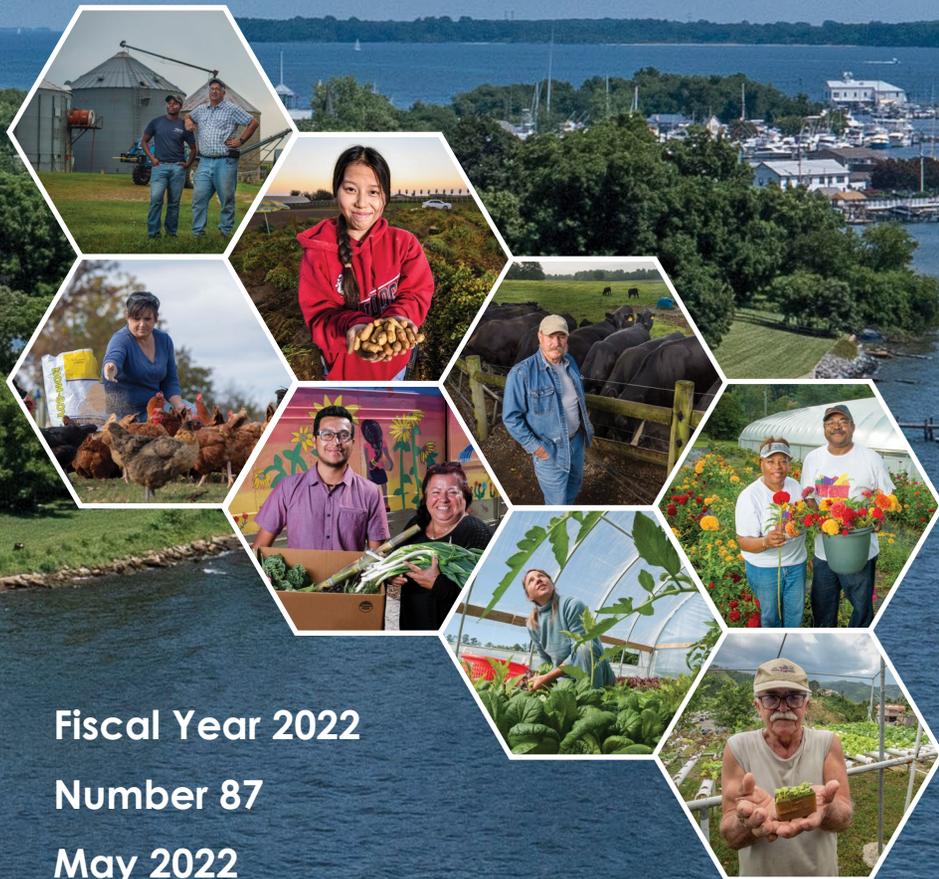




OFFICE OF INSPECTOR GENERAL  
U. S. DEPARTMENT OF AGRICULTURE

# Semiannual Report to Congress

## First Half October 1, 2021–March 31, 2022



Fiscal Year 2022

Number 87

May 2022

# Message from the Inspector General

This *Semiannual Report to Congress* (SARC) covers the most significant achievements of the U.S. Department of Agriculture's (USDA) Office of Inspector General (OIG) for the 6-month period ending March 31, 2022. Our office has worked extensively with USDA, Congress, and other Federal agencies to accomplish our mission of ensuring the economy, efficiency, and integrity of USDA's programs and operations.

In this period, we completed a number of significant audits, investigations, inspections, data analytics, and other reviews. Our Office of Audit issued a total of 16 products (i.e., reports and memoranda) that resulted in 83 recommendations and more than \$82.3 million in questioned costs or funds to be put to better use. Our Office of Investigations issued a total of 43 reports and reported

99 indictments, 111 convictions, and 122 arrests, as well as \$31.6 million in recoveries and restitutions. We also processed 5,799 complaints through the OIG Hotline.

As of this reporting period, it has been more than 2 years since the start of the coronavirus disease 2019 (COVID-19) pandemic. OIG has executed its mission in a maximum telework environment for the most of this period, and our leadership and staff have continued to demonstrate flexibility and innovation. We have recently begun a phased reentry process for those who will be returning to OIG offices.

## **Pandemic Oversight**

OIG continues to provide oversight to USDA agencies to help them deliver the COVID-19 relief programs as effectively as possible, ensure

employee safety, and address any allegations of fraud related to these programs. For example, as part of an ongoing inspection to evaluate the Food and Nutrition Service's (FNS) oversight of The Emergency Food Assistance Program (TEFAP), OIG issued an interim report to determine what criteria FNS used to approve States for food and administrative funds provided under the Families First Coronavirus Response (FFCR) and Coronavirus Aid, Relief, and Economic Security (CARES) Acts. TEFAP provides Federally purchased commodities (USDA-foods) to States and territories (States) to distribute to recipient agencies serving low-income households and individuals. TEFAP also provides administrative funds to cover States' and recipient agencies' costs associated with the transportation, processing, storage,

and distribution of USDA-foods and foods provided through private donations. We concluded that the FFCR and CARES Acts did not change regulatory requirements to allocate TEFAP food funds and convertible food funds (administrative funds).

We also concluded that FNS did not use different criteria to allocate food assistance and convertible food funds for either the FFCR or CARES Acts. However, in order to ensure States were eligible to receive CARES Act funds, FNS implemented an additional eligibility requirement. Although FNS implemented this additional requirement, we did not find any indication that it negatively impacted the integrity of the program, as all States complied with the requirement. We did not identify any issues that would warrant recommendations; therefore, we did not make any recommendations in this report.

OIG also released an interactive USDA COVID-19 Funding Dashboard on OIG's website. The dashboard allows stakeholders

to explore an overview of the sources and uses of USDA's COVID-19 funding.

In addition, we were alerted by a Farm Service Agency (FSA) office located in Louisiana that an individual allegedly submitted false documentation to obtain assistance under the Coronavirus Food Assistance Program (CFAP 1). OIG's investigation revealed that the individual falsely claimed to have owned 1,046 head of cattle but had never owned more than 10 head of cattle. The individual also submitted fictitious receipts to support the false number of cattle on the CFAP 1 application, resulting in the individual receiving CFAP 1 funding to which they were not entitled. The individual was sentenced to 36 months of probation and was ordered to pay \$76,274 in restitution for one count of theft of Government funds.

### **Infrastructure Oversight**

The Infrastructure Investment and Jobs Act (IIJA), signed on November 15, 2021, provided USDA more than \$8.3 billion in

funding.<sup>1</sup> More than \$2.9 billion is directed toward broadband loans and grants, watershed and flood prevention operations, and a new bioproduct pilot program using agricultural commodities. The IIJA also provided more than \$5.4 billion for forestry programs designed to reduce wildland fire risk and restore ecosystems. OIG received more than \$27.1 million to provide oversight of the forestry programs funded by the IIJA. In January, we issued our oversight plan and assembled a multi-disciplinary team to develop a strategic framework that will guide OIG's infrastructure oversight efforts for the next several years.

As part of OIG's oversight responsibilities under the IIJA, one of our first initiatives was to review the results of prior OIG audits that were relevant to funding received by USDA. In February and March 2022, we issued analyses of the results of our prior work related to the Natural Resources Conservation Service (NRCS), the Forest Service (FS), and the Rural Utilities Service (RUS) programs.

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<sup>1</sup> Infrastructure Investment and Jobs Act, Pub. L. No. 117-58, 135 Stat. 429 (2021).

For example, we highlighted the results of a recent audit of the NRCS' Emergency Watershed Protection Program (discussed in Goal 2) and noted that while NRCS and OIG have reached agreement on the corrective actions needed to address the concerns we identified, the corrective actions have not yet been fully implemented, which heightens risks associated with the use of these funds.

**Goal 1—Safety and Security—Strengthen USDA's Ability to Protect Public Health and Safety and to Secure Agricultural and Department Resources**

OIG's independent audits, investigations, inspections, data analytics, and other reviews focus on issues such as the ongoing challenges of agricultural inspection activities, the safety of the food supply, homeland security, animal welfare, and information technology (IT) security and management. OIG recently conducted an inspection of USDA's Regional Forester Authorities to assess the adequacy of FS' policies and procedures to ensure that the duties and responsibilities of personnel are adequately segregated

from initiating, approving, or executing reimbursable agreements or cost share agreements (CSA).

We found several areas that need improvement. First, we found that, while FS had established adequate controls surrounding Cooperative Fire Protection Agreements (CFPA), the agency did not establish adequate controls surrounding CSAs, which are instrumental in establishing the actual share of the overall fire suppression cost FS pays. Without controls to ensure CSAs are consistent with their corresponding CFPAs, there is no assurance that the costs FS pays for fire suppression are fair and equitable. Second, we found that the FS Washington Office had not established a formal process for reviewing and approving regions' supplemental standard operating procedures (SOP) for administering CFPAs and reimbursable agreements. As a result, FS risks that the Washington Office SOP may not be fully implemented as intended. FS generally agreed with our recommendations, and we have reached agreement on the planned corrective actions to address them.

OIG also conducts investigations into allegations of animal fighting. For example, a county sheriff's office contacted OIG about potential dogfighting in North Carolina. OIG met with county and local law enforcement agencies to corroborate information which revealed further evidence of dogfighting. OIG, along with North Carolina county and local law enforcement agencies, the U.S. Marshals Service (USMS), and the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), executed search warrants for a residence in North Carolina. ATF arrested an individual on an outstanding charge of felon in possession of a firearm.

On November 17, 2021, the individual was sentenced to a total of 123 months in prison, the statutory maximum, 48 months of which are to be served consecutively, for one count of felon in possession of a firearm and one count of conspiracy to violate the animal fighting prohibitions of the Animal Welfare Act (AWA).

## **Goal 2—Integrity of Benefits— Strengthen USDA’s Ability to Deliver Program Assistance with Integrity and Effectiveness**

As part of OIG’s goal to ensure that benefits reach those for whom they are intended, we conducted a variety of audits, investigations, and data analytics work designed to confirm that recipients are eligible and that payments are calculated properly. For example, we recently evaluated FSA’s Market Facilitation Program (MFP). FSA administers farm loan, commodity, conservation, and disaster assistance programs. MFP was a direct payment, temporary assistance program for producers of covered agricultural commodities.

During our review of 100 randomly sampled producers who received MFP payments, we identified that producer records did not always fully support the amounts claimed on producer applications. Based on our sample, we estimated that FSA overpaid 150,313 producers more than \$57.2 million total.

We also found that, when performing a spot check of an MFP producer,

an FSA county official did not accurately apply updated agency guidance on acceptable forms of production evidence. This reduced the effectiveness of FSA’s spot checks, and one of the four producers in our sample subject to FSA spot checks received an overpayment that FSA did not identify. FSA agreed with our recommendations, and we have reached agreement on the corrective actions to address them.

As an example of OIG’s investigative work under Goal 2, we received allegations that a retail meat vendor was involved in trafficking Supplemental Nutrition Assistance Program (SNAP) benefits. A joint investigation with the Internal Revenue Service, Criminal Investigations (IRS-CI) and a county sheriff’s department uncovered substantial evidence that this vendor was exchanging both SNAP and Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) benefits for cash at the retail vendor’s establishment.

In February 2022, the business owner was sentenced to 42 months in prison and was ordered to pay more than \$4.4 million in restitution. This

sentencing resulted from a five-count indictment that charged the business owner with conspiracy, SNAP fraud, WIC fraud, and felony firearms violations.

## **Goal 3—Management Improvement Initiatives— Strengthen USDA’s Ability to Achieve Results-Oriented Performance**

OIG’s work on management improvement initiatives focuses on areas such as improved financial management and accountability, research, real property management, and employee integrity. Recently, OIG conducted an audit of USDA and its component agencies’ compliance with the Digital Accountability and Transparency (DATA) Act. We found that, although USDA transmitted its fiscal year (FY) 2020 fourth quarter submission to the U.S. Department of the Treasury’s (Treasury) DATA Act Broker, its submission was not complete and contained records that were not accurate or timely, according to DATA Act reporting standards. We also found that USDA component agencies and offices did not consistently implement and use

Governmentwide financial data standards established by the Office of Management and Budget (OMB) and the Treasury. As a result, the intended users of the data—as outlined by the DATA Act—do not have consistent, reliable, and searchable USDA spending data available on USAspending.gov. In addition, without the consistent use of standards, USDA cannot attest to the reporting of reliable, transparent, and consistent Federal spending data for public use. Departmental and agency officials agreed with all of the report’s recommendations, and we reached agreement on the corrective actions to address them.

Additionally, we conducted an investigation to determine if an NRCS employee committed various violations of the Wiretap Act by surreptitiously recording other NRCS employees. OIG executed search warrants at the employee’s residence and NRCS office. During the search, OIG seized a recording device and other evidence related to the crime. Also found during the search were several firearms; the employee’s spouse is a convicted

felon and prohibited from possessing firearms. The employee later resigned from NRCS.

In October 2021, the former employee’s spouse was sentenced to 2 years of supervised release and was ordered to pay a \$100 special assessment for one count of felon in possession of a firearm. The former employee was sentenced to 9 months in prison, followed by 3 years of supervised release, and was ordered to pay a \$600 special assessment for one count of theft of Government property, one count of false statements, and four counts of interception of communications.

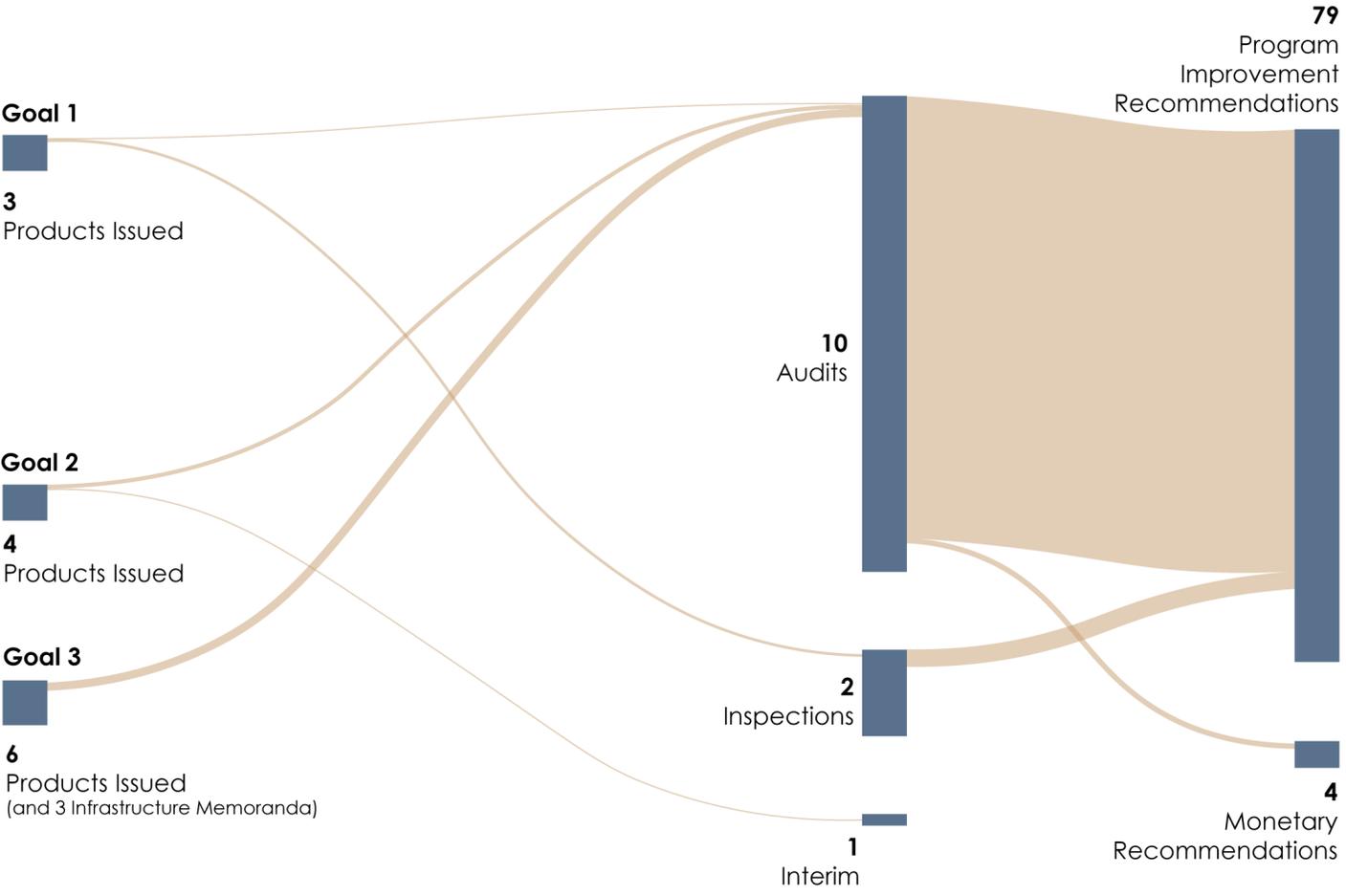
These accomplishments are the result of the dedicated work of OIG’s professional staff and their commitment to ensuring the efficiency and effectiveness of USDA programs. We look forward to continuing our collaborative working relationship with Secretary of Agriculture Tom Vilsack and Deputy Secretary Jewel Bronaugh as we continue to carry out our oversight responsibilities. We also appreciate the aid and support of the USDA management team, as well as interested Congressional

Committees and Members of Congress, to ensure that USDA programs are accomplishing their intended missions.



