



United States
Department of
Agriculture

Office of
Inspector
General

Semiannual Report Office of Inspector General

October 1, 1982 - March 31, 1983

PLEASE RETURN TO: ROOM 13-E
MANAGEMENT OPERATIONS STAFF



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

May 23, 1983

To The President of the Senate and The
Speaker of the House of Representatives

In accordance with the requirements of the Inspector General Act of 1978 (Public Law 95-452), I am transmitting the Semiannual Report of the Inspector General covering the period October 1, 1982 through March 31, 1983.

I would like to reemphasize my support of the Inspector General's activities in helping to prevent mismanagement and in increasing the efficiency of the Department's programs. The close coordination and cooperation evidenced throughout the audit and investigative processes, the resolution of findings, the follow-up activities, the legislative process, and the vulnerability assessments aimed toward fraud prevention have continued in a cooperative atmosphere. Thus, the overall effectiveness of the Department's operations and activities have been enhanced.

The Inspector General's performance demonstrates an active program for fraud detection as evidenced by the considerable increase in successful investigations. During the 6-month period, the Office of Inspector General reported 1,275 investigations, 579 indictments and 759 convictions, resulting in fines, recoveries and collections of \$3.6 million and claims of \$1.7 million. These successful investigations should have a significant effect in reducing fraud, primarily in the Food Stamp Program.

Also during this period, the Office of Inspector General issued 233 audit reports, including 32 performed under contract by certified public accountants. At the time of report issuance, OIG questioned costs and loans totaling \$1.8 billion and resolved 331 audits resulting in total savings or cost avoidance of \$171 million. This represented \$23 million in claims established for recovery, \$143.5 million in disallowed costs and loans, and \$4.5 million in agreed-upon savings and management improvements.

The deterrent effects from investigations and strengthening internal controls should help to prevent future program losses.

Sincerely,

A handwritten signature in black ink that reads "John R. Block". The signature is written in a cursive style with a large initial "J" and "B".

John R. Block
Secretary

Enclosures

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S U M M A R Y

In the 6-month period from October 1982 through March 1983, the Office of Inspector General (OIG) issued 233 audit reports, including 32 performed under contract by certified public accountants, and 1,275 reports of investigation. At the time of report issuance, OIG questioned costs and loans totaling \$1.8 billion. During the period, OIG resolved 331 audits resulting in total savings or cost avoidance of \$171 million. This represented \$23 million in claims established for recovery, \$143.5 million in disallowed costs and loans, and \$4.5 million in agreed-upon savings and management improvements. OIG investigations led to 579 indictments and 795 convictions, and resulted in fines, recoveries, and collections of \$3.6 million and claims of \$1.7 million.

Agencies of the Department of Agriculture also established 244 new claims during the period covered by this report that arose from OIG activities. This amounted to over \$1.6 million, with \$4.5 million collected against these and other claims and \$13.4 million waived, compromised, or reduced because of postresolution justifications.

These statistics indicate OIG's impact on fraud, waste, and abuse; however many accomplishments such as recommendations directed to improving internal controls and fraud prevention cannot be quantified, but are far reaching in contributing to overall USDA effectiveness.

The value of audit and investigation thus lies not so much in its discovery of unnecessary expenditures and fraudulent activities, but in its disclosure of the measures that can be taken to prevent the recurrence of such incidents. In the field of computer technology, we have been able to direct our energies most favorably to achieve extensive and long-lasting preventive measures. The areas we have found most productive have been in the use of computer matches to detect fraud before it results in larger losses to the Government and in our up-front involvement in agency development of computer systems, to discover and correct areas of vulnerability before the systems become operational. Likewise, our early reviews of program development and implementation have resulted in procedural changes which materially alleviate the possibility for fraud, waste, and abuse.

