Program—Direct Support](#)

Issue Date: 09/25/2023

Recommendation No. 1

Potential Cost Savings: \$1,286,786

03801-0001-41

[Eligibility of Conservation Reserve Program Climate-Smart Practice Incentive Payments](#)

Issue Date: 10/8/2024

Recommendation No. 1

Potential Cost Savings: N/A

50024-0003-24

[USDA's Compliance with Improper Payment Requirements for Fiscal Year 2022](#)

Issue Date: 05/22/2023

Recommendation No. 2

Potential Cost Savings: N/A

50601-0015-AT

[Hurricane Indemnity Program—Integrity of Data Provided by RMA](#)

Issue Date: 03/31/2010

Recommendation No. 5

Potential Cost Savings: \$1,061,958²⁴

50703-0001-23

[American Recovery and Reinvestment Act, Trade Adjustment Assistance for Farmers Program](#)

Issue Date: 10/18/2013

Recommendation No. 9

Potential Cost Savings: \$84,000

Multi-Agency

50801-0001-23

[USDA Compliance With Anti-Gag Provisions](#)

Issue Date: 10/31/2024

Recommendation No. 1 (Office of General Counsel)

Potential Cost Savings: N/A

Recommendation No. 2 (AMS)

Potential Cost Savings: N/A

Recommendation No. 4 (ARS)

Potential Cost Savings: N/A

Recommendation No. 5 (Economic Research Service)

Potential Cost Savings: N/A

Recommendation No. 6 (FAS)

Potential Cost Savings: N/A

Recommendation No. 9 (National Agricultural Statistics Service)

Potential Cost Savings: N/A

Recommendation No. 11 (OCFO)

Potential Cost Savings: N/A

50801-0010-12

[USDA's Security Controls Over Industrial Control System](#)

Issue Date: 11/21/2024

Recommendation Nos. 1, 6 (APHIS)

Potential Cost Savings: N/A

Recommendation No. 2 (Research, Education, and Economics)

Potential Cost Savings: N/A

Recommendation Nos. 7 (ARS)

Potential Cost Savings: N/A

50801-0013-12

[Review of Inventory and Information Security Controls for Excessing IT Equipment](#)

Issue Date: 02/24/2025

Recommendation Nos. 1, 2, 3, 4, 6, 7, 8, 9 (OCIO)

Potential Cost Savings: N/A

Recommendation No. 5 (Office of Operations)

Potential Cost Savings: N/A

NRCS: Natural Resources Conservation Service

10403-0007-11

[Natural Resources Conservation Service's Financial Statements for Fiscal Years 2024 and 2023](#)

Issue Date: 11/12/2024

Recommendation No. 2

Potential Cost Savings: N/A

10801-0001-24

[IJA—Watershed and Flood Prevention Operations](#)

Issue Date: 06/25/2024

Recommendation Nos. 1, 2, 3

Potential Cost Savings: N/A

50501-0027-12

[USDA's Compliance with the Geospatial Data Act for Fiscal Year 2024](#)

Issue Date: 09/25/2024

²⁴ Recommendation 6 in the report was coded to be included in this Recommendation 5 monetary amount. Recommendation 6 reads: RMA should determine whether the 18 policies that OIG identified with unsupported changes and that resulted in \$246,346 in [Hurricane Indemnity Program] payments need to be corrected. Direct the approved insurance providers to reverse the changes and provide FSA a list of these corrections.



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Recommendation No. 1
Potential Cost Savings: N/A
50801-0001-22

[USDA Climate Hubs: Enhancing Working Lands' Resilience and Productivity](#)

Issue Date: 09/24/2024
Recommendation Nos. 1, 2, 3, 4
Potential Cost Savings: N/A

OASCR: Office of the Assistant Secretary for Civil Rights
60601-0001-21

[USDA Oversight of Civil Rights Complaints](#)

Issue Date: 09/22/2021
Recommendation No. 2
Potential Cost Savings: N/A

OC: Office of Communications

50801-0002-12
[Security Over USDA Web Applications](#)
Issue Date: 10/27/2021
Recommendation Nos. 1, 2
Potential Cost Savings: N/A

OCFO: Office of the Chief Financial Officer

50401-0023-11
[USDA's Consolidated Financial Statements for Fiscal Years 2024 and 2023](#)

Issue Date: 11/14/2024
Recommendation No. 1
Potential Cost Savings: N/A

.....
50601-0004-23
[USDA's Controls Over Departmental Shared Cost Programs and Working Capital Fund](#)

Issue Date: 03/14/2024
Recommendation No. 3
Potential Cost Savings: \$1,149,574
Recommendation No. 4
Potential Cost Savings: \$222,205

OCIO: Office of the Chief Information Officer

50501-0020-12(1)
[Improper Usage of USDA's Information Technology Resources—Interim Report](#)
Issue Date: 06/26/2018
Recommendation No. 2
Potential Cost Savings: N/A