**Phyllis K. Fong**  
**Inspector General**

# Audit Performance Summary



**\$82.3 million**  
Total Monetary Impact

# Investigations Performance Summary



**\$31.6 million**  
Total Monetary  
Impact

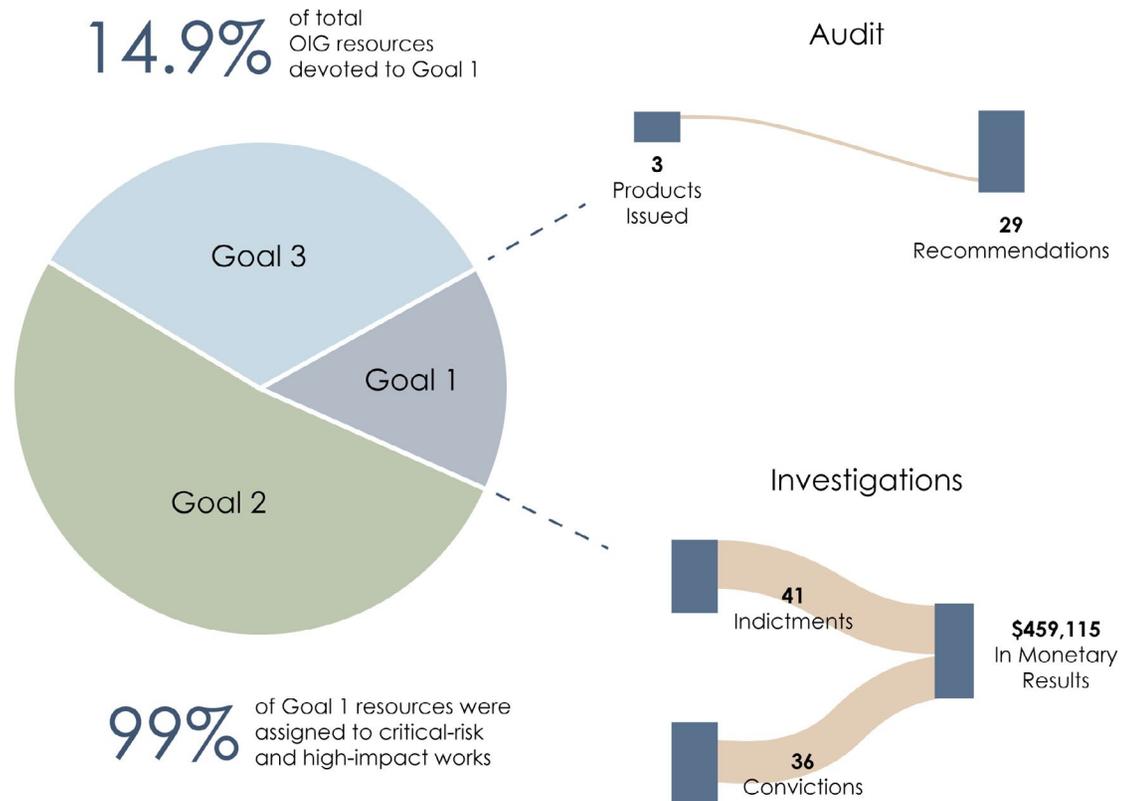
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# Goal 1—Safety and Security

Strengthen USDA's ability to protect public health and safety and to secure agricultural and Department resources

OIG provides independent audits, investigations, inspections, data analytics, and other reviews to help USDA and the American people meet critical challenges in safety, security, public health, and animal welfare. Our work focuses on issues such as the ongoing challenges of wildland fire suppression activities, the safety of the food supply, homeland security, and IT security and management.



## Examples of Audit and Investigative Work for Goal 1

### Regional Forester Authorities for Cost Share Agreements—Inspection

FS protects natural resources on National Forest System lands and adjacent State and private lands. FS' collaboration with Federal, State, and local governments is essential to effectively control fires. When a fire impacts multiple jurisdictions, those jurisdictions may enter into a CSA. Each fire generally has its own CSA that establishes the share of the overall fire suppression costs that FS, along with other entities, pays, and is based on the commitment, support, and coordination framework established in the corresponding CFPAs.

In 2020, OMB restricted the ability of FS' Pacific Southwest Region (Region 5) staff to obligate certain funds until the duties and responsibilities of Region 5 personnel were adequately segregated from initiating, approving, or executing reimbursable agreements or CSAs. Prior to the OMB restriction,

FS' Washington Office revised its SOPs for administering CFPAs and reimbursable agreements. We found that, while FS had established adequate controls surrounding CFPAs, the agency did not establish adequate controls surrounding CSAs, which are instrumental in establishing the actual share of the overall fire suppression cost FS pays. Without controls to ensure CSAs are consistent with their corresponding CFPAs, there is no assurance that the costs FS pays for fire suppression are fair and equitable.

We also found that the FS Washington Office had not established a formal process for reviewing and approving regions' supplemental SOPs for administering CFPAs and reimbursable agreements. Without this process, FS has reduced assurance that regions will timely submit supplemental SOPs to the Washington Office for review and approval. Finally, FS did not adequately address the Washington Office SOPs in its directives system, specifically the handbook. As a result, FS risks that the



**Figure 1.** A firefighter looks for hotspots during the Beaver Creek Fire. Photo by Lance Cheung from USDA's Flickr account. It does not depict any particular audit or investigation.

Washington Office SOPs may not be fully implemented as intended.

FS generally agreed with our recommendations, and we have reached agreement on the planned corrective actions to address them. (Inspection Report 08801-0001-41)

### **U.S. Department of Agriculture, Office of the Chief Information Officer, Fiscal Year 2021 Federal Information Security Modernization Act**

USDA continues to take positive steps to improve its IT security posture, but many weaknesses remain. OMB establishes standards for an effective level of security and considers “Managed and Measurable” to be a sufficient level. However, we found the Department’s maturity level to be at the lower “Consistently Implemented” level. Based on OMB’s criteria, the Department’s overall score indicates an ineffective level of security.

For Federal Information Security Modernization Act (FISMA) audits conducted from FY 2018 to FY 2020, there were 10 open recommendations at the beginning of FY 2021. During

FY 2021, four recommendations were closed. We have also issued 16 new recommendations based on security weaknesses identified in FY 2021. The Department and its agencies must develop and implement an effective plan to mitigate security weaknesses identified in the prior fiscal year recommendations. The Office of the Chief Information Officer (OCIO) generally concurred with our recommendations, and we have reached agreement on the planned corrective actions to address them.

Due to existing security weaknesses identified, we continue to report a material weakness in USDA’s IT security that should be included in the Department’s Federal Managers Financial Integrity Act report. (Audit Report 50503-0005-12)

### **Security Over USDA Web Applications**

OIG performed an inspection of four mission areas within USDA to determine if the mission areas were identifying and mitigating vulnerabilities on their public-facing web applications and websites. We reviewed vulnerability scanning policies, procedures for identifying and

mitigating vulnerabilities, as well as public-facing web application and website inventories. We also reviewed the four mission areas’ processes pertaining to website and web application vulnerability management. OCIO and the mission areas agreed with our recommendations, and we have reached agreement on the planned corrective actions to address them. (Inspection Report 50801-0002-12)

### **Individual Sentenced to 123 Months in Prison for Dogfighting and Felon in Possession of a Firearm Charges—North Carolina**

On November 17, 2021, in U.S. District Court, Middle District of North Carolina, an individual was sentenced to 123 months in prison for dogfighting and felon in possession of a firearm charges. Previously, the individual had pled guilty to one count of felon in possession of a firearm and one count of conspiracy to violate the animal fighting prohibitions of the AWA.

This investigation began when a county sheriff’s office contacted USDA OIG about potential dogfighting in North Carolina. USDA OIG met with the county sheriff’s office, a local police department, and



**Figure 2.** *Individuals and dogs engaged in illegal animal fighting activity in an outdoor ring. Photo by USDA OIG. It does not depict any particular audit or investigation summarized or listed in this report.*

another county sheriff's department, all of which corroborated information about the dogfighting activity. The investigation revealed further evidence of dogfighting.

USDA OIG subsequently obtained two additional Federal search warrants for a residence in North Carolina and a suspect. The search warrants were executed with the assistance of a county sheriff's office, the North Carolina State Bureau of Investigation, USMS, and ATF. ATF arrested the individual on an outstanding arrest warrant for felon in possession of a firearm.

On November 17, 2021, the individual was sentenced to a total of 123 months in prison, the statutory maximum, 48 months of which are to be served consecutively, for one count of felon in

possession of a firearm and one count of conspiracy to violate the animal fighting prohibitions of the AWA.

### **Three Individuals Sentenced for Role in Dogfighting Conspiracy Ring—Virginia**

In October and December 2021, in U.S. District Court, Eastern District of Virginia, three individuals were sentenced for their roles in a dogfighting conspiracy ring. The individuals had previously pled guilty to multiple offenses, including conspiracy to violate the animal fighting prohibitions of the AWA and causing a child under the age of 16 to attend an animal fighting venture.

The investigation began when special agents from USDA OIG and the Federal

Bureau of Investigation (FBI) executed a search warrant at an individual's residence in Washington, D.C. After further investigation, it was determined that three other individuals took part in scheduled dogfights in Virginia.

On October 6, 2021, two individuals were each sentenced to 18 months in prison and 36 months of supervised release. Both individuals were also prohibited from possessing any pit bull breed of dog. On December 9, 2021, a third individual was sentenced to 6 months in prison and 36 months of supervised release. The individual also was sentenced to serve 120 hours of community service. The fourth individual was sentenced previously.



**Figure 3.** Treadmill used to condition dogs for fighting. Photo by USDA OIG. It does not depict any particular audit or investigation summarized or listed in this report.

**Figure 4.** Enclosure used to stage cockfights with stadium-style seating for spectators. Photo by USDA OIG. It does not depict any particular audit or investigation summarized or listed in this report.



## Two Individuals and Lead Defendant in Dogfighting Operation Sentenced for Conspiracy to Violate the Animal Welfare Act—Georgia

On October 29, 2021, in U.S. District Court, Southern District of Georgia, two individuals and the lead defendant of a dogfighting operation were sentenced to prison. All three had previously pled guilty to charges of conspiracy, violating the AWA, and other related Federal charges.

The lead defendant was sentenced to 46 months in prison, followed by 3 years of supervised release, for conspiracy to violate the AWA. The lead defendant also was fined \$5,000. Further, one individual was sentenced to 5 years of probation and was ordered to pay

a \$1,000 fine. A second individual was sentenced to 18 months in prison, followed by 3 years of supervised release, and was ordered to pay a \$1,500 fine. All three individuals are prohibited from owning dogs during their supervised release.

USDA OIG initiated this investigation based on information indicating a dogfight was scheduled to take place at a particular location in Georgia. Working with state and local law enforcement, USDA OIG agents executed a Federal search warrant at the location of the dogfight. During the execution of the search warrant, agents seized 63 dogs and found dogfighting paraphernalia. The agents also found four mass burial sites containing numerous dogs in various states of decay. Agents were able to determine that several of the dogs in

the burial site had bullet holes in their skulls.

Four other individuals involved in the dogfighting operation were sentenced previously.

This case was worked jointly with Georgia county drug task force agents, the Georgia Department of Natural Resources, a Georgia county sheriff's office, and the Georgia State Patrol.

## Business Owner Sentenced for Bankruptcy Fraud—Michigan

On November 10, 2021, an individual was sentenced in U.S. District Court, Eastern District of Michigan, to 1 day in prison with time served, followed by 3 years of supervised release for bankruptcy fraud. The individual also was ordered to pay

\$209,594 in restitution to the creditors that were defrauded. Previously, the individual had been indicted on charges of bankruptcy fraud and subsequently pled guilty to those charges.

This investigation originated from an existing USDA OIG case. While investigating an individual, OIG agents noticed that an individual's family member had filed for bankruptcy. Further investigation disclosed that the family member had owned several Michigan meat-related businesses since the 1990s, some of which had participated in SNAP. The investigation also disclosed that the family member had filed for bankruptcy several times over the course of 8 years. The family member also provided false statements about the bankruptcy proceedings for one of the businesses and the bank accounts to which they had access.

Further, the investigation revealed that the family member had been inspected by the Food Safety and Inspection Service (FSIS) on seven occasions over the course of 15 years and had received official violation notifications from FSIS for selling uninspected meat. Specifically, the family member would purchase meat inspected by FSIS, then cut the meat

into smaller pieces, and resell the meat to retailers without being reinspected by FSIS. Even after receiving the violation notifications, the family member continued to sell precut uninspected meat to SNAP-authorized retailers in Michigan.

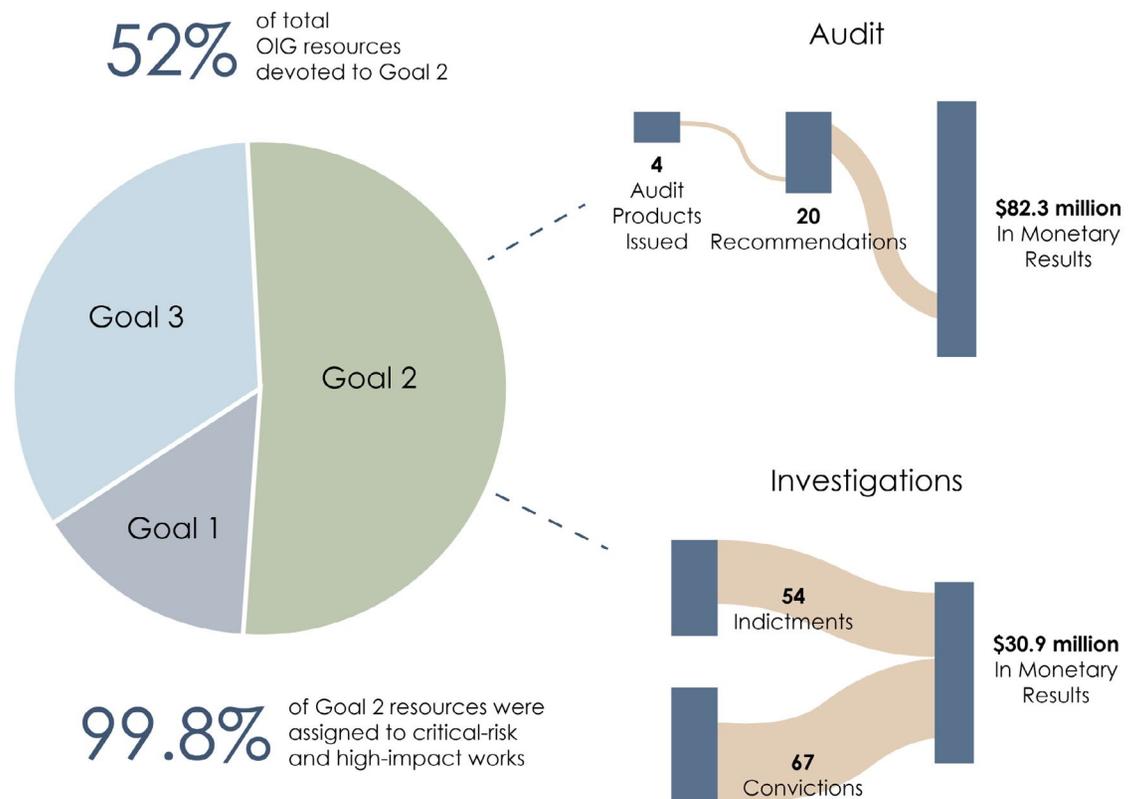
## Ongoing Reviews

- Cattle Health Program Disease Incident Response (Animal and Plant Health Inspection Service (APHIS))
- Wildlife Services' Role in Administering the Mexican Wolf Recovery Program (APHIS)
- COVID-19—Response to the Coronavirus Pandemic at Recreation Sites (FS)
- COVID-19—Pandemic Response at Establishments (FSIS)
- Initiatives to Address Workplace Misconduct (FSIS)
- Secure Configuration of USDA's Virtualization Platforms (Multi-Agency)
- Security Testing of a Selected USDA Network (Multi-Agency)

# Goal 2—Integrity of Benefits

Strengthen USDA's ability to deliver program assistance with integrity and effectiveness

OIG conducts audits, investigations, inspections, data analytics, and other reviews to help 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.



## Examples of Audit and Investigative Work for Goal 2

### Market Facilitation Program

On July 24, 2018, USDA announced a trade mitigation package of up to \$12 billion to assist producers impacted by increased tariffs. On May 23, 2019, the Secretary announced a second trade mitigation package to provide up to an additional \$16 billion in support. As part of the trade mitigation packages, FSA administered MFP. FSA administers farm loan, commodity, conservation, and disaster assistance programs. MFP was a direct payment, temporary assistance program for producers of covered agricultural commodities. We did not identify any issues regarding producer eligibility and certifications, except for issues with certified production and acreage amounts that affected payment accuracy.

During our review of 100 randomly sampled producers who received MFP payments, we found that producer records did not always fully support the amounts claimed on producer applications. Based on our sample,



**Figure 5.** Soybeans, one of the non-specialty crops covered under program years 2018 and 2019 of the Market Facilitation Program. Photo by Lance Cheung from USDA's Flickr account. It does not depict any particular audit or investigation.



**Figure 6.** Electric fence building was a topic of a workshop to help educate military service veterans about rare breed animal and poultry options for farming enterprises. The 2501 Program enhances the viability and profitability of small farms and ranches, beginning farmers and ranchers, and socially disadvantaged farmers and ranchers by providing eligible organizations with grant funds for outreach, training, education, and technical assistance, such as this workshop. Photo by Lance Cheung from USDA's Flickr account. It does not depict any particular audit or investigation.

we estimated that FSA overpaid 150,313 producers by more than \$57.2 million.

We also found that, when performing a spot check of an MFP producer, an FSA county official did not accurately apply updated agency guidance on acceptable forms of production evidence. This reduced the effectiveness of FSA's spot checks, and one of the four producers in our sample subject to FSA spot checks received an overpayment that FSA did not identify. FSA agreed with our recommendations, and we have reached agreement on the corrective actions to address them. (Audit Report 03601-0003-31)

### **Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers and Veteran Farmers and Ranchers Program (2501 Program) in Fiscal Years 2018 and 2019**

The Office of Partnerships and Public Engagement (OPPE) improves access to USDA programs and enhances the viability and profitability of small farms and ranches, beginning farmers and ranchers, and socially disadvantaged farmers and ranchers through its grant programs, including the Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers and Veteran Farmers and Ranchers Program (2501 Program). The 2501 Program provides eligible organizations with grant

funds for outreach, training, education, and technical assistance.