Computer Matches

The use of the computer to identify incorrect information provided by applicants for Federal benefits has become one of the Department's most effective means of preventing improper participation in a program. A computer "match," or comparison of data from two or more independent sources, provides agencies with a means of determining applicant eligibility with greater accuracy. Wage matching in the Food Stamp Program was highly successful in 17 nationwide project areas reviewed in connection with the "Computer Matching Project"

sponsored by the President's Council on Integrity and Efficiency (PCIE). Corrective actions in the form of the discontinuance of ineligible participants or reduced benefits to otherwise eligible participants should reduce program costs in these areas by \$21 million a year.

In related wage matches:

- Two audits in Tennessee resulted in 199 indictments for underreporting of income.
- Wage matches with State Government payroll tapes in Ohio resulted in indictments of 47 State employees who failed to correctly report their incomes when applying for food stamps.
- Cross-matches with the Office of Personnel Management files in one city in Illinois resulted in the indictments of 31 Federal employees who failed to correctly report their income when applying for food stamps.

Matching identification data such as social security numbers is another effective tool to preclude fraud, waste, and abuse in the Food Stamp Program, and is one of the most useful means of preventing continued losses.

We believe the success of our wage-matching efforts influenced Congress in its mandate of a January 1, 1983, deadline for all States to implement wage matching in the Food Stamp Program. OIG supports the mandate and believes universal wage matching is an effective way to curtail a large portion of food stamp fraud. However, not all States complied with the deadline: 12 States have yet to implement agreements with the Social Security Administration; and at least five other States, which lack statewide computer systems, must arrive at some alternative method of matching in those portions of the States with no computer capabilities. OIG is coordinating with the Food and Nutrition Service and State agencies to find ways to expedite wage matching in all States.

OIG also continues to emphasize the use of photo identification cards for Food Stamp Program participants. Ten of the original seventeen project areas scheduled to use photo identification cards requested waivers. FNS waived its use in two of these project areas completely due to low duplicate Authorization-To-Participate cashing. OIG believes photo identification cards have anti-fraud uses in addition to prevention and detection of duplicate issuance of ATP's. These additional uses include deterrence of mail thefts of ATP's and deterrence of internal fraud due to the requirement for persons presenting ATP's to have valid food stamp photo identification cards. Also, multiple participation (intercounty and interstate) fraud activity could be more easily detected if State agencies are required to use common food stamp case file and photo identification card numbering systems such as social security numbers or driver's license numbers.

Systems Development

OIG considers computer programs a potentially effective means of managing large program operations. To be effective, however, the systems must be well designed and well controlled. To this end, we continue to advise agencies while they are in the process of developing their financial management systems. Our current involvement centers on the Food and Nutrition Service (FNS), the Agricultural Stabilization and Conservation Service (ASCS), the Forest Service, and the Farmers Home Administration (FmHA).

- FNS is experimenting with various electronic and paper-based benefit transfer systems to issue food stamp benefits to recipients without using the printed coupons, which may be counterfeited or illegally used. OIG's main concern with these systems centers on security and limiting access. We are continuing to monitor the development and testing of these systems.

- Management at all levels of the ASCS needs to be more actively involved in the long-range planning needs of the agency, including the selection of the most cost efficient and effective systems and computer hardware. Other problems concern the prompt implementation of OIG's recommended corrective actions to improve operations and internal controls of computer systems.

- The Forest Service did not follow all the prescribed steps of the system development process in developing the FORPLAN (Forest Planning) system which was designed to provide data needed for long-range land and resource planning. As a result, there were increased costs and time delays in implementing the system. Time constraints forced some shortcutting of the process but many problems could have been avoided by adequately staffing the FORPLAN project group, giving sufficient authority to the project manager, and attaining the necessary degree of user involvement.

Rural Electrification Administration

One major audit OIG conducted this period focused on the Rural Electrification Administration's (REA) loan program for electric distribution borrowers. The audit covered the financial condition of the REA revolving fund, loan-making policies, and the effectiveness of REA internal controls over the receipt and use of loan funds. We found that the fiscal integrity of the revolving fund, capitalized interest free by the Treasury at \$8 billion and intended to be selfsupporting, is threatened. Appropriations will eventually be needed to keep the fund viable unless interest rates charged borrowers are increased and loan-making criteria are changed. These appropriations will be in addition to the \$307 million the Government loses annually in the form of forgiven interest by the Treasury. The total forgiven interest since the inception of the fund is nearly \$3 billion. Low interest loans are being made to borrowers that appear financially sound and could pay higher rates without significant impact on

their financial condition or the rates charged to their consumers.