50503-0013-12

[U.S. Department of Agriculture, Office of the Chief Information Officer, Fiscal Year 2024 Federal Information Security Modernization Act](#)

Issue Date: 07/25/2024
Recommendation Nos. 4, 5, 17, 26
Potential Cost Savings: N/A

.....
50801-0007-12

[USDA's Compliance with Binding Operational Directives 19-02 and 22-01](#)

Issue Date: 08/17/2023
Recommendation Nos. 1, 2, 3, 4
Potential Cost Savings: N/A

.....
50801-0012-12

[USDA's Management of Default Credentials](#)

Issue Date: 06/03/2024
Recommendation No. 1
Potential Cost Savings: N/A

OPPE: Office of Partnerships and Public Engagement

91601-0001-21
[Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers and Veteran Farmers and Ranchers Program \(2501 Program\) in Fiscal Years 2018 and 2019](#)

Issue Date: 11/10/2021
Recommendation No. 16
Potential Cost Savings: N/A

OSDBU: Office of Small and Disadvantaged Business Utilization

50601-0003-23
[Office of Small and Disadvantaged Business Utilization's Controls Over the Eligibility of Contract Recipients](#)

Issue Date: 09/28/2018
Recommendation Nos. 2, 3
Potential Cost Savings: N/A

RBS: Rural Business Service

34801-0001-21
[Meat and Poultry Processing Expansion Program—Oversight of Grant Recipients' Use of Funds](#)

Issue Date: 12/23/2024
Recommendation No. 2
Potential Cost Savings: \$208,285,667
Recommendation No. 1
Potential Cost Savings: N/A



APPENDIX 1

RHS: Rural Housing Service

04801-0001-41

[Rural Housing Service's Uniform Residential Loan
Application Project](#)

Issue Date: 01/21/2025

Recommendation Nos. 1, 2, 3, 4, 5, 6, 7

Potential Cost Savings: N/A

RMA: Risk Management Agency

05403-0001-11

[Federal Crop Insurance Corporation/Risk Management
Agency's Financial Statements for Fiscal Year 2024](#)

Issue Date: 11/12/2024

Recommendation No. 1

Potential Cost Savings: N/A

.....

05601-0002-41

[RMA Apiculture Pilot Insurance Program](#)

Issue Date: 05/09/2023

Recommendation No. 3

Potential Cost Savings: \$1,082,604



APPENDIX 2

Summary of Management Decisions Made During the Reporting Period for Reports Issued During a Previous Reporting Period

This appendix provides a summary of audit or inspection reports issued by OIG prior to April 1, 2025, with recommendations that reached management decision between April 1, 2025, and September 30, 2025. OIG did not reach management decision on any recommendations for engagement reports issued during a previous reporting period.



APPENDIX 3

Reports That Were Closed and Not Disclosed to the Public as of September 30, 2025

OIG published summary information for all its reports from April 1, 2025, through September 30, 2025; however, 17 reports contained sensitive content that was not publicly released.

This appendix is also intended to report any audits, inspections, or data analytics products that were not publicly released. We have three inspections that were cancelled and not disclosed to the public during this reporting period.

Agency	Date Closed	Title of Report	Reason for Cancellation
FSA	04/22/2025	Assessment of Farm Service Agency's Implementation of the 2022 Emergency Relief Program	OIG cancelled this inspection due to potential programmatic changes which may inform future work.
FS	06/11/2025	IIJA—Forest Service's Strategic Approach to IIJA Funded Programs	OIG cancelled this inspection as the FS considers new strategies of implementing IIJA which could inform future work.
FS	08/12/2025	IIJA—Summary of IIJA Issues and Management Challenges Faced by the Forest Service	OIG cancelled this inspection as the FS considers new strategies of implementing IIJA which could inform future work.

APPENDIX 4

Contract Audit Reports with Significant Findings

OIG is required by the [National Defense Authorization Act for Fiscal Year 2008](#) to list all contract audit reports issued during the reporting period that contained significant findings. OIG did not issue any such reports from April 1, 2025, through September 30, 2025.



APPENDIX 5

Information Described Under Section 804(b) of the Federal Financial Management Improvement Act of 1996

The Federal Financial Management Improvement Act of 1996 (FFMIA) requires agencies to assess annually whether their financial systems comply substantially with: (1) Federal financial management system requirements, (2) applicable Federal accounting standards, and (3) the U.S. Standard General Ledger at the transaction level. FFMIA also requires auditors to report in their annual Chief Financial Officer's Act financial statement audit reports whether financial management systems substantially comply with FFMIA's system requirements. In addition, FISMA deficiencies are a component of FFMIA compliance.