We identified that 6 of the 18 applications we reviewed were not eligible to receive grant funds; as a result, OPPE awarded a total of more than \$1.1 million in grant funds to 3 of the 6 ineligible entities. We also determined that the independent review panel did not follow established guidance and did not apply a consistent methodology to award points; as a result, OPPE could not ensure it awarded FY 2018 and FY 2019 grants—totaling more than \$25 million—to the worthiest applicants. In addition, we determined that program personnel did not follow procedures OPPE established to monitor and evaluate grantee performance effectively; as a result, OPPE could not assess whether it achieved the objectives

**Figure 7.** A repurposed shed and trailer, which serves as a sturdy mobile shelter for chickens, at a workshop to help educate military service veterans about rare breed animal and poultry options for farming enterprises. The 2501 Program enhances the viability and profitability of small farms and ranches, beginning farmers and ranchers, and socially disadvantaged farmers and ranchers by providing eligible organizations with grant funds for outreach, training, education, and technical assistance, such as this workshop. Photo by Lance Cheung from USDA's Flickr account. It does not depict any particular audit or investigation.



of the 2501 Program and whether program resources are protected.

Finally, we determined that OPPE did not establish a performance plan and set performance goals and indicators to measure and assess its progress towards achieving the 2501 Program's purpose. As a result, OPPE could not meet its requirement to report annually on its accomplishments and evaluate if the grants awarded were successful in meeting the objectives of the 2501 Program. Furthermore, by not establishing performance goals, OPPE could not determine if improvements are needed to meet the objectives of the 2501 Program.

OPPE officials agreed with our recommendations, and we have reached agreement on the corrective actions to

address them. (Audit Report 91601-0001-21)

### **COVID-19—Oversight of The Emergency Food Assistance Program—Interim Report**

TEFAP is a USDA program that provides supplemental food assistance to persons in need. This program provides USDA-foods to States to distribute to recipient agencies serving low-income households and individuals. TEFAP also provides administrative funds to cover States' and recipient agencies' costs associated with the transportation, processing, storage, and distribution of USDA-foods and foods provided through private donations. We concluded that the FFCR and CARES Acts did not change regulatory requirements to allocate TEFAP food funds and convertible food funds

(administrative funds). Consistent with regular TEFAP operations, FNS set aside a portion of the funds appropriated under the FFCR and CARES Acts to cover operational food costs. The agency also allocated funds to each State to cover food and administrative costs based on TEFAP's regular statutory funding formula. FNS allocates funds to States based on this formula and does not allow States to request a specific amount of food or administrative funds outside of what is allocated by the formula.

FNS did not use different criteria to allocate food assistance and convertible food funds for either the FFCR Act or CARES Act. However, in order to ensure States were eligible to receive CARES Act funds, FNS implemented an additional eligibility requirement.



**Figure 8.** A forklift operator manages pallets of USDA-foods from The Emergency Food Assistance Program. This Federal program helps supplement the diets of low-income Americans by providing them with emergency food assistance at no cost. Photo by Lance Cheung from USDA's Flickr account. It does not depict any particular audit or investigation.



**Figure 9.** Medical equipment at a withdrawal management center that opened with assistance from USDA's Community Facilities Direct Loan and Grant Program. Photo by Preston Keres from USDA's Flickr account. It does not depict any particular audit or investigation.

Although FNS implemented this additional requirement, we did not find any indication that it negatively impacted the integrity of the program, as all States complied with the requirement. We did not identify any issues that would warrant recommendations; therefore, we did not make any recommendations in this report. (Inspection Interim Report 27801-0001-21(2))

### **Rural Development's Prioritization of Direct Loans and Grants for Facilities Providing Substance Use Disorder Services**

OIG found that Rural Development (RD) prioritized the substance use disorder facilities requirement from the Agriculture Improvement Act of 2018. RD prioritized the requirement by issuing guidance that authorized State Directors to add an additional 15 points to loan or grant applications and authorized the Rural Housing Service (RHS) Administrator to add an additional 15 points to loan applications and 30 points to grant applications requesting funding under the purview of substance use disorder facilities. RD also tracked applications that requested substance use disorder priority through the project's name. Personnel tracked

applications by including identifiers for "Substance Use Disorder" or "Substance Misuse Disorder" in the project's name in RD's grant processing system. Because RD prioritized the substance use disorder facilities requirement, we did not make any recommendations in this report. (Audit Report 04601-0001-24)

### **USDA COVID-19 Funding Dashboard**

OIG released an interactive USDA COVID-19 Funding Dashboard on its website in October 2021. This interactive dashboard displays the amounts of USDA COVID-19 funding enacted, budgeted, obligated, and spent, by appropriations act, agency, program area, and use of funds, as identified by USDA's Office of Budget and Program Analysis and by FS. The COVID-19 Funding Dashboard allows stakeholders to see how much of the funding has been obligated; search for funding under particular appropriations acts or agencies or program areas; or explore how much of the funding has been, or remains to be, spent. (Analytics and Innovation Report 21-045-01)

### **Individual Sentenced for Conversion of Farm Service Agency Livestock, Equipment, and Grain—Nebraska**

On October 12, 2021, in U.S. District Court for the District of Nebraska, an individual was sentenced to 7 days in custody and 3 years of supervised release for conversion of FSA livestock, equipment, and grain. The individual was also ordered to pay \$142,518 in restitution.

This investigation was conducted to determine if an individual made false statements on a USDA FSA loan application and then later converted FSA mortgaged livestock, equipment, and grain. The investigation determined that in February and March of 2015, the individual failed to disclose their farm's name, which they regularly used to sell commodities, and submitted falsified livestock invoices to FSA. In addition, the individual began illegally converting FSA mortgaged livestock, farm equipment, and grain that totaled \$142,518 and was not remitted to FSA.

### **Individual Sentenced to 1 Year of Probation and Ordered to Pay More Than \$94,000 in Restitution for Farm Fraud—Kansas**

On December 8, 2021, in U.S. District Court, District of Kansas, an individual was sentenced to 12 months of supervised probation and was ordered to pay restitution of \$94,261 for one count of false statements in connection with farm indebtedness.

USDA OIG received a request for investigation from the Kansas FSA State office regarding an alleged misuse of loan proceeds and conversion. Earlier, an individual had filed a Request for Direct Loan Assistance with FSA to apply for a \$41,000 loan for livestock purchases and a \$124,000 loan for machinery and equipment to support a cattle operation.

However, the investigation revealed that approximately \$68,000 worth of personal expenditures unrelated to a cattle operation were funded by FSA loan monies, including large sums spent at camera and outdoor recreation retailers. Further investigation revealed images of the equipment purchased with the FSA loan monies, including a tractor with attached food plot equipment and

a utility task vehicle that were used to plant food plots for deer hunting.

The individual paid \$94,261 in restitution at the time of sentencing.

### **Individual Sentenced to 2 Years in Prison for Making False Statements to Obtain a Rural Development Housing Loan—North Dakota**

On January 4, 2022, in U.S. District Court, District of North Dakota, an individual was sentenced to 24 months in prison with credit for time served and 36 months of supervised release for making false statements to RD.

This case began when the U.S. Social Security Administration (SSA) OIG contacted USDA OIG and reported that it was investigating an individual who may have obtained an RD single family housing loan in North Dakota.

The investigation revealed that the individual had obtained a housing loan of more than \$136,000 from RD by using a false identity. The individual admitted to using a false identity, date of birth, and social security number to obtain the loan with RD, and on July 27, 2021,

the individual pled guilty to one count of false statements regarding the direct RD loan.

**Individual Sentenced to 36 Months of Probation and Ordered to Pay More Than \$76,000 in Restitution for Theft of Government Funds—Louisiana**

On January 20, 2022, in U.S. District Court, Western District of Louisiana, an individual was sentenced to 36 months of probation and was ordered to pay \$76,274 in restitution for one count of theft of Government funds.

This investigation was initiated after USDA’s FSA office in Louisiana notified USDA OIG that an individual allegedly submitted false documentation to obtain assistance under CFAP 1.

The investigation determined that the individual falsified information on a CFAP 1 application submitted to FSA. The individual claimed to have owned 1,046 head of cattle but had never owned more than 10 head of cattle. In addition, the individual submitted fictitious receipts to FSA to support the false number of cattle on the CFAP 1 application. As a result,

the individual received \$76,274 in CFAP 1 funding to which they were not entitled.

**Individual Sentenced to 60 Months of Probation and Ordered to Pay More Than \$247,000 in Restitution for Conversion of Property Pledged to the Farm Service Agency—Oklahoma**

On January 25, 2022, in U.S. District Court, Western District of Oklahoma, an individual was sentenced to 60 months of probation and was ordered to pay \$247,917 in restitution to FSA for conversion of property. The individual had previously pled guilty to charges of conversion of property pledged to FSA in conjunction with a plea agreement.

This investigation began after a referral from FSA to USDA OIG. Over a 5-month period, an individual was approved for four Farm Operating Loans through FSA in Oklahoma. The total amount borrowed from FSA in these loans was \$275,000. The individual signed the requisite security agreement pledging acreage, farm equipment, and cattle as collateral. On that security agreement, the individual claimed absolute

and exclusive ownership of several implements of husbandry; however, the individual owned none or had only a partial interest. The investigation revealed that the individual sold approximately \$60,000 in cattle, which served as collateral, and failed to remit the proceeds to FSA in violation of the terms of the security agreement.

**Individual Sentenced to 12 Months of Probation and Ordered to Pay More Than \$75,000 in Restitution for Conversion of Property Pledged to the Farm Service Agency—Virginia**

On January 27, 2022, in U.S. District Court, Western District of Virginia, an individual was sentenced to 12 months of probation and was ordered to pay \$75,508 in restitution and a \$100 special assessment for conversion of property. The sentencing followed the individual’s guilty plea to one count of conversion of mortgaged property.

OIG received a referral from FSA regarding the unauthorized sale of collateral (cattle) by a borrower in western Virginia. OIG initiated an investigation, and it revealed the

borrower applied for and received a Farm Operating Loan from FSA in the amount of \$259,000. This loan was rescheduled twice.

In the second instance, the individual rescheduled the existing loan into a new loan in the amount of \$226,669 and pledged 179 head of cattle as part of the collateral for this loan, as specified in the Security Agreement. Between July 2019 and February 2020, the individual sold 171 head of cattle without permission from FSA and failed to repay the loan.

### **Former Contractor Sentenced to 2 Years of Probation and Ordered to Pay More Than \$68,000 in Restitution for Mail Fraud—Indiana**

On February 17, 2022, in U.S. District Court, Northern District of Indiana, a former APHIS contractor was sentenced to 24 months of probation and was ordered to pay \$68,250 in restitution for mail fraud. The former contractor also was fined \$10,000.

This investigation was conducted to determine if the former contractor, who was tasked with collecting samples

from cattle to test for bovine spongiform encephalopathy (BSE), commonly known as mad cow disease, submitted false reports to APHIS claiming the sampling had been completed.

The investigation disclosed that the former contractor submitted BSE testing forms to APHIS which contained false assertions that the samples were taken from cattle found on local Indiana farms. Representatives of farms purported to have had samples taken by the former contractor refuted the claims that the samples had been obtained from their cattle. The investigation further revealed that the former contractor had procured the submitted samples from cattle that had been slaughtered at local slaughterhouses. According to APHIS, the individual is no longer working as a contractor.

### **SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM FRAUD INVESTIGATIONS**

*A significant portion of OIG's investigative resources is dedicated to ensuring the integrity of SNAP by combating the practice of exchanging benefits for currency or other ineligible items. Working closely with FNS, OIG has concluded several SNAP-related investigations and prosecutions in the first half of FY 2022. Below are several examples of SNAP investigations resulting in significant convictions and monetary results.*

#### **Storeowner and Family Members Sentenced for Supplemental Nutrition Assistance Program Fraud—Michigan**

In October 2021, in U.S. District Court, Eastern District of Michigan, three individuals, all of whom were associated with a Michigan convenience store, were sentenced based on their conspiracy to defraud the United States.

This investigation began when a Michigan convenience store that was authorized to accept SNAP benefits allegedly exchanged SNAP benefits for

cash. USDA OIG agents confirmed that SNAP benefits were being exchanged for cash and ineligible items with the storeowner, the storeowner's spouse, and two of the storeowner's children. FNS had permanently disqualified the storeowner from SNAP in 2002, so the convenience store operated under a family member's name.

The storeowner was sentenced to 36 months of home confinement, followed by 36 months of probation, and was ordered to pay \$2,081,098 in restitution to FNS. The storeowner's spouse was sentenced to 18 months of probation and was ordered to pay \$539,574 in restitution to FNS. The storeowner's first child was sentenced to 12 months of probation and was ordered to pay \$507,000 restitution jointly and severally with their co-defendants and parents. Previously, the storeowner's second child accepted pretrial diversion deferment of prosecution.

### **Office Manager Sentenced to 96 Months in Prison and Ordered to Pay More Than \$1.1 Million in Restitution for Fraud—Florida**

On October 25, 2021, in U.S. District Court, Middle District of Florida, an office

manager was sentenced to 96 months in prison, followed by 36 months of supervised release. The office manager also was ordered to pay \$1,161,186 in restitution, of which \$23,054 is payable to the Florida Department of Children and Families. Previously, the office manager had pled guilty to a 22-count indictment that included mail, wire, and access device fraud; aggravated identity theft; theft of Government funds; and false representation with a social security number.

This case was initiated based on information provided to the FBI from an embezzlement and aggravated identity theft victim. An office manager abused their position and embezzled more than \$1 million from their employer. In addition to the embezzlement, the office manager misrepresented their income on multiple applications for assistance through Florida's Automated Community Connection to Economic Self Sufficiency system. The fraudulent applications resulted in the manager receiving approximately \$21,836 in SNAP benefits.

This joint investigation was conducted with the FBI, a Florida county sheriff's office, and the Florida Department of

Financial Services, Division of Public Assistance Fraud.

### **Business Operator Sentenced to 42 Months in Prison and Ordered to Pay More Than \$4.4 Million in Restitution for Supplemental Nutrition Assistance Program and Special Supplemental Nutrition Program for Women, Infants, and Children Fraud—Michigan**

On February 1, 2022, in U.S. District Court, Eastern District of Michigan, a business operator was sentenced to 42 months in prison, followed by 1 year of supervised release. The business operator also was ordered to pay \$4,424,692 in restitution, inclusive of SNAP fraud totaling \$4,205,977 and WIC fraud totaling \$218,715. The sentencing followed a guilty plea to charges of conspiracy to commit wire fraud.

This investigation was based on allegations that a business operator was trafficking SNAP benefits. USDA OIG, working jointly with the IRS-CI division and a county sheriff's department, found substantial evidence of SNAP and

WIC trafficking at the business operator's establishment. The investigation determined that SNAP and WIC benefits were exchanged for cash.

Previously, the business operator was indicted by a Federal grand jury in the Eastern District of Michigan. The five-count indictment charged the operator with conspiracy, SNAP fraud, WIC fraud, and felony firearms violations.

Subsequently, the manager of the business and one other individual were also charged. The family member and the individual involved were sentenced previously; the former manager of the business passed away before sentencing.

**Two Storeowners Sentenced to a Total of 22 Months in Jail and Ordered to Pay More Than \$1.1 Million for Defrauding Programs Intended to Assist Society's Most Vulnerable—California**

On February 10, 2022, in California Superior Court, a storeowner was sentenced to 12 months in jail, followed by 24 months of mandatory supervision. As part of the plea agreement, this storeowner also agreed to pay \$1,143,965

in restitution, which was subsequently paid in full.

On February 25, 2022, a second storeowner was sentenced to 10 months in jail, followed by 26 months of mandatory supervision, and was ordered to pay a \$1,000 fine. The storeowners had previously pled guilty to food stamp fraud and money laundering.

This investigation began when a California county district attorney's office informed USDA OIG a restaurant allegedly engaged in SNAP fraud. As a result of this investigation, two separate restaurants were discovered to have paid various individuals to use their SNAP benefits to purchase items from at least three stores, all of which shared the same ownership, but none of which were authorized to process SNAP transactions. The owners of the disqualified stores admitted to investigators to trafficking SNAP benefits for restaurant inventory and cash.

This was a joint investigation with a California county district attorney's office and the FNS Retailer Investigations Branch.

**Two Individuals Sentenced to a Total of 67 Months in Prison and Ordered to Pay More Than \$2.5 Million in Restitution to the U.S. Department of Agriculture—Texas**

On January 31, 2022, in U.S. District Court, Southern District of Texas, an individual was sentenced to 12 months of supervised release, time served, and was ordered to pay \$308,881 in restitution to USDA.

On March 9, 2022, two defendants were sentenced to 30 months in prison, followed by 36 months of supervised release; and 37 months in prison, followed by 36 months of supervised release, respectively. They were also ordered to pay \$975,401 and \$1,284,282 in restitution, respectively.

OIG initiated this investigation due to high-volume SNAP transactions at a retail vendor located in Texas. The investigation revealed that the owner and employees of the retail vendor, working with an individual, exchanged SNAP transactions for cash. The individual also executed a scheme in which electronic benefits transfer cards

were exchanged for cash and then redeemed at a wholesale club.

Previously, six individuals were indicted for conspiracy, SNAP fraud, and money laundering. Five of the six individuals were found guilty. The sixth individual passed away before further judicial action occurred. Two individuals were previously sentenced.

## **OTHER FNS INVESTIGATIONS**

### **Individual Sentenced to 24 Months in Prison and Ordered to Pay More Than \$244,000 in Restitution for Theft of Funds from the Child and Adult Care Food Program and Summer Food Service Program—Louisiana**

On November 23, 2021, in U.S. District Court, Western District of Louisiana, an individual was sentenced to 24 months in prison, followed by 3 years of supervised release, and was ordered to pay \$244,060 in restitution to FNS.