Many cooperatives service areas that are no longer rural, including suburbs of large metropolitan areas such as Washington, D.C. We believe REA should seek legislative change to permit modifying its participation with those borrowers serving areas which are no longer rural. Also, lack of controls by REA permits borrowers to circumvent REA procedures and requirements. Borrowers we reviewed had used about \$62 million of loan funds for construction not included in the loan request documents approved by REA. We also identified borrowers that drew down \$44 million in loan funds prematurely or when not needed. Over \$33 million of this amount (borrowed by REA at about 16 percent and loaned at 2 and 5 percent) was invested by borrowers in high yield certificates for 90 days or more.

Farmers Home Administration

Our nationwide review of delinquent borrowers in the Farmers Home Administration's (FmHA) Emergency Loan Program has been completed. From our statistical sample of 202 delinquent borrowers, we determined that 104 borrowers had loans totaling \$68 million that were undersecured by \$36 million; 109 borrowers disposed of about \$22 million of secured property without accounting to FmHA for the proceeds; and 101 borrowers received 1982 production loans of which 15, in light of their previous delinquencies and current financial position, did not have a reasonable chance to repay. OIG projected that, nationwide, approximately 11,362 delinquent loan borrowers are undersecured by \$1.1 billion.

A nationwide review of FmHA's Business and Industrial Loan Program determined that 251 guaranteed loans with outstanding loan principal of \$214.1 million were in the process of liquidation. Another 144 loans with outstanding loan principal totaling \$77 million had already been liquidated. As of February 9, 1983, the number of B&I loans in liquidation increased to 341, with payable estimated losses totaling \$109.5 million. OIG determined that many liquidation losses were a result of poor servicing of the loans by the lending institutions which FmHA guarantees against losses.

Agricultural Stabilization and Conservation Service

OIG is monitoring the Payment-In-Kind (PIK) program in its initial stages, with emphasis on the delivery of 1983 PIK commodities to producers. In our early memorandums to the Department, we raised some concerns about ASCS's method of offsetting acreage and determining farm yields and the quality of diverted acres. We are currently reviewing PIK activities in 15 States to determine how effectively county offices are implementing the program. Our reviews are directed at ASCS's procedures for handling producer appeals, farm reconstitutions, and acreage limitations.

Investigation Activities

In other developments, OIG investigations have spotlighted fraud in management areas as a deterrent to "white collar" crimes:

- The former chief of the FmHA B&I loan program in Oklahoma was named in a 31-count indictment accusing him of submitting fraudulent statements in approving \$12.2 million worth of FmHA loan guarantees. The 31 loans involved in the indictment ranged in size from \$60,000 to \$1 million.

- A former ASCS county executive director in Indiana and three other individuals were named in a 9-count conspiracy indictment. The indictment was based on two separate schemes by which a total of \$237,350 was taken from the Commodity Credit Corporation through fraudulent loans and sight drafts stolen from an ASCS county office.

- A former vice president of a North Carolina farm organization pled guilty in Federal Court to a charge involving the illegal sale of about

6,917 pounds of tobacco. The tobacco was falsely identified and marketed by using a tobacco marketing card issued to another individual.

- A Maryland State senator was arrested after an investigation into food stamp trafficking which revealed that a retail grocery store owned by the Senator improperly redeemed thousands of dollars worth of food stamps.

Another area in which OIG assists in the prevention of fraud, waste, and abuse is the review of proposed legislation. Recently we reviewed two bills which would have required periodic matching of data on applicants and recipients of federally funded programs with public records. The matching would be done at the time of certification, and quarterly thereafter, to verify income, assets, and other eligibility information. While we support matching as an effective means of verifying information, we believe the States should be given more flexibility than is envisioned in these bills, both in the frequency of the matches and in the files the States may use for matching purposes.