During the first half of FY 2025, we issued our annual financial statement reports for FY 2024 and addressed USDA's compliance with FFMIA. The Department reported that it was not compliant with Federal financial management system requirements and the U.S. Standard General Ledger at the transaction level. As noted in its management's discussion and analysis in the Department's annual agency financial report, USDA agencies continue working to meet FFMIA and FISMA objectives. We concurred with the Department's assessment and discussed the compliance issues in our audit report on the Department's consolidated financial statements for FY 2024. The Department continues to move forward with remediation plans to achieve compliance for longstanding Departmentwide weaknesses related to FISMA and the U.S. Standard General Ledger.



APPENDIX 6

Additional Investigations Metrics

In fulfillment of the Inspector General Act's reporting requirements, the following table shows the number of investigative reports OIG has issued in this reporting period, the number of persons OIG referred to DOJ for criminal prosecution, the number of persons OIG referred to State/local authorities for criminal prosecution, the number of indictments/criminal informations that resulted from OIG referrals, and a description of the metrics used for developing the data for this statistical table.

Metric	Description of the Metric	April 1, 2025— September 30, 2025 Results
Investigative Reports Issued	Number of investigative reports issued on OIG investigations during the reporting period.	66 Reports
Total Number of Persons Referred to DOJ for Criminal Prosecution	Number of individuals and organizations formally referred to DOJ for criminal and civil prosecutorial decisions.	65 Individuals (Criminal only) 1 Individual (Civil only) 3 Individuals (Criminal and Civil)
Total Number of Persons Referred to State and Local Prosecuting Authorities	Number of individuals and organizations formally referred to State and local prosecuting authorities for prosecutorial decisions during the reporting period.	11 Individuals
Indictments, Criminal Informations, and Other Charging Mechanisms That Resulted from Prior Referral to Prosecuting Authorities	Number of indictments and/or other charging mechanisms claimed during the reporting period, that had been referred for prosecution prior to FY 2025.	28 Individuals



APPENDIX 7

Numbers of Human Trafficking Investigations Referred, Accepted, and Declined for Criminal Prosecution

In accordance with the Trafficking Victims Prevention and Protection Reauthorization Act of 2022 (Public Law Number 117-348), USDA OIG is required to report on its human trafficking investigations.

Allegations Received: 1

Referred: 0

Accepted: 1

Declined: 0

We have no data to report for the first half of FY 2025 and FY 2024.

APPENDIX 8

Information Related to Administrative False Claim Act Cases

We have no instances to report.

APPENDIX 9

OIG Investigations Involving a Senior Government Employee Where Allegations of Misconduct Were Substantiated

We have no instances to report.

APPENDIX 10

Instances of an Investigation of a Senior Government Employee That Was Closed and Not Disclosed to the Public

Allegation of Misconduct Relating to Conflict of Interest and Ethics Violations

OIG's Office of Investigations conducted an investigation of a USDA senior Government employee regarding allegations that they participated in and influenced the approval of a multi-million dollar Rural Development loan to an entity with whom the senior Government employee's spouse was affiliated. The investigation determined that the senior Government employee was not involved in the loan approval process and did not influence Rural Development employees to approve the loan. This case was referred to DOJ on January 2, 2025, and they declined it on the same day. The senior Government employee resigned in January 2025. On March 13, 2025, the investigative findings were referred to the USDA Office of Ethics for review and appropriate action. This investigation was closed on September 30, 2025.



APPENDIX 11

Instances of Whistleblower Retaliation

We have no instances to report.

APPENDIX 12

Attempts by Department to Interfere with OIG Independence, Including Budget Constraints and Incidents Where the Department Restricted or Significantly Delayed Access to Information

We have no instances to report.



APPENDIX 13

Inspector General Act Reporting Requirements

IG Act Section	IG Act Description	OIG Reported SARC September 2025
Section 404(a)(2)	Review of Legislation and Regulations	Page 16
Section 405(a)(1)	Significant Problems, Abuses, and Deficiencies	Focus Areas Pages 3–14
Section 405(a)(2)	Recommendations Made Before the Reporting Period for Which Corrective Action Has Not Been Completed	Focus Areas Pages 3–14
Section 405(a)(3)	Significant Investigations Closed	Focus Areas Pages 3–14
Section 405(a)(4)	Matters Referred to Prosecutive Authorities and Resulting Convictions	Statistical Highlights Page 1
Section 405(a)(5)	Reports Issued During the Reporting Period	Focus Areas Pages 3–14
Section 405(a)(6)	Management Decision Made on Reports Issued in a Prior Reporting Period	Appendix 2 Page 27
Section 405(a)(7)	Information Described Under Section 804(b) of the FFMIA of 1996	Appendix 5 Page 29
Section 405(a)(8)	Peer Reviews of USDA OIG	Page 16
Section 405(a)(9)	Outstanding Recommendations from Any Peer Review	Page 16
Section 405(a)(10)	Peer Reviews Conducted by USDA OIG	Page 16
Section 405(a)(11)-(12)	Statistical Tables Pertaining to OIG Investigations and a Description of the Metrics Used for Developing the Tables	Appendix 6 Page 30
Section 405(a)(13)	Report on Each OIG Investigation Involving a Senior Government Employee Where Allegations of Misconduct Were Substantiated	Appendix 9 Page 31
Section 405(a)(14)	Instances of Whistleblower Retaliation	Appendix 11 Page 32