The investigation was conducted to determine whether an individual used Child and Adult Care Food Program (CACFP) and Summer Food Service

Program (SFSP) funds for personal benefit. The individual was a nonprofit sponsor in the CACFP and SFSP, both of which are programs administered by the Louisiana Department of Education (LDOE) on behalf of USDA's FNS. The investigation revealed that the individual used \$244,060 in CACFP and SFSP funds for personal expenses such as car and rent payments, or withdrew the funds as cash.

Subsequently, a grand jury returned a six-count indictment that charged the individual with theft of Government funds and wire fraud. Soon after, the individual pled guilty to one count of theft of Government funds.

### **Two Individuals Sentenced to a Total of 92 Months in Prison and Ordered to Pay More Than \$837,000 in Restitution for Defrauding Summer Food Program for Children – Louisiana**

On March 16, 2022, in U.S. District Court, Western District of Louisiana, two individuals were each sentenced to 46 months in prison and 36 months of supervised release and ordered to jointly and severally pay \$837,690 in restitution to FNS. Additionally, one of the individuals was ordered to pay

\$58,183 in restitution to the Internal Revenue Service.

This investigation was conducted to determine if two individuals fraudulently obtained FNS funds through SFSP. The individuals operated three organizations that were used to illegally obtain funding from SFSP, which is administered by LDOE. The investigation determined the two individuals inflated the number of children fed on meal reimbursement claims they submitted to LDOE in order to fraudulently receive \$536,000 in SFSP funds. Additionally, one of the individuals failed to report income received by one of the businesses on a tax return.

Previously, grand juries indicted the individuals with offenses that included wire fraud and money laundering, as well as conspiracy to commit wire fraud and conspiracy to commit money laundering. One of the individuals was also charged with aiding and assisting in making and subscribing a false tax return. Both individuals pled guilty to wire fraud, and one of the individuals also pled guilty to the tax-related charge.

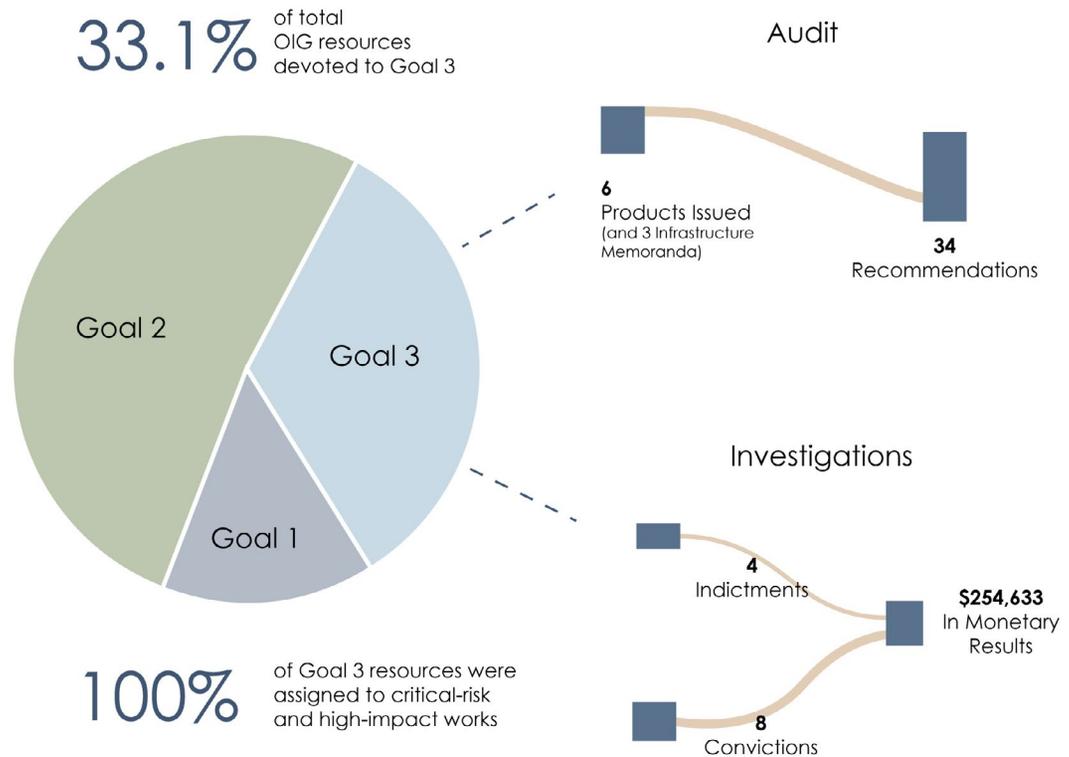
## Ongoing Reviews

- COVID-19—Farmers to Families Food Box Program Administration (Agricultural Marketing Service (AMS))
- Food Purchase and Distribution Program (AMS)
- Plant Pest and Disease Management and Disaster Prevention Program (APHIS)
- Controls Over the Market Access Program (Foreign Agricultural Service (FAS))
- Oversight of the Agricultural Trade Promotion Program (FAS)
- COVID-19—Oversight of The Emergency Food Assistance Program (FNS)
- COVID-19—Pandemic Electronic Benefits Transfer (FNS)
- Supplemental Nutrition Assistance Program Waiver Process (FNS)
- Conservation Reserve Program Payment Calculations (FSA)
- COVID-19—Coronavirus Food Assistance Program—Direct Support (FSA)
- Wildfires and Hurricanes Indemnity Program—Puerto Rico (FSA)
- Beginning Farmers (Multi-Agency)
- Conservation Stewardship Program—Participant Control of Land (Multi-Agency)
- Environmental Quality Incentives Program Payment Schedule—Cost Estimation Process (NRCS)
- Apiculture Insurance Program (Risk Management Agency (RMA))
- Hemp Crop Provisions (RMA)
- Prevented Planting Followup (RMA)
- Whole-Farm Revenue Protection Pilot Program (RMA)
- Administration of Water and Waste Program Grants (RUS)
- Rural E-Connectivity Pilot Program (Reconnect Program)—Award Process (RUS)

# Goal 3—Management Improvement Initiatives

Strengthen USDA's ability to achieve results-oriented performance

OIG conducts audits, investigations, inspections, data analytics, and other reviews that focus on areas such as improved financial management and accountability, property management, employee integrity, and the Government Performance and Results Act. The effectiveness and efficiency with which USDA manages its assets are critical.



## Examples of Audit and Investigative Work for Goal 3

### **USDA’s Digital Accountability and Transparency Act Compliance Efforts for Fiscal Years 2020 and 2021**

The DATA Act requires USDA to submit to the Treasury Federal contract, loan, and grant spending information for Federal programs so that taxpayers and policymakers can more effectively track Federal spending. OIG is responsible for reviewing a sample of the spending data submitted by USDA and submitting to Congress a publicly available report assessing the completeness, timeliness, and accuracy of the sampled data.

We found that, although USDA transmitted its FY 2020 fourth quarter submission to the Treasury’s DATA Act Broker, its submission was not complete and contained records that were not accurate or timely, according to DATA Act reporting standards. We also found that USDA component agencies and offices did not consistently implement and use Governmentwide financial data standards established by

OMB and the Treasury. As a result, the intended users of the data—as outlined by the DATA Act—do not have consistent, reliable, and searchable USDA spending data available on USAspending.gov. In addition, without the consistent use of standards, USDA cannot attest to the reporting of reliable, transparent, and consistent Federal spending data for public use.

Departmental and agency officials agreed with all of the report’s recommendations, and we have reached agreements on the corrective actions to address them. (Audit Report 11601-0002-12)

### **USDA’s Consolidated Financial Statements for Fiscal Years 2021 and 2020**

USDA received an unmodified opinion from OIG’s audits of USDA’s consolidated financial statements. We determined that the Department’s financial statements present fairly USDA’s financial position as of September 30, 2021, and 2020, in all

material respects, and were prepared in accordance with accounting principles generally accepted in the United States. This includes the agency’s net costs, changes in net position, and statements of budgetary resources and related notes to the consolidated financial statements.

Our consideration of USDA’s internal control over financial reporting identified three significant deficiencies: (1) Improvements are needed by three component agencies in their overall financial management; (2) USDA needs to improve its IT security and controls, as many longstanding weaknesses remain; and (3) USDA and RD need to improve controls over unliquidated obligations. We determined the first two deficiencies are material weaknesses. Additionally, our review of compliance with laws and regulations identified noncompliance with the Federal Financial Management Improvement Act of 1996 (FFMIA), the Antideficiency Act, and the Payment Integrity Information Act of 2019.

The Department concurred with our findings, and we have reached agreement on the corrective action to address the recommendation. (Audit Report 50401-0020-11)

## **AGENCY FINANCIAL STATEMENTS**

*In auditing USDA's consolidated financial statements, OIG either performed or oversaw contractors as they performed audits of four USDA agencies' financial statements.*

### **Natural Resources Conservation Service's Financial Statements for Fiscal Years 2021 and 2020**

An independent certified public accounting firm audited NRCS' financial statements for the fiscal years ending September 30, 2021, and 2020. NRCS received an unmodified opinion on the consolidated financial statements, as well as an assessment of NRCS' internal controls over financial reporting and compliance with laws and regulations.

The firm reported that the consolidated financial statements present fairly, in all material respects, NRCS' financial position as of September 30, 2021,

and 2020, and its net cost, changes in net position, and budgetary resources and the related notes to the consolidated financial statements in accordance with accounting principles generally accepted in the United States. The independent auditor's report identified four deficiencies in NRCS' controls. These weaknesses included controls over obligations and unfilled customer orders, controls over expenditures, entity level controls, and controls over journal vouchers. The firm considered the first three deficiencies to be material weaknesses. The results of the firm's test of compliance with laws and regulations disclosed instances of noncompliance with FFMIA and the Single Audit Act. The agency agreed with our recommendations, and we have reached agreement on the corrective actions to address them. (Audit Report 10403-0004-11)

### **Commodity Credit Corporation's Financial Statements for Fiscal Years 2021 and 2020**

An independent certified public accounting firm audited the Commodity Credit Corporation's (CCC) financial statements for the fiscal years ending September 30, 2021, and 2020.

CCC received an unmodified opinion on the financial statements, as well as an assessment of CCC's internal controls over financial reporting and compliance with laws and regulations.

The firm reported that the consolidated financial statements present fairly, in all material respects, CCC's financial position as of September 30, 2021, and 2020, and its net cost, changes in net position, and budgetary resources and the related notes to the consolidated financial statements in accordance with accounting principles generally accepted in the United States. The independent auditor's report identified three deficiencies in CCC's accounting for budgetary transactions, accrued liabilities, and general IT controls. The firm considered the first deficiency to be a material weakness. The results of the firm's tests of compliance with laws and regulations disclosed instances of noncompliance with FFMIA. The agency agreed with our recommendations, and we have reached agreement on the corrective actions to address them. (Audit Report 06403-0004-11)

### **Rural Development’s Financial Statements for Fiscal Years 2021 and 2020**

RD received an unmodified opinion from OIG’s audits of RD’s consolidated financial statements. We determined that the agency’s financial statements present fairly RD’s financial position as of September 30, 2021, and 2020, in all material respects, and were prepared in accordance with accounting principles generally accepted in the United States. This includes the agency’s net costs, changes in net position, and statements of budgetary resources and related notes to the financial statements.

Our consideration of RD’s internal control over financial reporting identified two significant deficiencies and our consideration of compliance with laws and regulations noted no instances of noncompliance. The agency agreed with our recommendations, and we have reached agreement on the corrective actions to address them. (Audit Report 85401-0012-11)

### **Federal Crop Insurance Corporation/Risk Management Agency’s Financial Statements for Fiscal Years 2021 and 2020**

The Federal Crop Insurance Corporation/Risk Management Agency (FCIC/RMA) received an unmodified opinion from OIG’s audits of FCIC/RMA’s financial statements. We determined that the agency’s financial statements present fairly FCIC/RMA’s financial position as of September 30, 2021, and 2020, in all material respects, and were prepared in accordance with accounting principles generally accepted in the United States. This includes the agency’s net costs, changes in net position, and statements of budgetary resources and related notes to the financial statements.

Our consideration of FCIC/RMA’s internal control over financial reporting identified no material weaknesses and our consideration of compliance with laws and regulations noted no instances of noncompliance. We issued no findings and no recommendations in this report. (Audit Report 05401-0013-11)

### **Former Natural Resources Conservation Service Employee Sentenced for Illegal Wiretapping—Ohio**

On October 28, 2021, in U.S. District Court, Northern District of Ohio, a former NRCS employee was sentenced to 9 months in prison, followed by 3 years of supervised release. The former employee also was ordered to pay a \$600 special assessment. The sentencing followed the former employee’s guilty pleas to one count of theft of Government property, one count of false statements, and four counts of interception of communications. The former employee’s spouse was sentenced to 2 years of supervised release and ordered to pay a \$100 special assessment after pleading guilty to one count of felon in possession of a firearm.

USDA referred this investigation of Wiretap Act violations involving an NRCS employee to OIG. The employee used a voice-activated audio recorder disguised as a thumb drive to surreptitiously record their boss and coworkers in the office, as well as their spouse at their home. A review of the device revealed hundreds of recordings made in the office and at the employee’s residence. The investigation also

revealed that the employee broke into a locked cabinet in a victim’s office, downloaded several years’ worth of emails and other documents to a flash drive, then put them on a home personal computer.

Following the investigation, search warrants were executed at the employee’s residence and NRCS office. The recording device was recovered, along with other evidence of the employee’s criminal activity. Also found during the search were several firearms; the employee’s spouse is a convicted felon and prohibited from possessing firearms.

In November 2020, the employee resigned from NRCS.

### **Three Individuals Sentenced Following Bid-Rigging Investigation—Guam**

On December 14, 2021, in the District Court of Guam, an individual was sentenced to 12 months and 1 day in prison, followed by 24 months of supervised release. The individual also was ordered to pay a \$20,000 fine. A former NRCS employee also was sentenced to 4 months in prison, followed by 12 months of supervised release, and was ordered to pay a \$4,000 fine.

On December 2, 2021, a family member of the former NRCS employee was sentenced to 12 months of probation and 50 hours of community service in lieu of a fine. The sentencing of all three individuals followed guilty pleas to conspiracy to restrain trade, commit money laundering, and commit wire fraud; money laundering; and unlawfully cutting trees on United States lands.

This investigation began when the FBI Guam Office requested assistance from USDA OIG regarding a bid-rigging conspiracy involving an entity’s employee, a former NRCS employee, and the former employee’s family member. The entity’s employee was involved with Federally funded grant projects from USDA and other Government agencies. The entity’s procurement regulations require no less than three quotes from businesses before an award is made to the lowest responsible and responsive bidder.

The investigation revealed that the individual created fictitious quotes from other companies to make the selection of contract awardees appear legitimate, and then awarded a total of 41 contracts to businesses owned by the individual and the former NRCS employee. They

ensured their companies would provide the lowest bid and receive the award. Some of the entity’s project work was performed in areas bordering the Guam National Wildlife Refuge (GNWR). This work included the former NRCS employee’s family cutting trees on the border and within the GNWR.

On June 12, 2020, the NRCS employee voluntarily retired.

### **USDA Employee Sentenced to 24 Months of Probation and Ordered to Pay a \$3,000 Fine for Conflicts of Interest—Mississippi**

On March 2, 2022, in U.S. District Court, Southern District of Mississippi, a USDA employee was sentenced to 24 months of supervised probation and was ordered to pay a \$3,000 fine and \$600 in special assessments. Previously, the employee had pled guilty to three counts of violating a Federal prohibition against conflicts of interest and three counts of making false statements.

This investigation was initiated by USDA OIG in order to determine if an attorney employed as an area loan specialist with USDA’s RD was separately compensated for representing SSA claimants in matters before the

U.S. Government. This investigation determined the employee received compensation for representing SSA claimants on behalf of several nongovernmental organizations while employed by USDA. As a result, the employee received approximately \$116,629 in SSA representative fees. Furthermore, the employee made false statements on various USDA and SSA documents in order to conceal these actions from USDA and SSA.

This was a joint investigation with SSA OIG.

## **INFRASTRUCTURE-RELATED REVIEWS**

### **Prior OIG Audits Relevant to Infrastructure Funding**

The Infrastructure Investment and Jobs Act (IIJA),<sup>2</sup> signed on November 15, 2021, provided USDA more than \$8.3 billion in funding. Of this amount, \$918 million was allocated to NRCS, more than \$5.4 billion was allocated to FS, and \$2 billion to RUS. As part of OIG's oversight responsibility, we reviewed the results of prior OIG engagements (i.e., audits, inspections, and non-audit

services) that were relevant to NRCS, FS, and RUS funding provided by the IIJA.

For NRCS, this prior work examined funding provided for disaster assistance in response to the 2017 hurricanes and to implement provisions of the American Recovery and Reinvestment Act of 2009.<sup>3</sup> Based on our review, we identified findings and recommendations that NRCS should consider in order to ensure infrastructure activities and programs continue to operate with the proper control environment in order to remain effective and operationally efficient. Of particular note are the recommendations we made in June 2021 regarding the Emergency Watershed Protection Program. While NRCS and OIG have reached agreement on the corrective actions needed to address the concerns identified, the corrective actions have not yet been fully implemented, which heightens risks associated with the use of these funds. OIG communicated this information to NRCS in February 2022.

For FS, this work identified findings that FS should consider to ensure infrastructure activities and programs continue to operate with the proper

control environment in order to remain effective and operationally efficient. According to information maintained by OCFO, the recommendations associated with these prior engagements have been implemented. OIG grouped the findings into the following six areas: Firefighting Resources, Wildland Fire Management, Ecosystem Management, Contract Administration, Grants Management, and Program Performance and Oversight. OIG communicated this information to FS in March 2022.