S T A T I S T I C A L D A T A

A U D I T A C T I V I T I E S

AUDIT REPORTS ISSUED

During this reporting period, October 1, 1982, through March 31, 1983, the Office of Inspector General issued 233 audit reports, including 32 reports prepared by certified public accountants

under contract to OIG. Questioned costs and loans associated with these findings totaled over \$1.8 billion. A detailed listing of reports issued during the report period is included as an appendix.

AUDIT REPORTS RESOLVED

OIG closed 269 reports and resolved 62 others

during the period covered by this report. The monetary values associated with the findings of these audits were as follows:

At Time Of Report Issuance

Questioned Costs and Loans Intended for Collection.....	\$ 52,121,305
Questioned Costs and Loans Not Intended for Collection.....	\$ 144,328,589
TOTAL.....	<u>\$ 196,449,894</u>

At Time of Report Resolution

Costs and Loans Referred for Collection.....	\$ 23,017,234
Postaudit Justifications Accepted by OIG.....	(29,908,601)
Disallowed Costs and Loans Not Intended for Collection.....	143,501,021
Savings and Management Improvements**.....	4,485,899
Sanctions**.....	-0-
TOTAL.....	<u>\$ 171,004,154</u>

**Data for savings and management improvements and for sanctions are entered into the information system only after the program agency has agreed at time of report resolution.

AUDIT RESOLUTION AND FOLLOWUP

The Inspector General Act requires the reporting of all significant recommendations described in previous Semiannual Reports To Congress which remain unresolved.

The Supplemental Appropriations and Rescission Act of 1980 and the Appropriations Act of 1981 require that any new audits involving questioned costs be resolved within 6 months, and that the Inspectors General include a summary of unresolved audits including total numbers, amounts, status, age, and other related information.

R E P O R T O N U N R E S O L V E D A U D I T S O V E R 6 M O N T H S O L D

<u>Agency</u>	<u>Date Issued</u>	<u>Title of Report</u>	<u>Dollar Value Unresolved</u>
FNS	9-30-82	(1) Direct Purchase and Distribution of Infant Formula Under the WIC Program (27617-1-Te)	\$65 to \$100 million
FmHA	3-31-82	(2) Interest Rates Assigned to Rescheduled EE/OL/EM Loans (4632-2-KC)	218,000
FmHA	8-27-82	(3) Texas Preventive State Audit (Emergency Loans) (401-31-Te)	7,600,000
FmHA	9-30-82	(3) Oregon Audit (Operating Loans, Farm Ownership Emergency, Economic Emergency Loans) (401-49-SF)	7,400,000
FmHA	6-16-81	(3) Kansas Coordinated State Audit (Economic Emergency Loans) (403-33-KC)	822,000
ES	11-28-79	(4) Implementation of the 1964 Civil Rights Act-Tennessee Agricultural Extension Service (6605-1-At)	-0-

(1) Special Supplemental Food Program for Women, Infants and Children (WIC)

In the last semiannual report, OIG reported the potential benefits from requiring the bulk purchase and direct distribution of infant formula to WIC recipients in lieu of the food voucher system. FNS disagreed with many of the assumptions and data in the report. The issue was escalated to the Assistant Secretary for Food and Consumer Services who determined that FNS and OIG should mutually work to resolve problems with the audit. Since then, progress has been made, and FNS and OIG are continuing to work toward resolution of this audit.

(2) Interest Rates Assigned to Rescheduled Farm Loans

We reviewed Emergency, Economic Emergency, and Farm Operating Loans made during 1979 and 1980 calendar years to determine whether the interest rates charged were consistent with FmHA regulations, with primary emphasis placed on loans involving consolidation, rescheduling, and reamortization. Our review identified 291 EM, EE, and OL loans that were carrying an incorrect interest rate. During the first year of these loans FmHA was underpaid about \$213,000 and overpaid about \$5,400.