APPENDIX 13

IG Act Section	IG Act Description	OIG Reported SARC September 2025
Section 405(a)(15)	Attempts by the Department to Interfere with OIG Independence, Including Budget Constraints and Incidents Where the Department Restricted or Significantly Delayed Access to Information	Appendix 12 Page 32
Section 405(a)(16)(A)	Detailed Description of Situations Where an Inspection, Evaluation, or Audit Was Closed and Not Disclosed to the Public	Appendix 3 Page 28
Section 405(a)(16)(B)	Investigation of a Senior Government Employee That Was Closed and Not Disclosed to the Public	Appendix 10 Page 31

Other information that OIG reports that is not part of these requirements:

- Performance measures
- Hotline complaint results

National Defense Authorization Act for FY 2008

Section 845	Contract Audit Reports with Significant Findings	Appendix 4 Page 28
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Servicemember Quality of Life Improvement and National Defense Authorization Act for Fiscal Year 2025

Section 5203	Information Related to Administrative False Claims Act Cases	Appendix 8 Page 31
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Trafficking Victims Prevention and Protection Reauthorization Act of 2022

Section 122	Human Trafficking Investigations	Appendix 7 Page 31
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MANAGEMENT CHALLENGES

What are Management Challenges?

Management challenges are agency programs or management functions with greater vulnerability to fraud, waste, abuse, and mismanagement, where a failure to perform well could seriously affect the ability of an agency or the Federal Government to achieve its mission or goals, according to the [Government Performance and Results Modernization Act of 2010](#).

Our [2025 USDA Management Challenges report](#) highlighted three major challenges: Ensuring Safety and Security, Providing Benefits, and Delivering Efficient Programs. We also identified what OIG considers “key challenge indicators” within the three areas to assist USDA to focus its attention to address the challenges. The key challenge indicators for 2025 are:

- Plant and Animal Health
- Cybersecurity and Information Technology
- Emerging Challenge Indicator: National Security
- Emerging Challenge Indicator: Food Safety
- Food and Nutrition Assistance Programs
- Farm Programs
- Crop Insurance
- Grants and Agreements Oversight
- Financial Management and Reporting
- Supplemental Funding

Copies of our past Management Challenges reports are [available on our website](#).



ACRONYMS AND ABBREVIATIONS

AMS	Agricultural Marketing Service
APHIS.....	Animal and Plant Health Inspection Service
ARS	Agricultural Research Service
CACFP	Child and Adult Care Food Program
CIGIE.....	Council of the Inspectors General on Integrity and Efficiency
DFAP	Discrimination Financial Assistance Program
DHS.....	U.S. Department of Homeland Security
DOJ	U.S. Department of Justice
EBT.....	electronic benefits transfer
FAS.....	Foreign Agricultural Service
FBI.....	Federal Bureau of Investigation
FFMIA	Federal Financial Management Improvement Act of 1996
FISMA	Federal Information Security Modernization Act
FNS	Food and Nutrition Service
FS.....	U.S. Forest Service
FSA.....	Farm Service Agency
FSIS	Food Safety and Inspection Service
FY.....	fiscal year
GAO	Government Accountability Office
GSA.....	Government Services Administration
HHS.....	U.S. Department of Health and Human Services
HSI	Homeland Security Investigations
I&E	Inspections and Evaluations
IIJA	Infrastructure Investment and Jobs Act
IRA	Inflation Reduction Act of 2022
IRS-CI	Internal Revenue Service—Criminal Investigations
IT.....	information technology
NBAF.....	National Bio and Agro-Defense Facility
NRCS.....	Natural Resources Conservation Service
OASCR.....	Office of the Assistant Secretary for Civil Rights
OCE.....	Office of the Chief Economist



ACRONYMS AND ABBREVIATIONS

OCFO	Office of the Chief Financial Officer
OCIO	Office of the Chief Information Officer
OIEA.....	Office of Investigation, Enforcement, and Audit
OIG	Office of Inspector General
RMA.....	Risk Management Agency
RUS	Rural Utilities Service
SFSP	Summer Food Service Program
SNAP	Supplemental Nutrition Assistance Program
USDA.....	U.S. Department of Agriculture
USPIS	U.S. Postal Inspection Service
WIC.....	Special Supplemental Nutrition Assistance Program for Women, Infants, and Children

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