For RUS, this prior work examined prior RUS broadband programs as well as infrastructure funding for Substantially Underserved Trust Areas. Based on our review, we identified findings that RUS should consider to ensure infrastructure activities and programs continue to operate with the proper control environment in order to remain effective and operationally efficient. According to information maintained by OCFO, the recommendations associated with these prior audits have been implemented. In addition, we are currently evaluating RUS' Rural eConnectivity Pilot Program (ReConnect Program) to determine if:

<sup>2</sup> Infrastructure Investment and Jobs Act, Pub. L. No. 117-58, 135 Stat. 429 (2021).

<sup>3</sup> American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 115.

(1) RUS awarded ReConnect funding to eligible applicants and projects, and (2) the evaluation criteria were accurately used to score and rank applications when awarding funds. This audit will also support and inform OIG's oversight of the \$2 billion in funding from the IIJA for the ReConnect Program and the cost of broadband loans. OIG communicated this information to RUS in March 2022.

## Ongoing Reviews

- Review of Agency Financial Statements for FYs 2022 and 2021 (CCC, FCIC/RMA, NRCS, RD)
  - Data Product Review Council Review Process (Economic Research Service)
  - Controls Over Department Shared Cost Programs and Working Capital Fund (Multi-Agency)
  - USDA’s Compliance with Improper Payment Requirements for FY 2021 (Multi-Agency)
  - Agriculture and Food Research Initiative (National Institute of Food and Agriculture)
  - Government Purchase Card (Office of Contracting and Procurement)
  - Agreed-Upon Procedures—Employee Benefits, Withholdings, Contributions, and Supplemental Semiannual Headcount Reporting Submitted to the Office of Personnel Management for FY 2022 (OCFO)
  - General and Application Controls Work for Financial Statement Audits for FYs 2022 and 2021 (OCFO)
  - 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, 2021 Through June 30, 2022 (OCFO)
  - Uniform Residential Loan Application Project (RHS)
  - 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, 2021 Through June 30, 2022 (OCFO)
  - USDA’s Compliance with the Geospatial Data Act for FY 2022 (OCFO)
  - USDA’s Consolidated Financial Statements for FYs 2022 and 2021 (OCFO)
- Independent Service Auditor’s Report on the OCIO’s Description of Its Data Center Hosting and Security Systems and the Suitability of the Design and Operating Effectiveness of Its Controls for the Period October 1, 2021 Through June 30, 2022 (OCIO)**

# Governmentwide Activities

## Participation on Committees, Working Groups, and Task Forces

USDA OIG continues to support initiatives sponsored by the Council of the Inspectors General on Integrity and Efficiency (CIGIE). Our auditors, data analysts, and investigators actively participate in the following working groups and projects within the Inspector General (IG) community:

### Technology Committee

- Emerging Technologies Subcommittee
- Geospatial Data Act Working Group
- Data Analytics Working Group

### Audit Committee

- Audit Peer Review Subcommittee
- Performance Audit Navigator Working Group
- Financial Statement Audit Network Workgroup

### Federal Audit Executive Council

- Digital Accountability and Transparency Act Working Group
  - Common Methodology subgroup

### Investigations Committee

- Training Committee
- Firearms Working Group
- Small Business Innovation Research Working Group
- Foreign Influence Investigations Working Group
- IG Investigations Academy

### Enterprise Risk Management Working Group

### Leading, Inspiring, and Fostering Talent Working Group

### Housing Compendium Working Group

### CIGIE Diversity, Equity, and Inclusion Work Group

- Training and Awareness Sub-Work Group

### Pandemic Response Accountability Committee

- Government Accountability Office, State, and Local Subcommittee
- Data Sharing Working Group
- Paycheck Protection Program Data Working Group
- Investigations COVID-19 Working Group
- Public Affairs Officers Working Group

Across the United States, OIG agents participate in various committees and working groups and collaborate with external Federal, State, and local law enforcement partners, to further the mission of OIG. This is an illustrative sample list of such partnerships:

- Department of Homeland Security, Immigration and Customs Enforcement and Benefit Fraud Task Force
- U.S. Secret Service
  - Organized Fraud Task Force

- High Tech Crimes Task Force
- U.S. Department of the Treasury Financial Crimes Enforcement Network
  - Regional Review Teams
  - Regional Money Laundering Task Forces
- Federal Bureau of Investigation
  - Joint Terrorism Task Force
  - National Counter Intelligence Task Force
- States' Attorney's Office Regional Organized Crime Task Force
- Regional Bankruptcy Fraud Working Groups
- Federal Program Fraud Task Force, The Guardian Project
- U.S. Attorney's Office
  - Benefit Fraud Task Force
  - Identity and Benefits Fraud Task Force
  - COVID-19 Task Force
- Department of Justice's Procurement Collusion Strike Force—both OIG investigators and data analysts represent OIG

### **Review of Legislation, Regulations, Directives, and Memoranda**

#### ***Technical Assistance to Congress.***

OIG provided technical assistance to Congress through participation in CIGIE, on activities relating to the CIGIE Integrity Committee.

#### ***H.R. 6762, Special Inspector General for Law Enforcement Act.***

OIG reviewed H.R. 6762, the Special Inspector General for Law Enforcement Act, which if enacted, would create a Special Inspector General for Law Enforcement and provide the scope of its authorities and grounds for termination. OIG recommended language to clarify any potential overlap of jurisdiction of such IG with the CIGIE Integrity Committee and/or OIGs' internal affairs authorities.

#### ***USDA Departmental Regulation 4600-002, Procedures for the Suspension, Denial, or Revocation of Access to Classified National Security Information.***

OIG reviewed an update to USDA's Departmental Regulation 4600-002, which sets forth policies, procedures, and responsibilities for USDA employees and applicants

who have been determined ineligible for access to classified national security information. OIG recommended text to define whistleblower reprisal and the corrective action process as part of the whistleblower reprisal review process, as well as to ensure USDA's whistleblower reprisal review process is consistent with Presidential Policy Directive 19, Protecting Whistleblowers with Access to Classified Information. OIG also recommended clarifying language to ensure proper IG independence during any suspension and removal of affected employees.

# Inspector General Act Reporting Requirements

IG Act Section	IG Act Description	USDA OIG Reported SARC April 2022
Section 4(a)(2)	Review of Legislation and Regulations	Page 29
Section 5(a)(1)	Significant Problems, Abuses, and Deficiencies	Goals 1, 2, and 3 Pages 1–27
Section 5(a)(2)	Recommendations for Corrective Action with Respect to Significant Problems, Abuses, and Deficiencies	Goals 1, 2, and 3 Pages 1–27
Section 5(a)(3)	Significant Recommendations from Agency's Previous Reports on Which Corrective Action Has Not Been Completed	Appendix A.10 Pages 52–67
Section 5(a)(4)	Matters Referred to Prosecutive Authorities and Resulting Convictions	Appendix B.1 and B.2 Pages 81–82
Section 5(a)(5)	Matters Reported to the Head of the Agency	N/A
Section 5(a)(6)	Reports Issued During the Reporting Period	Appendix A.6 Pages 45–50
Section 5(a)(7)	Summary of Significant Reports	Goals 1, 2, and 3 Pages 1–27
Section 5(a)(8)	Statistical Table: Questioned Costs	Appendix A.2 Page 42
Section 5(a)(9)	Statistical Table: Recommendations That Funds Be Put to Better Use	Appendix A.3 Page 43
Section 5(a)(10)(A)	Summary of Audit Reports Issued Before the Commencement of the Reporting Period for Which No Management Decision Has Been Made	Appendix A.7 Page 51
Section 5(a)(10)(B)	Summary of Audit Reports for Which the Department Has Not Returned Comment Within 60 Days of Receipt of the Report	Appendix A. 15 Page 80

IG Act Section	IG Act Description	USDA OIG Reported SARC April 2022
Section 5(a)(10)(C)	Reports Without Agency Comments or Unimplemented Recommendations and Potential Costs Savings—Funds to Be Put to Better Use and Questioned Costs	Appendix A.13 Pages 70–79
Section 5(a)(11)	Significantly Revised Management Decisions Made During the Reporting Period	Appendix A.8 Page 51
Section 5(a)(12)	Significant Management Decisions with Which the Inspector General Is in Disagreement	Appendix A.9 Page 51
Section 5(a)(13)	Information Described Under Section 804(b) of the FFMIA of 1996	Appendix A.11 Page 68
Sections 5(a)(14) and 5(a)(15)	Peer Reviews of USDA OIG	Page 33
Section 5(a)(16)	Peer Reviews Conducted by USDA OIG	Page 33
Sections 5(a)(17) and 5(a)(18)	Additional Investigations Information	Appendix B.4 Pages 84–85
Section 5(a)(19)	Report on Each OIG Investigation Involving a Senior Government Employee Where Allegations of Misconduct Were Substantiated	Appendix B.5 Page 86
Section 5(a)(20)	Instances of Whistleblower Retaliation	Appendix B.6 Page 86
Section 5(a)(21)	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 B.7 Page 86
Section 5(a)(22)	Detailed Description of Situations Where an Inspection, Evaluation, or Audit Was Closed and Not Disclosed to the Public; and an Investigation of a Senior Government Employee Was Closed and Not Disclosed to the Public	Appendix A.12, A.14, and B.8 Pages 69, 80, and 86

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

- Performance measures;
- Participation on committees, working groups, and task forces;
- Recognition (awards received);
- Program improvement recommendations; and
- Hotline complaint results.

## **National Defense Authorization Act for FY 2008**

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Section 845

Contract Audit Reports with Significant Findings

Appendix A.4  
Page 44

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# Peer Reviews and Outstanding Recommendations

*The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 amended the IG Act of 1978 to require OIG to include in its semiannual reports any peer review results provided or received during the relevant reporting period. Peer reviews are required every 3 years. In compliance with the Act, we provide the following information.*

## Audit

In August 2018, the U.S. Treasury IG for Tax Administration issued its final report on the peer review it conducted of USDA OIG's Office of Audit. USDA OIG received a grade of "pass," the best evaluation an audit organization can receive. That report included no recommendations and no letter of comment.

During this reporting period, the Environmental Protection Agency OIG's

peer review of the Office of Audit was ongoing.

## Investigations

In June 2019, the U.S. Department of Labor (DOL) OIG conducted an external peer review of USDA OIG's system of internal safeguards and management procedures for the investigative function for the period ending April 2019.

That peer review was completed and DOL OIG issued its final report, dated November 1, 2019. DOL OIG determined that USDA OIG was compliant with the quality standards established by CIGIE and the other applicable guidelines and statutes cited. No findings or deficiencies were identified.

In addition to reporting a rating of "compliant," the peer review team identified three best practices attributed

to our investigative operations, as follows: (1) robust understanding of the agency's evidentiary policies and procedures with maintenance of a comprehensive logging system, (2) Technical Crimes Division's administrative requirements and digital media analysis processes exceeded industry standards, and (3) two offices visited maintained meticulous logs on their firearms and technical equipment.

## Peer Reviews Conducted by USDA OIG

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

# Assessing the Impact of OIG

Our mission is to promote the economy, efficiency, and integrity of USDA programs and operations through audits, investigations, inspections, data analytics, and reviews. We accomplish our mission by way of an organizational culture that embraces the value and dignity of all individuals and encourages innovation, trust, and positive change through a diverse and inclusive workforce.

## Measuring Progress Against the OIG Strategic Mission and Diversity and Inclusion Plan

We measure our impact by assessing the extent to which our work is focused on the key issues under our three mission goals. These goals are:

- Strengthen USDA’s ability to protect public health and safety and to secure agricultural and Department resources.

- Strengthen USDA’s ability to deliver program assistance with integrity and effectiveness.
- Strengthen USDA’s ability to achieve results-oriented performance.

## Impact of OIG Audit, Inspection, and Investigative Work on Department Programs

We also measure our impact by tracking the outcomes of our audits, inspections, and investigations. Many of these measures are codified in the IG 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 at the time of management decision,
- Program improvement recommendations, and
- Audits and inspections without management decision.

For investigations, we present:

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

# Performance Results Under Our Strategic Goals

PERFORMANCE MEASURES	FY 2021 ACTUAL	FY 2022 TARGET	FY 2022 1st Half ACTUAL
OIG direct resources dedicated to critical-risk and high-impact activities	99.6%	96%	99.7%
Audit recommendations where management decisions are achieved within 1 year	100%	95%	100%
Mandatory, Congressional, Secretarial, and Agency requested audits initiated where the findings and recommendations are presented to the auditee within established or agreed-to timeframes (includes verbal commitments)	100%	95%	100%
Closed investigations that resulted in a referral for action to Department of Justice, State, or local law enforcement officials, or relevant administrative authority	99.1%	90%	98.6%
Closed investigations that resulted in an indictment, conviction, civil suit or settlement, judgment, administrative action, or monetary result	91%	85%	89%

# OIG Accomplishments for FY 2022, First Half (October 1, 2021–March 31, 2022)

SUMMARY OF AUDIT ACTIVITIES	FY 2022 1st Half
Number of Final Reports	10
Number of Interim Reports	1
Number of Inspection Reports	2
Number of Final Action Verification Reports	0
Number of Coronavirus Memoranda	0
Number of Infrastructure Memoranda	3
Number of Final Report Recommendations (66 program improvements/4 monetary)	70
Number of Interim Report Recommendations	0
Number of Inspection Report Recommendations (13 program improvements/0 monetary)	13
Total Dollar Impact of Reports at Issuance	\$82,321,907
Questioned / Unsupported Costs	\$82,321,907
Funds to Be Put to Better Use	0
<b>Management Decisions Reached</b>	
Number of Final Reports	9
Number of Final Report Recommendations (97 program improvements/4 monetary)	101

<b>SUMMARY OF AUDIT ACTIVITIES</b>	<b>FY 2022 1st Half</b>
Number of Interim Reports	0
Number of Interim Report Recommendations	0
Number of Inspection Reports	2
Number of Inspection Report Recommendations (13 program improvements/0 monetary)	13
<b>SUMMARY OF INVESTIGATIVE ACTIVITIES</b>	<b>FY 2022 1st Half</b>
Reports Issued	43
Indictments	99
Convictions	111
Arrests	122
Administrative Sanctions	51
Total Dollar Impact	\$31,627,817

# Recognition of OIG Employees by the Inspector General Community

## Council of the Inspectors General on Integrity and Efficiency Awards—Presented in October 2021

### Gaston L. Gianni, Jr. Better Government Award

***Organic Fraud Investigation Team.*** In recognition of significantly contributing to the integrity of the USDA National Organic Program by detecting fraud and protecting consumers from fraudulently labeled organic products.

### Award for Individual Accomplishment

***CIGIE Geospatial Data Act.*** In recognition of leading the Council of the Inspectors General on Integrity and Efficiency's efforts to ensure the Inspector General community complied

with the inaugural audit requirements of the Geospatial Data Act.

### Award for Excellence: Investigations

***USDA Farm Fraud Investigation Team.*** In recognition of exceptional investigative work resulting in the successful prosecution of one of the largest farm fraud cases in United States history.

# Appendix A: Audit Tables

## Appendix A.1: Activities and Reports Issued

### Summary of Audit Activities, October 1, 2021–March 31, 2022

<b>Reports Issued: 10</b>	Audits and Non-Audit Services Performed by OIG	7
	Audits Performed Under the Single Audit Act	0
	Audits Performed by Others	3
<b>Management Decisions Made: 9</b>	Number of Reports	9
	Number of Recommendations	101
<b>Total Dollar Impact (Millions) of Management-Decided Reports: \$82,321,907</b>	Total Questioned/Unsupported Costs	\$82,321,907 <sup>a</sup>
	—Recommended for Recovery	\$7,992
	—Not Recommended for Recovery	\$82,313,915
	Funds to Be Put to Better Use	\$0

<sup>a</sup>These were the amounts the auditees agreed to at the time of management decision. The recoveries realized could change as auditees implement the agreed-upon corrective action plan and seek recovery of amounts recorded as debts due USDA.

### Summary of Interim Reports Issued, October 1, 2021–March 31, 2022

OIG uses interim reports to alert management to immediate issues during the course of an ongoing audit or inspection assignment. Typically, they report on one issue or finding requiring management's attention. OIG issued one Interim Report during this reporting period.

<b>Reports Issued: 1</b>	Interim Reports Performed by OIG	1
<b>Management Decisions Made: 0</b>	Number of Reports	0
	Number of Recommendations	0
<b>Total Dollar Impact (Millions) of Management-Decided Reports: \$0</b>	Total Questioned/Unsupported Costs	\$0
	—Recommended for Recovery	\$0
	—Not Recommended for Recovery	\$0
	Funds to Be Put to Better Use	\$0

### Summary of Inspection Reports Issued, October 1, 2021–March 31, 2022

<b>Reports Issued: 2</b>	Inspections Performed by OIG	2
<b>Management Decisions Made: 2</b>	Number of Reports	2
	Number of Recommendations	13
<b>Total Dollar Impact (Millions) of Management-Decided Reports: \$0</b>	Total Questioned/Unsupported Costs	\$0
	—Recommended for Recovery	\$0
	—Not Recommended for Recovery	\$0
	Funds to Be Put to Better Use	\$0

**Summary of Final Action Verification Reports Issued, October 1, 2021–March 31, 2022**

Final Action Verification (FAV) reports determine whether the final action documentation the agency provides to OCFO supports the agency's management decision reached with OIG. These verifications are not performed in accordance with Government Auditing Standards, issued by the Comptroller General of the United States, or the Quality Standards for Inspection and Evaluation, issued by CIGIE. Our objective in performing these verifications is to determine whether the documentation the agency provided to OCFO is sufficient to close the recommendations.

In this reporting period, OIG issued no FAV reports.

**Summary of Infrastructure Memoranda Issued, October 1, 2021–March 31, 2022**

In this reporting period, OIG issued three infrastructure memoranda, which are discussed under Goal 3.