FmHA accepted our recommendation to correct these rates. In September 1982, there were 110 borrowers in 35 States for which FmHA prepared Letters of Determination advising of this interest change. Before all changes could be made, the Office of the General Counsel (OGC) advised FmHA to hold this action until FmHA had issued its procedure on correcting or recovering improper and illegal loans. A draft copy of this procedure cleared the agency in March 1983 and is awaiting OGC clearance prior to Federal Register publication for prior comments and final rule.

(3) Review of All FmHA Loans

Reviews of FmHA loan programs show recurring problems in making and servicing loans. OIG has consistently recommended that the agency review all other loans of types and classes that are audited to discover all discrepancies. FmHA has consistently taken the position that it does not have the resources to check and review all loans in its portfolio, especially since it has no internal review staff, but that it will correct all improper and illegal loans and discrepancies brought to its attention by OIG. In the Kansas State Coordinated audit OIG performed a data base analysis that narrowed the number of Economic Emergency Loans to be reviewed to approximately 200. These loans were reviewed to determine if the borrowers were bona-fide farmers, and if the loan term was extended beyond that permitted by regulations. FmHA proposed a joint FmHA-OIG team to review these loans and to make a cost-benefit analysis to evaluate the effectiveness of such a review. FmHA and OIG have held discussions concerning the various elements of a cost-benefit analysis. OIG is currently finalizing its position on this proposal.

Because of high discrepancy rates (Texas at 40 percent and Oregon at 18 percent), we recommended the review of all loans in Texas in counties with heavy EM activity and all farms loans in Oregon. Resolution of these audits will depend on the results of the Kansas review.

(4) Compliance with Civil Rights Laws

OIG's last semiannual report briefly described a long-unresolved audit of civil rights activities at the Tennessee Agricultural Extension Service (TAES). Resolution action had been postponed pending resolution of a similar situation in Virginia. When action on Tennessee was resumed in the spring of 1982, the Director of the Department's Office of Minority Affairs (OMA) assumed responsibility rather than the USDA Extension Service. Although OMA performed a compliance review at TAES late last summer, the report was never issued, and we were unable to obtain any documentation of OMA's resolution efforts until very recently. We believe the next step is to determine whether the aforementioned compliance review adequately assessed the status of TAES' compliance with civil rights laws and regulations.

AUDITS OF CONTRACTS

During the 6-month reporting period, OIG performed or arranged for audits of 17 pricing proposals, cost reimbursement contracts, and contractor claims totaling over \$27 million. Fourteen of the audits have been completed which resulted in questioned costs of over \$1 million.

IMPLEMENTATION OF OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-102

OIG is continuing its efforts to implement the single audit concept for State and local governments as required by Attachment P of OMB Circular A-102. During this 6-month period, OIG has distributed 52 A-102 audit reports.

CONTRACTS FOR AUDIT SERVICES

OIG has seven certified public accounting firms under contract to perform audits as requested. During the past 6 months, we released 32 certified public accounting firm audit reports. At the time of issuance, these reports questioned costs of nearly \$1.6 million.

During the same period, OIG closed 91 contracted reports. Their resolution resulted in claims for over \$214,000.

We are continuing to develop our ability to work with public accounting firms. OIG has issued Requests for Proposals recently to enable award of new contracts for audit services, and we expect that the number of audits conducted for us by certified public accountants will continue to increase.

INVESTIGATION ACTIVITIES

Between October 1, 1982, and March 31, 1983, OIG completed 1,275 investigations, 1,173 of which involved criminal violations. OIG referred 686 cases to the Department of Justice.

Also during this period, investigations led to 579 indictments and 795 convictions. Fines, recoveries, and collections resulting from investigations during this period totaled about \$3.6 million. Claims approximated \$1.7 million and savings came to about \$324,000.

Since July when OIG Agents began exercising law enforcement authorities granted by the Agriculture and Food Act of 1981, OIG Agents have made 152 felony arrests and executed 14 search warrants.