## Appendix A.2: Inventory of Final Audit Reports with Questioned Costs and Loans (October 1, 2021–March 31, 2022)

Category	No.	Questioned Costs and Loans	Unsupported <sup>a</sup> Costs and Loans
Reports for which no management decision had been made by October 1, 2021 <sup>b</sup>	0	\$0	\$0
Reports which were issued during the reporting period	2	\$82,321,907	\$0
<b>Total Reports with Questioned Costs and Loans</b>	<b>2</b>	<b>\$82,321,907</b>	<b>\$0</b>
		<i>Recommended for recovery</i>	\$7,992
		<i>Not recommended for recovery</i>	\$82,313,915
		<i>Costs not disallowed</i>	\$0
Of the 2 reports, those for which management decision was made during the reporting period	2	\$82,313,915	\$0
Of the 2 reports, those for which no management decision has been made by the end of this reporting period	0	\$0	\$0

<sup>a</sup> Unsupported values are included in questioned values.

<sup>b</sup> Carried over from previous reporting periods.

### Appendix A.3: Inventory of Final Audit Reports with Recommendations That Funds Be Put to Better Use

Category	Number		Dollar Value
Reports for which no management decision had been made by October 1, 2021 <sup>a</sup>	0		\$0
Reports which were issued during the reporting period	0		\$0
<b>Total Reports with Recommendations That Funds Be Put to Better Use</b>	<b>0</b>		<b>\$0</b>
Of the 0 reports, that for which management decision was made during the reporting period	0	<i>Disallowed costs</i>	\$0
		<i>Costs not disallowed</i>	\$0
Of the 0 reports, that for which no management decision has been made by the end of this reporting period	0		\$0

<sup>a</sup> Carried over from previous reporting periods.

## Appendix A.4: Contract Audit Reports with Significant Findings

OIG is required by the National Defense Authorization Act for FY 2008 to list all contract audit reports issued during the reporting period that contained significant findings. OIG did not issue any such reports from October 1, 2021, through March 31, 2022.

## Appendix A.5: Program Improvement Recommendations

Some of our audit and inspection recommendations are not monetarily quantifiable. However, their impact can be immeasurable in terms of safety, security, and public health. They also contribute considerably toward economy, efficiency, and effectiveness in USDA's programs and operations. During this reporting period, we issued 79 program improvement recommendations, and management agreed to implement 110 recommendations that were issued this period or earlier. Examples of those recommendations issued during this

reporting period include the following (see the main text of this report for a summary of the audits that prompted these recommendations):

- FS should require that all Cost Share Agreements undergo a second-level review.
- FSA should conduct a review to evaluate the effects of using regularly captured data and automated processes on program vulnerabilities and document the results for use in designing future programs.
- USDA OCFO needs to develop and implement a process and work with all applicable component agencies to ensure all applicable DATA Act data elements are present in USDA agencies' procurement, financial, grant, and loan systems.

## Appendix A.6: Audit and Inspection Reports

OIG issued 10 audit reports, including 3 audits performed by others. OIG also issued one interim report and two inspection reports. In addition, OIG issued no FAV reports and three memoranda related to infrastructure funding, none of which have monetary results. The following is a summary of those audit products by agency:

### Audit and Inspection Report Totals

Total Funds to Be Put to Better Use	\$0
Total Questioned Costs and Loans <sup>a</sup>	\$82,321,907

<sup>a</sup>Unsupported values of \$0 are included in the questioned values.

### Summary of Audit Reports Released, October 1, 2021–March 31, 2022

Agency Type	Audits Released	Questioned Costs and Loans <sup>a</sup>	Unsupported Costs and Loans <sup>a</sup>	Funds to Be Put to Better Use
Single Agency Audit	8	\$82,321,907	\$0	\$0
Multi-Agency Audit	2	\$0	\$0	\$0
Total Completed Under Contract <sup>b</sup>	3			
Issued Audits Completed Under the Single Audit Act	0			

<sup>a</sup>Unsupported values are included in the questioned values.

<sup>b</sup>Audits performed by others, two of which are included in the single agency total and one of which is included in the multi-agency total.

**Summary of Interim Report Released, October 1, 2021–March 31, 2022**

<b>Agency Type</b>	<b>Interim Released</b>	<b>Questioned Costs and Loans<sup>a</sup></b>	<b>Unsupported Costs and Loans<sup>a</sup></b>	<b>Funds to Be Put to Better Use</b>
Single Agency Audit	1	\$0	\$0	\$0
Multi-Agency Audit	0	\$0	\$0	\$0
Total Completed Under Contract	0			

<sup>a</sup>Unsupported values are included in the questioned values.

**Summary of Inspection Reports Released, October 1, 2021–March 31, 2022**

<b>Agency Type</b>	<b>Inspections Released</b>	<b>Questioned Costs and Loans<sup>a</sup></b>	<b>Unsupported Costs and Loans<sup>a</sup></b>	<b>Funds to Be Put to Better Use</b>
Single Agency Audit	1	\$0	\$0	\$0
Multi-Agency Audit	1	\$0	\$0	\$0
Total Completed Under Contract	0			

<sup>a</sup>Unsupported values are included in the questioned values.

**Audit Reports Released and Associated Monetary Values, October 1, 2021–March 31, 2022**

<b>Report Number</b>	<b>Report Type*</b>	<b>Release Date</b>	<b>Title</b>	<b>Questioned Costs and Loans</b>	<b>Funds to Be Put to Better Use</b>
<b>CCC: Commodity Credit Corporation</b>					
06403-0004-11	FA	11/15/2021	Commodity Credit Corporation's Financial Statements for Fiscal Years 2021 and 2021	\$0	\$0
<b>Total: 1</b>					

Report Number	Report Type*	Release Date	Title	Questioned Costs and Loans	Funds to Be Put to Better Use
<b>FSA: Farm Service Agency</b>					
3601-0003-31	PA	03/09/2022	Market Facilitation Program	\$57,207,411	\$0
<b>Total: 1</b>					
<b>Multi-Agency</b>					
50401-0020-11	FA	11/15/2021	USDA's Consolidated Financial Statements for Fiscal Years 2021 and 2020	\$0	\$0
50503-0005-12	PA	10/29/2021	U.S. Department of Agriculture, Office of the Chief Information Officer, Fiscal Year 2021 Federal Information Security Modernization Act	\$0	\$0
<b>Total: 2</b>					
<b>NRCS: Natural Resources Conservation Service</b>					
10403-0004-11	FA	11/15/2021	Natural Resources Conservation Service's Financial Statements for Fiscal Years 2021 and 2020	\$0	\$0
<b>Total: 1</b>					
<b>OCFO: Office of the Chief Financial Officer</b>					
11601-0002-12	PA	11/03/2021	USDA's Digital Accountability and Transparency Act Compliance Efforts for Fiscal Years 2020 and 2021	\$0	\$0
<b>Total: 1</b>					
<b>OPPE: Office of Partnerships and Public Engagement</b>					
91601-0001-21	PA	11/10/2021	Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers and Veteran Farmers and Ranchers Program (2501 Program) in Fiscal Years 2018 and 2019	\$25,114,496	\$0
<b>Total: 1</b>					

Report Number	Report Type*	Release Date	Title	Questioned Costs and Loans	Funds to Be Put to Better Use
<b>RMA: Risk Management Agency</b>					
05401-0013-11	FA	11/08/2021	Federal Crop Insurance Corporation/Risk Management Agency's Financial Statements for Fiscal Years 2021 and 2020	\$0	\$0
<b>Total: 1</b>					
<b>RD: Rural Development</b>					
85401-0012-11	FA	11/09/2021	Rural Development's Financial Statements for Fiscal Years 2021 and 2020	\$0	\$0
<b>Total: 1</b>					
<b>RHS: Rural Housing Service</b>					
04601-0001-24	PA	03/30/2022	Rural Development's Prioritization of Direct Loans and Grants for Facilities Providing Substance Use Disorder Services	\$0	\$0
<b>Total: 1</b>					
<b>Grand Total: 10</b>					

\* Financial audits (FA), Performance audits (PA).

**Interim Report Released and Associated Monetary Values, October 1, 2021–March 31, 2022**

Report Number	Report Type*	Release Date	Title	Questioned Costs and Loans	Funds to Be Put to Better Use
<b>FNS: Food and Nutrition Service</b>					
27801-0001-21(2)	IE	10/18/2021	COVID-19—Oversight of the Emergency Food Assistance Program—Interim Report	\$0	\$0
<b>Total: 1</b>					
<b>Grand Total: 1</b>					

\*Inspections and Evaluations (IE).

**Inspection Reports Released and Associated Monetary Values, October 1, 2021–March 31, 2022**

Report Number	Report Type*	Release Date	Title	Questioned Costs and Loans	Funds to Be Put to Better Use
<b>FS: Forest Service</b>					
08801-0001-41	IE	10/06/2021	Regional Forester Authorities for Cost Share Agreements—Inspection	\$0	\$0
<b>Total: 1</b>					
<b>Multi-Agency</b>					
50801-0002-12	IE	10/27/2021	Security Over USDA Web Applications	\$0	\$0
<b>Total: 1</b>					
<b>Grand Total: 2</b>					

\*Inspections and Evaluations (IE).

**Infrastructure Memoranda Released, October 1, 2021–March 31, 2022**

<b>Memorandum Release Date</b>	<b>Memorandum Title</b>
02/15/2022	Prior OIG Audits Relevant to NRCS' Infrastructure Funding
03/08/2022	Prior OIG Audits Relevant to FS' Infrastructure Funding
03/18/2022	Prior OIG Audits Relevant to RUS' Infrastructure Funding
<b>Grand Total: 3</b>	

### **Appendix A.7: Management Decisions**

In this reporting period, there were no instances where management decision was not made within the 6-month limit imposed by Congress.

### **Appendix A.8: Significantly Revised Management Decisions Made During the Reporting Period**

There were no significantly revised management decisions for this reporting period.

### **Appendix A.9: Significant Management Decisions with Which the Inspector General Is in Disagreement**

There were no significant management decisions with which the IG is in disagreement for this reporting period.

## Appendix A.10: List of OIG Audit and Inspection Reports with Recommendations Pending Corrective Action for Period Ending March 31, 2022, by Agency

Grand Total	Total Number of Recommendations	Pending Collection (OCFO)	Pending Final Action (OCFO)	Pending Management Decision (OIG)
	279	36	242	1

Report Number	Report Title	Issue Date	Pending Recommendations	Pending Collection (OCFO)	Pending Final Action (OCFO)	Pending Management Decision (OIG)	Recommendation Details
<b>ARS: Agricultural Research Service</b>							
50601-0010-AT	Followup Review on the Security of Biohazardous Material at USDA Laboratories	03/08/2004	1		1		Pending Final Action: 2A
<b>Total</b>			<b>1</b>		<b>1</b>		
<b>APHIS: Animal and Plant Health Inspection Service</b>							
33601-0002-31	Animal Care Program Oversight of Dog Breeders	06/30/2021	3		3		Pending Final Action: 1, 2, 3
33601-0003-23	Followup to Animal and Plant Health Inspection Service's Controls Over Licensing of Animal Exhibitors	03/12/2021	1		1		Pending Final Action: 2

Report Number	Report Title	Issue Date	Pending Recommendations	Pending Collection (OCFO)	Pending Final Action (OCFO)	Pending Management Decision (OIG)	Recommendation Details
33601-0004-23	Follow-Up on Smuggling Interdiction and Trade Compliance Program	09/29/2021	13		13		Pending Final Action: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13
33701-0001-21	National Veterinary Stockpile Oversight	09/23/2020	1		1		Pending Final Action: 7
33701-0002-21	Controls Over Select Agents	07/27/2021	11		11		Pending Final Action: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11
50601-0001-32	Controls Over APHIS' Introduction of Genetically Engineered Organisms	09/22/2015	1		1		Pending Final Action: 8
50701-0001-21	USDA Agency Activities for Agroterrorism Prevention, Detection, and Response	09/12/2018	3		3		Pending Final Action: 1, 4, 5
<b>Total</b>			<b>33</b>		<b>33</b>		
<b>CCC: Commodity Credit Corporation</b>							
06401-0005-11	Commodity Credit Corporation's Financial Statements for Fiscal Years 2015 and 2014	02/12/2016	3		3		Pending Final Action: 16, 18, 19

Report Number	Report Title	Issue Date	Pending Recommendations	Pending Collection (OCFO)	Pending Final Action (OCFO)	Pending Management Decision (OIG)	Recommendation Details
06403-0004-11	Commodity Credit Corporation's Financial Statements for Fiscal Years 2021 and 2020	11/15/2021	7		7		Pending Final Action: 1, 2, 3, 4, 5, 6, 7
<b>Total</b>			<b>10</b>		<b>10</b>		
<b>FPAC: Farm Production and Conservation Business Center</b>							
10801-0001-12	Review of an NRCS IT-Related Contract	03/30/2020	1		1		Pending Final Action: 1
<b>Total</b>			<b>1</b>		<b>1</b>		
<b>FSA: Farm Service Agency</b>							
03006-0001-TE	1993 Crop Disaster Payments—Brooks/Jim Hogg Cos., TX	01/02/1996	1	1			Pending Collection: 1A
03099-0181-TE	Farm Service Agency Payment Limitation Review in Louisiana	05/09/2008	1	1			Pending Collection: 2
03601-0001-22	Farm Service Agency Compliance Activities	07/31/2014	3		3		Pending Final Action: 3, 4, 5
03601-0002-31	Agricultural Risk Coverage and Price Loss Coverage Programs	09/20/2018	1		1		Pending Final Action: 7

Report Number	Report Title	Issue Date	Pending Recommendations	Pending Collection (OCFO)	Pending Final Action (OCFO)	Pending Management Decision (OIG)	Recommendation Details
03601-0003-31	Market Facilitation Program	03/09/2022	4	1	3		Pending Collection: 3 Pending Final Action: 1, 2, 4
03601-0003-31(1)	Market Facilitation Program—Interim Report	09/30/2020	5		5		Pending Final Action: 1, 2, 3, 4, 5
03601-0007-TE	Emergency Feed Program in Texas	09/18/1996	3	3			Pending Collection: 4A, 5B, 6A
03601-0012-AT	Tobacco Transition Payment Program—Quota Holder Payments and Flue-Cured Tobacco Quotas	09/26/2007	1	1			Pending Collection: 2
03601-0023-KC	Hurricane Relief Initiative: Livestock Indemnity and Feed Indemnity Programs	02/02/2009	1	1			Pending Collection: 4
03702-0001-22	Florida Citrus Recovery Block Grant Program	06/30/2021	1	1			Pending Collection: 4

Report Number	Report Title	Issue Date	Pending Recommendations	Pending Collection (OCFO)	Pending Final Action (OCFO)	Pending Management Decision (OIG)	Recommendation Details
03702-0001-23	2017 Emergency Assistance for Honeybee Claims	09/28/2020	12	6	6		Pending Collection: 1, 2, 3, 6, 9, 11  Pending Final Action: 4, 5, 7, 8, 12, 13
03702-0001-32	FSA Livestock Forage Program	12/10/2014	1		1		Pending Final Action: 10
03702-0002-23	2017 Hurricane Relief Emergency Conservation Program	06/09/2021	10	1	9		Pending Collection: 9  Pending Final Action: 1, 2, 3, 4, 5, 6, 7, 8, 10
03702-0002-31	Wildfires and Hurricanes Indemnity Program	09/28/2020	3	1	2		Pending Collection: 2  Pending Final Action: 3, 5

Report Number	Report Title	Issue Date	Pending Recommendations	Pending Collection (OCFO)	Pending Final Action (OCFO)	Pending Management Decision (OIG)	Recommendation Details
50099-0011-SF	Natural Resources Conservation Service and Farm Service Agency: Crop Bases on Lands with Conservation Easement—State of California	08/27/2007	1	1			Pending Collection: 2
50601-0003-22	Coordination of USDA Farm Program Compliance—FSA, RMA, and NRCS	01/27/2017	1		1		Pending Final Action: 2
50601-0015-AT	Hurricane Indemnity Program—Integrity of Data Provided by RMA	03/31/2010	1	1			Pending Collection: 5
50703-0001-23	American Recovery and Reinvestment Act, Trade Adjustment Assistance for Farmers Program	10/18/2013	1	1			Pending Collection: 9
<b>Total</b>			<b>51</b>	<b>20</b>	<b>31</b>		
<b>FNS: Food and Nutrition Service</b>							
27004-0001-31	Florida's Controls Over Summer Food Service Program	08/26/2019	1	1			Pending Collection: 11
27004-0001-41	California's Controls Over Summer Food Service Program	11/05/2018	2	2			Pending Collection: 15, 18

Report Number	Report Title	Issue Date	Pending Recommendations	Pending Collection (OCFO)	Pending Final Action (OCFO)	Pending Management Decision (OIG)	Recommendation Details
27004-0003-21	Summer Food Service Program in Texas—Sponsor Costs	03/14/2019	4	2	2		Pending Collection: 7, 9  Pending Final Action: 18, 19
27004-0004-21	Texas' Controls Over Summer Food Service Program	03/14/2019	3	1	2		Pending Collection: 17  Pending Final Action: 5, 16
27601-0001-31	FNS: Controls for Authorizing Supplemental Nutrition Assistance Program Retailers	07/31/2013	3		3		Pending Final Action: 9, 10, 11
27601-0002-41	FNS Quality Control Process for SNAP Error Rate	09/23/2015	1		1		Pending Final Action: 11