Following is a breakdown by agency of indictments and convictions for the report period:

AGENCY	INDICTMENTS	CONVICTIONS
Agricultural Stabilization and Conservation Service	28	47
Animal and Plant Health Inspection Service	2	0
Farmers Home Administration	30	21
Federal Crop Insurance Corporation	6	1
Food and Nutrition Service	499	715
Food Safety and Inspection Service	14	10
Rural Electrification Administration	0	1
TOTALS	579	795

Note: Since the time necessary to get court disposition on indictments varies widely, convictions may not correspond to indictments within the report period.

ADMINISTRATIVE SUBPOENAS

During the past 6 months, the Inspector General issued 15 administrative subpoenas as compared with three for the last reporting period, under Section 6(a)(4) of the Inspector General Act. In each instance, those subpoenaed complied fully with the terms of the subpoenas.

FOOD AND CONSUMER SERVICES

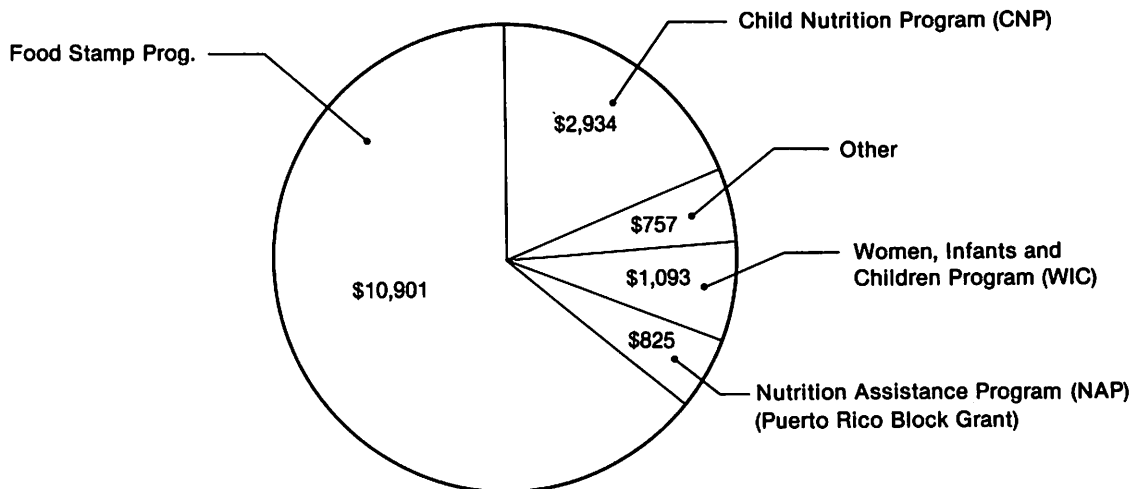
FOOD AND NUTRITION SERVICE

The Food and Nutrition Service (FNS) administers five programs: Food Stamps, Child Nutrition, Special Supplemental Food for Women, Infants and Children, Special Milk, and Food Donations. Funds appropriated for fiscal year 1983 total about \$16 billion. The President's budget request for fiscal year 1984 is approximately \$15.8 billion.

These programs are delivered through State and local government agencies. Delivery systems are complex, difficult to administer, and highly vulnerable to losses from fraud and waste. Consequently, the Office of Inspector General will devote about 33 percent of its resources to food assistance activities for fiscal year 1983.

Food and Consumer Services Budget

In millions of dollars



FOOD STAMP PROGRAM

The Food Stamp Program is the largest food assistance program. About 22 million persons receive stamps to purchase food in retail stores. Fiscal year 1982 expenditures amounted to \$10.8 billion with authorization of \$12 billion for 1983. The budget request for fiscal year 1984 is \$10.9 billion. The graph on page 8 shows the average monthly Food Stamp Program participation by states.