Report Number	Report Title	Issue Date	Pending Recommendations	Pending Collection (OCFO)	Pending Final Action (OCFO)	Pending Management Decision (OIG)	Recommendation Details
27601-0003-10	New Mexico's Compliance with SNAP Certification of Eligible Households Requirements	09/27/2016	7	3	4		Pending Collection: 2, 11, 16  Pending Final Action: 5, 9, 14, 18
27601-0005-41	Consolidated Report of FNS and Selected State Agencies' Controls Over [Summer Food Service Program] SFSP	09/18/2020	10		10		Pending Final Action: 3, 4, 5, 6, 7, 9, 10, 11, 13, 15
27601-0010-10	Pennsylvania's Compliance with SNAP Requirements for Participating State Agencies (7 CFR, Part 272)	08/09/2017	1		1		Pending Final Action: 1
27601-0011-10	South Carolina's Compliance with SNAP Requirements for Participating State Agencies (7 CFR, Part 272)	09/14/2017	1		1		Pending Final Action: 1
27601-0013-10	Compilation Report of States' Compliance with SNAP Requirements for Participating State Agencies (7 CFR, Part 272)	12/19/2017	2		2		Pending Final Action: 1, 2

Report Number	Report Title	Issue Date	Pending Recommendations	Pending Collection (OCFO)	Pending Final Action (OCFO)	Pending Management Decision (OIG)	Recommendation Details
27601-0019-10	Compilation Report of States' Compliance with Requirements for the Issuance and Use of Supplemental Nutrition Assistance Program Benefits (7 CFR, Part 274)	09/28/2018	1		1		Pending Final Action: 3
27702-0001-22	Review of FNS' Nutrition Assistance Program Disaster Funding to Puerto Rico as a Result of Hurricanes Irma and Maria	10/18/2019	1	1			Pending Collection: 8
27801-0001-21(1)	COVID-19—Oversight of The Emergency Food Assistance Program—Interim Report	08/24/2021	2		2		Pending Final Action: 1, 2
27801-0003-22	COVID-19—Supplemental Nutrition Assistance Program Online Purchasing in Response to Coronavirus Disease 2019	08/25/2021	3		3		Pending Final Action: 1, 2, 3
<b>Total</b>			<b>42</b>	<b>10</b>	<b>32</b>		
<b>FSIS: Food Safety and Inspection Service</b>							
24016-0001-23	Food Safety and Inspection Service Followup on the 2007 and 2008 Audit Initiatives	06/07/2017	3		3		Pending Final Action: 3, 4, 12
24601-0007-31	FSIS Waiver of Regulatory Requirements	03/26/2021	1		1		Pending Final Action: 1
<b>Total</b>			<b>4</b>		<b>4</b>		

Report Number	Report Title	Issue Date	Pending Recommendations	Pending Collection (OCFO)	Pending Final Action (OCFO)	Pending Management Decision (OIG)	Recommendation Details
<b>Multi-Agency</b>							
11601-0001-12	USDA's Fiscal Year 2019, First Quarter DATA Act Submission	11/08/2019	2		2		Pending Final Action:  NRCS: 3 OCP: 6
11601-0002-12	USDA's Digital Accountability and Transparency Act Compliance Efforts for Fiscal Years 2020 and 2021	11/03/2021	11		11		Pending Final Action:  CCC: 4 FS: 5 OCP: 2 OCFO: 3, 6, 7, 8, 9, 10, 11 RMA: 1

Report Number	Report Title	Issue Date	Pending Recommendations	Pending Collection (OCFO)	Pending Final Action (OCFO)	Pending Management Decision (OIG)	Recommendation Details
50801-0002-12	Security Over USDA Web Applications	10/27/2021	7		7		Pending Final Action:  FPAC: 4 FNS: 5 OCIO: 1, 2, 3 RD: 7 REE: 6
<b>Total</b>			<b>20</b>		<b>20</b>		
<b>NIFA: National Institute of Food and Agriculture</b>							
13601-0001-22	NIFA Formula Grant Programs' Controls Over Fund Allocations to States	08/07/2019	3		3		Pending Final Action: 8, 10, 11
<b>Total</b>			<b>3</b>		<b>3</b>		
<b>NRCS: Natural Resources Conservation Service</b>							
10099-0001-23	Controls Over the Conservation Innovation Grants Program	09/11/2018	3	2	1		Pending Collection: 3, 6  Pending Final Action: 7

Report Number	Report Title	Issue Date	Pending Recommendations	Pending Collection (OCFO)	Pending Final Action (OCFO)	Pending Management Decision (OIG)	Recommendation Details
10403-0003-11	Natural Resources Conservation Service's Financial Statements for Fiscal Years 2020 and 2019	11/19/2020	1		1		Pending Final Action: 9
10403-0004-11	Natural Resources Conservation Service's Financial Statements for Fiscal Years 2021 and 2020	11/15/2021	13		13		Pending Final Action: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13
10601-0004-31	NRCS Regional Conservation Partnership Program Controls	06/28/2018	2	2			Pending Collection: 3, 4
10601-0004-31(2)	NRCS Regional Conservation Partnership Program Controls—Interim Report	11/13/2017	1	1			Pending Collection: 2
10601-0005-31	Environmental Quality Incentives Program Payment Schedules	09/24/2019	2		2		Pending Final Action: 4, 6
10702-0001-23	Hurricane Disaster Assistance—Emergency Watershed Protection Program	06/25/2021	9	1	8		Pending Collection: 3  Pending Final Action: 1, 2, 4, 5, 6, 7, 8, 9
<b>Total</b>			<b>31</b>	<b>6</b>	<b>25</b>		

Report Number	Report Title	Issue Date	Pending Recommendations	Pending Collection (OCFO)	Pending Final Action (OCFO)	Pending Management Decision (OIG)	Recommendation Details
<b>OASCR: Office of the Assistant Secretary for Civil Rights</b>							
60601-0001-21	USDA Oversight of Civil Rights Complaints	09/22/2021	20		20		Pending Final Action: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21
<b>Total</b>			<b>20</b>		<b>20</b>		
<b>OCFO: Office of the Chief Financial Officer</b>							
50016-0001-23	Implementation of Suspension and Debarment Tools in the U.S. Department of Agriculture	09/28/2017	3		3		Pending Final Action: 1, 6, 8
50401-0020-11	USDA's Consolidated Financial Statements for Fiscal Years 2021 and 2020	11/15/2021	1			1	Pending Management Decision: 1
<b>Total</b>			<b>4</b>		<b>3</b>	<b>1</b>	
<b>OCIO: Office of the Chief Information Officer</b>							
50501-0017-12	Security Over Select USDA Agencies' Networks and Systems	09/28/2018	2		2		Pending Final Action: 1, 3

Report Number	Report Title	Issue Date	Pending Recommendations	Pending Collection (OCFO)	Pending Final Action (OCFO)	Pending Management Decision (OIG)	Recommendation Details
50501-0020-12(1)	Improper Usage of USDA's Information Technology Resources—Interim Report	06/27/2018	2		2		Pending Final Action: 2, 5
50501-0021-12	Data Encryption Controls Over Personally Identifiable Information on USDA Information Technology Systems	08/01/2019	2		2		Pending Final Action: 1, 2
50501-0022-12	Security Over Select USDA Agencies' Networks and Systems FY 2019	09/30/2020	6		6		Pending Final Action: 3, 4, 6, 7, 8, 10
50501-0023-12	U.S. Department of Agriculture's 2020 Compliance with the Geospatial Data Act	09/29/2020	1		1		Pending Final Action: 1
50503-0003-12	U.S. Department of Agriculture, Office of the Chief Information Officer, Fiscal Year 2020 Federal Information Security Modernization Act	10/29/2020	1		1		Pending Final Action: 7
50503-0005-12	U.S. Department of Agriculture, Office of the Chief Information Officer, Fiscal Year 2021 Federal Information Security Modernization Act	10/29/2021	16		16		Pending Final Action: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16
50801-0001-12	Implementation of the IT Modernization Centers of Excellence Improvements	09/23/2020	1		1		Pending Final Action: 1
<b>Total</b>			<b>31</b>		<b>31</b>		

Report Number	Report Title	Issue Date	Pending Recommendations	Pending Collection (OCFO)	Pending Final Action (OCFO)	Pending Management Decision (OIG)	Recommendation Details
<b>OHSEC: Office of Homeland Security and Emergency Coordination</b>							
61701-0001-21	Agroterrorism Prevention, Detection, and Response	03/27/2017	3		3		Pending Final Action: 1, 2, 13
<b>Total</b>			<b>3</b>		<b>3</b>		
<b>OPPE: Office of Partnerships and Public Engagement</b>							
91601-0001-21	Outreach and Assistance for Socially Disadvantage Farmers and Ranchers and Veteran Farmers and Ranchers Program (2501 Program) in Fiscal Years 2018 and 2019	11/10/2021	16		16		Pending Final Action: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16
<b>Total</b>			<b>16</b>		<b>16</b>		
<b>OSDBU: Office of Small and Disadvantaged Business Utilization</b>							
50601-0003-23	Office of Small and Disadvantaged Business Utilization's Controls Over the Eligibility of Contract Recipients	09/28/2018	3		3		Pending Final Action: 1, 2, 3
<b>Total</b>			<b>3</b>		<b>3</b>		

Report Number	Report Title	Issue Date	Pending Recommendations	Pending Collection (OCFO)	Pending Final Action (OCFO)	Pending Management Decision (OIG)	Recommendation Details
<b>REE: Research, Education, and Economics</b>							
84801-0001-22	USDA Research Integrity and Capacity	12/08/2020	1		1		Pending Final Action: 1
<b>Total</b>			<b>1</b>		<b>1</b>		
<b>RMA: Risk Management Agency</b>							
05601-0006-31	Annual Forage Program and Followup on Pasture, Rangeland, and Forage Program Recommendations	07/26/2019	1		1		Pending Final Action: 2
05601-0007-31	Controls Over Crop Insurance Section 508(h) Products	06/30/2020	2		2		Pending Final Action: 1, 2
<b>Total</b>			<b>3</b>		<b>3</b>		
<b>RD: Rural Development</b>							
85401-0012-11	Rural Development's Financial Statements for Fiscal Years 2021 and 2020	11/09/2021	2		2		Pending Final Action: 1, 2
<b>Total</b>			<b>2</b>		<b>2</b>		

## **Appendix A.11: Information Described Under Section 804(b) of 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. In addition, FISMA requires each agency to report significant information security deficiencies, relating to financial management systems, as a lack of substantial compliance with FFMIA. 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.

During the first half of FY 2022, we issued our annual financial statement reports for FY 2021 and addressed USDA's compliance with FFMIA. The

Department reported that it was not compliant with Federal Financial Management System Requirements, applicable Federal accounting standards, U.S. Standard General Ledger at the transaction level, and FISMA requirements. As noted in its management's discussion and analysis in the Department's annual agency financial report, USDA continues its work 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 2021. The Department continues to move forward with remediation plans to achieve compliance for longstanding Departmentwide weaknesses related to applicable accounting standards, the U.S. Standard General Ledger, and FISMA.

## Appendix A.12: Canceled Audits

We have one canceled engagement for this reporting period.

Agency	Date Closed	Title of Report	Reason for Cancellation
Multi-Agency	2/23/2022	Reporting of USDA's Completeness and Accuracy of Its High Value Assets	To allow the Department time to effectively oversee and fully develop the High Value Assets program.

We will consider this area in future audit planning.

## Appendix A.13: Reports Without Agency Comment or Unimplemented Recommendations and Potential Cost Savings—Funds to Be Put to Better Use and Questioned Costs

USDA agencies had 46 outstanding recommendations with a potential value of more than \$404.1 million. Monetary amounts listed represent questioned costs and funds that could be put to better use for those recommendations for which management decision has been reached, but remain unimplemented. With the exception of audits issued from 1992 to 1996, the cited reports can be viewed on OIG's website: <https://usdaoig.oversight.gov/>.

Report #	Recommendation Cited	Management Decision Date	Released Amount
<b>TOTAL</b>			<b>\$404,183,271</b>
<b>FSA: Farm Service Agency</b>			
03006-0001-TE	<i>1993 Crop Disaster Payments—Brooks/Jim Hogg Cos., TX</i>		
	Coordinate with OIG Investigations before taking administrative action regarding the cited 27 producers whose eligibility was questioned. Take administrative action to recover payments on cases that are not handled through the legal system.	07/01/2002	\$2,203,261
03099-0181-TE	<i>FSA Payment Limitation Review in Louisiana</i>		
	If an adverse determination is made for Recommendation 1, collect program payments subject to limitation for each year for which a scheme or device was adopted and for the subsequent year. (The producers' payments subject to limitation totaled over \$1.4 million for the 2000 through 2002 crop years. See [E]xhibit E.)	01/30/2009	\$1,432,622

Report #	Recommendation Cited	Management Decision Date	Released Amount
03601-0003-31	<i>Market Facilitation Program</i>		
	Conduct a review of MFP policies and guidance to identify controls over producer self-certifications that could be strengthened and used in future programs to improve payment accuracy.	03/09/2022	\$57,199,419
	Review the 21 producers with overpayments OIG identified as totaling \$7,992, and establish bills for collection or other corrective actions, as appropriate.	03/09/2022	\$7,992
03601-0007-TE	<i>Emergency Feed Program in Texas</i>		
	Instruct the Reeves County [Executive Director] CED to recover the cited ineligible benefits from Producer A (\$30,773) and Producer B (\$21,620).	01/12/2001	\$52,393
	If the [County Committee] COC determines a scheme or device was used to defeat the purpose of the [Emergency Feed Program] EFP, instruct the Reeves County CED to recover the \$70,529 in benefits paid to this producer for crop years 1994 and 1995 and cancel the \$12,350 in benefits which otherwise are available for the 1995 crop year. (NOTE: \$30,773 of this amount is also included in Recommendation No. 4.)	01/12/2001	\$52,106
	Instruct the Reeves County COC to review the validity of the 1994 EFP form CCC-651 for Producer B and determine the eligibility of the producer and the \$32,546 in benefits paid for crop year 1994. (NOTE: \$21,620 of this amount is also included in Recommendation No. 4.)	01/12/2001	\$10,926

Report #	Recommendation Cited	Management Decision Date	Released Amount
03601-0012-AT	<i>Tobacco Transition Payment Program—Quota Holder Payments and Flue-Cured Tobacco Quotas</i>		
	Instruct Kentucky, North Carolina, South Carolina, and Virginia to require the 5 [county offices] COs to review the 14 contracts where applicants did not meet FSA's eligibility requirements and take appropriate recovery actions to collect \$119,568 of improper payments made in FYs 2005, 2006, and 2007.	02/26/2008	\$119,568
03601-0023-KC	<i>Hurricane Relief Initiatives: Livestock and Feed Indemnity Programs</i>		
	For each application for which it is determined (under Recommendation 3) that the third-party statements and/or beginning inventory documentation omitted from the application did not meet program requirements, recover resultant overpayments.	03/16/2011	\$860,971
03702-0001-22	<i>Florida Citrus Recovery Block Grant Program</i>		
	Require Florida to assess the adequacy of supporting documentation for the \$6,933,426 in improper payments made to two producers under Part 1 of the block grant. Take corrective actions for any grant payments that are not supported.	06/30/2021	\$6,933,426
03702-0001-23	<i>2017 Emergency Assistance for Honeybee Claims</i>		
	Require both State offices to review the \$293,801 of miscalculated honeybee payments and take appropriate corrective actions, per FSA instructions.	09/28/2020	\$293,801
	Ensure the State office completes its review of the remaining \$2.37 million in honeybee payments in [program year] PY 2017 and takes appropriate corrective actions, per FSA instructions.	09/28/2020	\$2,375,851

Report #	Recommendation Cited	Management Decision Date	Released Amount
	Ensure the State office completes its review of the \$3.3 million payments in PY 2018 and takes appropriate corrective actions, per FSA instructions.	09/28/2020	\$3,303,414
	Review the two ineligible producers' honeybee applications totaling over \$88,000 in gross payments, and take appropriate corrective actions.	09/28/2020	\$88,932
	Require the State office to review the honeybee producer-reported inventories of the 18 honeybee producers with late-filed colony reports, and take appropriate corrective action on questioned costs totaling \$1,102,008.	09/28/2020	\$1,102,008
	Require the State office to review applications and payments in the identified district, and take appropriate corrective action on questioned costs totaling \$3,028,335.	09/28/2020	\$3,028,335
03702-0002-23	<i>2017 Hurricane Relief Emergency Conservation Program</i>		
	Develop and implement a standardized monitoring process to document district director concurrence when FSA grants relief to producers who started their practice before submitting an [Emergency Conservation Program] ECP application. The process should also include reporting to State officials.	06/09/2021	\$661,078
	Establish and implement monitoring procedures in guidance requiring State officials to ensure district directors complete reviews and evaluate the results of the reviews to ensure ECP policies are being followed.	06/09/2021	\$718,755
	Require the State office to review the questionable applications totaling \$556,678, and take appropriate action on any payments that are determined to be improper.	06/09/2021	\$556,678

Report #	Recommendation Cited	Management Decision Date	Released Amount
03702-0002-31	<i>Wildfires and Hurricanes Indemnity Program</i> Assess, confirm, and recover the previously issued improper WHIP [Wildfires and Hurricanes Indemnity Program] payments of \$4,268,395 to program participants.	03/31/2021	\$4,268,395
50099-0011-SF	<i>Crop Bases on Lands with Conservation Easements</i> Direct FSA's California State office to remove crop bases from the 33 easement-encumbered lands and recover \$1,290,147 in improper payments.	01/15/2009	\$1,290,147
50601-0015-AT	<i>Hurricane Indemnity Program—Integrity of Data Provided by RMA</i> FSA should recover the \$815,612 in [Hurricane Indemnity Program] HIP overpayments that have been identified, and recover any other overpayments resulting from RMA's review of the AIP's [approved insurance provider] changes to cause of loss and date of damage.	09/30/2010	\$1,061,958 <sup>4</sup>
50703-0001-23	<i>American Recovery and Reinvestment Act Trade Adjustment Assistance for Farmers Program</i> Collect Trade Adjustment Assistance for Farmers Program payments, totaling \$84,000, from those producers whose self-certification was not supported by their records submitted to OIG.	09/10/2014	\$84,000
<b>FNS: Food and Nutrition Service</b>			
27004-0001-31	<i>Florida's Controls Over Summer Food Service Program</i> Direct the State agency to review [a sponsor] for its unsupported reimbursements based on meal count errors, which we identified as totaling \$80,806, and recover disallowed reimbursements, as applicable.	08/26/2019	\$80,806

<sup>4</sup> 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 HIP payments need to be corrected. Direct the approved insurance providers to reverse the changes, and provide FSA a list of these corrections.

Report #	Recommendation Cited	Management Decision Date	Released Amount
27004-0001-41	<i>California's Controls Over Summer Food Service Program</i>		
	Direct the State agency to confirm the sponsor questionable costs totaling \$215,476 identified by OIG, and recover any disallowed costs from the SFSP sponsors.	11/05/2018	\$215,476
	Direct the State agency to confirm the sponsor unsupported meal claims totaling \$44,639 identified by OIG, and recover any disallowed SFSP reimbursements from the sponsors.	11/05/2018	\$44,639
27004-0003-21	<i>Summer Food Service Program in Texas—Sponsor Costs</i>		
	Request the State agency to review unallowable costs of \$9,960 associated with the eight sponsors in our audit and recover costs determined to be unsupported.	03/14/2019	\$9,960
	Direct the State agency to determine if the other nine sponsors claimed \$33,397 in non[-]reimbursable meals identified by our audit. The State agency should recover any amount it determines is unallowable.	03/14/2019	\$33,397
27004-0004-21	<i>Texas' Controls Over Summer Food Service Program</i>		
	Direct the State agency to determine if the four identified sponsors received approximately \$201 in reimbursements for the 53 meals we identified as non[-]reimbursable during site observations. The State agency should recover any reimbursements paid to sponsors for those non[-]reimbursable meals identified by our review.	03/14/2019	\$201

Report #	Recommendation Cited	Management Decision Date	Released Amount
27601-0002-41	<p data-bbox="365 375 1024 407"><i>FNS Quality Control Process for SNAP Error Rate</i></p> <p data-bbox="365 423 1268 643">Amend FNS [quality control] QC policies and procedures (including FNS Handbook 310) to require the error tolerance threshold not be applied when calculating the SNAP recipient's reportable error amount until all variances (including those permitted by SNAP policy) have been properly identified and accounted for during the QC process.</p>	04/06/2016	\$5,568,534
27601-0003-10	<p data-bbox="365 659 1598 691"><i>New Mexico's Compliance with SNAP Certification of Eligible Households Requirements</i></p> <p data-bbox="365 708 1247 886">Require New Mexico [Human Services Department] HSD verify enrollment and/or exemption, as applicable, for the four student cases identified, and if it is determined the students were ineligible, require HSD to determine if payments were improper and warrant establishment of a claim.</p>	09/27/2016	\$2,194
	<p data-bbox="365 902 1247 1008">Require New Mexico HSD review the two identified cases and verify income to determine if payments were improper and warrant establishment of a claim.</p>	09/27/2016	\$6,721
	<p data-bbox="365 1024 1268 1097">Require HSD review the two cases identified to determine if payments were improper and warrant establishment of a claim.</p>	09/27/2016	\$2,900
27601-0005-41	<p data-bbox="365 1114 1461 1146"><i>Consolidated Report of FNS and Selected State Agencies' Controls Over SFSP</i></p> <p data-bbox="365 1162 1247 1373">Revise guidance to provide instructions to State agencies on how to monitor and verify the sponsors' use of unused reimbursements, including directions for cross-program reviews and sufficient followup, and to define what constitutes an "excessive gap" for unused reimbursement corrective action requirements.</p>	09/18/2020	\$6,089,279

Report #	Recommendation Cited	Management Decision Date	Released Amount
27702-0001-22	<i>Review of FNS' Nutrition Assistance Program Providing Disaster Funding to Puerto Rico [As] a Result of Hurricanes Irma and Maria</i>		
	Require [Administration for Socioeconomic Development of the Family] ADSEF to regularly perform checks against SSA [Social Security Administration] national death information to ensure deceased individuals are not receiving benefits. Review cases identified through the audit and establish claims for overpayments, as appropriate.	10/18/2019	\$1,258,308
<b>NRCS: Natural Resources Conservation Service</b>			
10099-0001-23	<i>Controls Over Conservation Innovation Grants</i>		
	Obtain and assess missing quarterly and semiannual reports from the 35 [Conservation Innovation Grants] CIGs reviewed and determine if \$4,366,090 in CIG funds [was] paid out appropriately or if funds should be recovered. If CIG funds should be recovered, begin the recovery process.	03/13/2019	\$4,366,090
	Ensure the identified \$1,271,659 of insufficiently supported matching funds is verified and reconciled. NRCS should take appropriate action where applicable.	09/11/2018	\$1,271,659
10601-0004-31	<i>NRCS Regional Conservation Partnership Program Controls</i>		
	Obtain and review additional supporting documentation for the questioned \$632,687 in [Regional Conservation Partnership Program] RCPP payments made without adequate documentation and recover any payments that are determined to be ineligible for technical assistance expenses.	09/10/2019	\$632,687
	Request the return of previously issued RCPP technical assistance payments of \$60,357 to partners for ineligible expenses.	11/14/2019	\$36,047

Report #	Recommendation Cited	Management Decision Date	Released Amount
10601-0004-31 (2)	<i>NRCS Regional Conservation Partnership Program Controls—Interim Report</i>		
	NRCS should request the RCPP partner to provide supporting documentation that includes the land and producer information for all previously made payments. NRCS should review any additional documentation provided and, if the partner does not provide the unredacted documentation, then NRCS should request a return of the previous payments.	05/02/2018	\$267,410
10601-0005-31	<i>Environmental Quality Incentives Program Payment Schedules</i>		
	Ensure that the [Environmental Quality Incentives Program] EQIP payment schedule includes necessary components and scenarios to address State and regional needs and exceptions.	09/24/2019	\$31,592
10702-0001-23	<i>Hurricane Disaster Assistance—Emergency Watershed Protection Program</i>		
	Review the 15 sampled [Damage Survey Reports] DSRs that were approved for more than \$41.2 million and their subsequent cooperative agreements to confirm eligibility. Collect funds from applicants that are found to be ineligible.	06/25/2021	\$41,245,287
	Develop and implement controls to ensure States timely and accurately submit 60-day and final reports.	06/25/2021	\$198,502,181
<b>OCIO: Office of the Chief Information Officer</b>			
50801-0001-12	<i>Implementation of the IT Modernization Centers of Excellence Improvements</i>		
	OCIO should seek an Office of the General Counsel (OGC) opinion to determine if an Antideficiency Act violation occurred due to the lack of E-Board concurrence for the [Centers of Excellence] CoE initiative, and, if a violation did occur, take appropriate legal and administrative action.	01/06/2021	\$31,697,371

Report #	Recommendation Cited	Management Decision Date	Released Amount
<b>OPPE: Office of Partnerships and Public Engagement</b>			
91601-0001-21	<i>Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers and Veteran Farmers</i>		
	Develop and implement pre-screening controls, such as an eligibility review checklist, to ensure eligibility requirements are verified by OPPE personnel before applications are submitted to the independent review panel for review.	11/10/2021	\$1,155,960
	Develop and implement oversight controls, such as supervisory reviews of score sheets, to evaluate the performance of the independent review panel to ensure guidance OPPE established to score and rank applications is followed.	11/10/2021	\$23,958,536

### **Appendix A.14: Audit Reports That Were Not Publicly Released (as of March 31, 2022)\***

OIG published summary information for all of its audit and inspection reports from October 1, 2021, through March 31, 2022; however, two reports contained sensitive content that was not publicly released.

\*This appendix is also intended to report any inspections or evaluations that were not publicly released. We have no instances of an inspection or evaluation that was closed and not disclosed to the public during this reporting period.

### **Appendix A.15: Summary of Audit Reports for Which the Department Has Not Returned Comment Within 60 Days of Receipt of the Report**

In this reporting period, there were no instances where the Department did not return comment within 60 days of receipt of an audit report.

# Appendix B: Investigations Tables

## Appendix B.1: Summary of Investigative Activities, October 1, 2021–March 31, 2022\*

<b>Reports Issued: 43</b>	Cases Opened	<b>68</b>
	Cases Referred for Prosecution	<b>36</b>
<b>Impact of Investigations</b>	Indictments	<b>99</b>
	Convictions <sup>a</sup>	<b>111</b>
	Searches	<b>100</b>
	Arrests	<b>122</b>
	Recoveries/Collections <sup>b</sup>	<b>\$712,790</b>
<b>Total Dollar Impact (Millions): \$31,627,817</b>	Restitutions <sup>c</sup>	<b>\$21,173,512</b>
	Fines <sup>d</sup>	<b>\$306,807</b>
	Asset Forfeitures <sup>e</sup>	<b>\$2,908,606</b>
	Claims Established <sup>f</sup>	<b>\$177,197</b>
	Cost Avoidance <sup>g</sup>	<b>\$2,724,140</b>
	Administrative Penalties <sup>h</sup>	<b>\$3,624,765</b>
<b>Administrative Sanctions: 51</b>	Employees	<b>4</b>
	Businesses/Persons	<b>47</b>

<sup>a</sup> Includes convictions and pretrial diversions. The period of time to obtain court action on an indictment varies widely; therefore, the 111 convictions do not necessarily relate to the 122 arrests or the 99 indictments.

<sup>b</sup> Includes money received by USDA or other Government agencies as a result of OIG investigations.

<sup>c</sup> Restitutions are court-ordered repayments of money lost through a crime or program abuse.

<sup>d</sup> Fines are court-ordered penalties and special assessments.

<sup>e</sup> Asset forfeitures are judicial or administrative results.

<sup>f</sup> Claims established are agency demands for repayment of USDA benefits.

<sup>g</sup> Consists of loans or benefits not granted as the result of an OIG investigation.

<sup>h</sup> Includes monetary fines, remedies, or penalties authorized by law and imposed through an administrative process as a result of OIG findings.

\* This table includes Office of Compliance and Integrity results.

## Appendix B.2: Indictments and Convictions

### Indictments and Convictions— October 1, 2021–March 31, 2022

Agency	Indictments	Convictions*
AMS	5	1
APHIS	42	36
ARS	2	4
FAS	0	1
FNS	33	45
FS	0	0
FSA	4	8
FSIS	2	1
Multi-Agency	4	1
NRCS	0	5
Office of Homeland Security	0	1
Rural Business-Cooperative Service	0	1
RHS	0	2
RMA	7	5
<b>Totals</b>	<b>99</b>	<b>111</b>

\* This category includes pretrial diversions.

## Appendix B.3: OIG Hotline

### Number of Complaints Processed

Type	Number
Employee Misconduct	167
Participant Fraud	5,006
Waste/Mismanagement	295
Health/Safety Problem	96
Opinion/Information	228
Bribery	6
Reprisal	1
<b>Total Number of Complaints Processed</b>	<b>5,799</b>

### Disposition of Complaints

Method of Disposition	Number
Referred to OIG Audit or Investigations for Review	177
Referred to Other Law Enforcement Agencies	1
Referred to USDA Agencies for Response	1,169
Referred to FNS for Tracking	4,413
Filed Without Referral—Insufficient Information	23
Referred to State Agencies	16
<b>Total Number of Complaints Processed</b>	<b>5,799</b>

## Appendix B.4: Additional Investigations Information

In fulfillment of the Inspector General Empowerment 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 the U.S. Department of Justice (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.

	Description of Data	Number	Explanation	Source of Data
1	Number of reports issued	43		Number obtained from ARGOS database is routinely reported.
2	Number of people referred to DOJ criminal	56	Number of people referred for prosecution Federally in FY 2022 first half.	Created a report from the database to show cases referred for prosecution during the first half of FY 2022. Queried each case in the database to determine how many individuals were referred for prosecution and to whom they were referred.
2a	Number of people referred to DOJ civil	4	Four people were referred to DOJ civil only in FY 2022 first half.	Same as Number 2 above.
3	Number of people referred to State/local authorities	34	Number of people referred to State/local authorities in FY 2022 first half.	Created a report from the database to show cases referred for prosecution during the first half of FY 2022. Queried each case in the database to determine how many individuals were referred for prosecution and to whom they were referred.
3a	Number of people referred to State/local authorities	1	One of the people included in the 56 and 34 reported above was referred to both Federal and State/local entities.	Same as Numbers 2 and 3 above.

Description of Data	Number	Explanation	Source of Data
4 Indictments from prior referrals	95	Indictments include other charging mechanisms.	Created a report from the database to show cases that had indictments and/or other charging mechanisms claimed during FY 2022 first half, regardless of when they were referred.
5 Convictions from prior referrals	110	Convictions include pretrial diversions.	Created a report from the database to show cases that had convictions and/or pretrial diversions claimed during FY 2022 first half, regardless of when they were referred.

**Appendix B.5: OIG Investigations Involving a Senior Government Employee Where Allegations of Misconduct Were Substantiated**

We have no instances to report.

**Appendix B.6: Instances of Whistleblower Retaliation**

We have no instances to report.

**Appendix B.7: 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 B.8: Instances of an Investigation of a Senior Government Employee That was Closed and Not Disclosed to the Public**

We have no instances to report.

# Appendix C: Office of Analytics and Innovation Tables

## Appendix C.1: Surveys and Reports Issued

USDA COVID-19 Funding Dashboard  
(Analytics and Innovation Report 21-045-01)

# Acronyms and Abbreviations

2501 Program.....	Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers and Veteran Farmers and Ranchers Program	CFAP 1 .....	Coronavirus Food Assistance Program 1	FAV.....	Final Action Verification
AMS.....	Agricultural Marketing Service	CFPA .....	Cooperative Fire Protection Agreements	FBI.....	Federal Bureau of Investigation
APHIS.....	Animal and Plant Health Inspection Service	CIG.....	Conservation Innovation Grants	FCIC .....	Federal Crop Insurance Corporation
ARS .....	Agricultural Research Service	CIGIE.....	Council of the Inspectors General on Integrity and Efficiency	FFCR Act.....	Families First Coronavirus Response Act
ATF.....	Bureau of Alcohol, Tobacco, Firearms and Explosives	COC.....	County Committee	FFMIA .....	Federal Financial Management Improvement Act
AWA.....	Animal Welfare Act	COVID-19 .....	coronavirus disease 2019	FISMA .....	Federal Information Security Modernization Act
BSE.....	bovine spongiform encephalopathy	CSA .....	cost share agreement	FNS .....	Food and Nutrition Service
CACFP .....	Child and Adult Care Food Program	DATA Act.....	Digital Accountability and Transparency Act of 2014	FPAC .....	Farm Production and Conservation
CARES .....	Coronavirus Aid, Relief, and Economic Security	DOJ .....	United States Department of Justice	FS .....	Forest Service
CCC.....	Commodity Credit Corporation	DOL .....	United States Department of Labor	FSA .....	Farm Service Agency
CED.....	County Executive Director	EFP .....	Emergency Feed Program	FSIS .....	Food Safety and Inspection Service
		FA .....	financial audit	FY.....	fiscal year
		FAS .....	Foreign Agricultural Service	GNWR .....	Guam National Wildlife Refuge
				HIP .....	Hurricane Indemnity Program

HSD.....	Human Services Department	QC .....	quality control	USDA .....	United States Department of Agriculture
IE.....	inspection and evaluation	RCCP .....	Regional Conservation Partnership Program	USDA-foods .....	Federally purchased commodities
IG.....	Inspector General	RD.....	Rural Development	USMS .....	United States Marshals Service
IJA .....	Infrastructure Investment and Jobs Act	ReConnect Program.....	Rural eConnectivity Pilot Program	WIC .....	Special Supplemental Nutrition Program for Women, Infants, and Children
IRS-CI.....	Internal Revenue Service, Criminal Investigations	REE .....	Research, Education, and Economics		
IT .....	information technology	RHS .....	Rural Housing Service		
LDOE .....	Louisiana Department of Education	RMA .....	Risk Management Agency		
MFP .....	Market Facilitation Program	RUS .....	Rural Utilities Service		
NRCS.....	Natural Resources Conservation Service	SARC .....	Semiannual Report to Congress		
OCFO.....	Office of the Chief Financial Officer	SED .....	State Executive Director		
OCIO.....	Office of the Chief Information Officer	SFSP .....	Summer Food Service Program		
OCP .....	Office of Contracting and Procurement	SNAP .....	Supplemental Nutrition Assistance Program		
OIG .....	Office of Inspector General	SOP .....	standard operating procedures		
OMB .....	Office of Management and Budget	SSA .....	Social Security Administration		
OPPE.....	Office of Partnerships and Public Engagement	TEFAP .....	The Emergency Food Assistance Program		
PA.....	performance audit	Treasury .....	United States Department of the Treasury		
PY .....	program year				

# 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.

In our FY 2021 USDA Management Challenges report, we have consolidated and reduced the previous seven major challenge areas to four: Program Oversight and Accountability; Safety and Security; Program Performance, Results, and Outreach; and Financial Management. We also highlight what OIG considers “key challenge indicators” within the four areas as a means to assist USDA to focus its attention to address the challenges.

### 2022 Challenge Area and Indicators

#### **Program Oversight and Accountability**

Related material can be found on pages 2, 9–11, 21–23

Key Challenge Indicator: Program Process Improvements for Enhanced Integrity

Key Challenge Indicator:  
Accurate Improper Payment Reporting

#### **Safety and Security**

Related material can be found on page 3

Key Challenge Indicator:  
Compliance with Information Technology Laws and Regulations

Key Challenge Indicator:  
Improved Processes Related to Food Safety

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**Program Performance, Results, and Outreach**

Related material can be found on pages 10–11, 21

Key Challenge Indicator:  
Program Performance Monitoring

Key Challenge Indicator:  
Data Quality and Integrity to Measure Performance and  
Impact

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**Financial Management**

Related material can be found on pages 9–10, 21–23

Key Challenge Indicator:  
Internal Controls and Compliance with Federal Laws and  
Regulations

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