Computer Matching

Computer matching, the automated comparison of similar data from two or more independent sources, has arrived at a place of prominence in the detection and prevention of fraud, waste, and abuse in the Food Stamp Program. As an internal control device, computer matching provides an effective means of assuring program integrity by both discovering improper food stamp issuances and correcting potentially improper issuances before they occur. The most significant matching effort performed this period was the verification of income reported by food stamp applicants through comparisons with income reported by the applicants

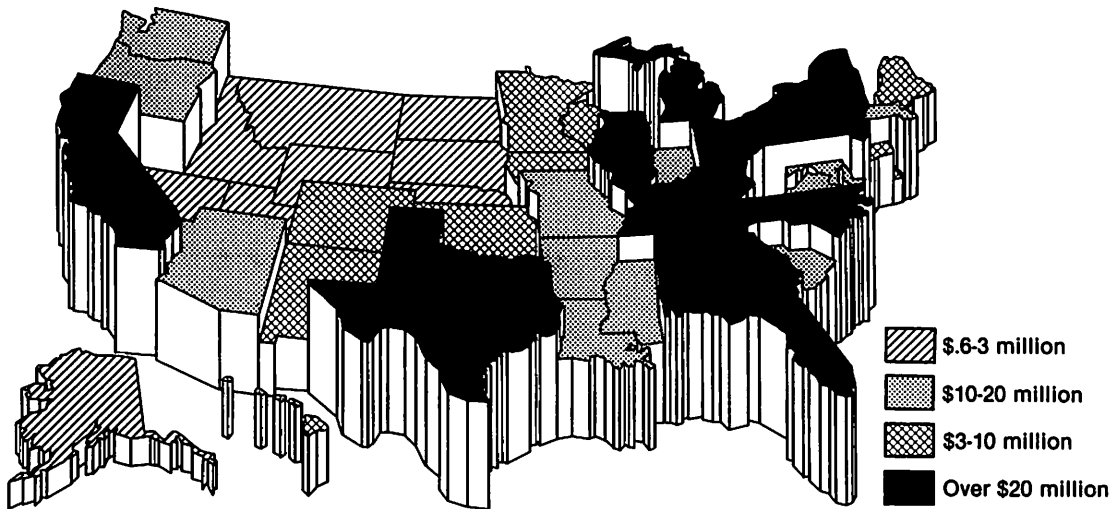
employers or other reliable sources of information. OIG successfully conducted wage matches in several States and in conjunction with a project originated by the President's Council on Integrity and Efficiency (PCIE).

Previous semiannual reports described OIG's role as the lead agency in the PCIE project, designed to identify and verify significant underreporting of income by participants in federally assisted benefit programs. The results of the project through December 1982 are significant. Working in 17 large food stamp projects in 12 States and Washington, D.C., we initially identified about 248,000 potential cases of underreported income as a result of computer matches. This number was reduced after additional analysis identified encoding errors or data inconsistencies. Although the individual amounts were small in many cases, at one location we found 679 cases where income was underreported by \$1,000 or more per month. We estimate that the underreporting of income resulted in at least \$12 million of food stamp overissuances in these 17 project areas.

The ultimate measure of the success of wage matching is the extent of corrective action taken. Although the work continues, over 17,000 households

Monthly 1982 Food Stamp Participation

State dollar issuances



thus far have either been removed from the rolls or have had their benefits reduced. We estimate that these actions will reduce program costs by about \$21 million annually.

The matching projects identified additional potential areas of concern in other Federal programs. We have referred about 7,400 cases to the Department of Housing and Urban Development and about 4,400 cases to the Department of Health and Human Services for further inquiry. In addition, we are currently cooperating with State and local fraud investigators in examining 2,739 cases for possible prosecution.

The project has demonstrated that wage matching is an effective technique for detecting recipient fraud and avoiding costly outlays in the food stamp and other federally assisted benefit programs when Federal, State, and local authorities make a coordinated effort to purge violators from the rolls.

Washington D.C.

The PCIE wage match in the District revealed large-scale underreporting of recipient income. To date, our match efforts have identified overpayments exceeding \$577,000 in the Food Stamp Program, and more than \$523,000 in Aid for Families with Dependent Children and General Public Assistance.

Additionally, our audit emphasized an evaluation of controls used in the Automated Data Processing (ADP) operations. ADP edits in the automated FSP systems would improve program effectiveness and aid the State agency in managing the program.

Data entry forms, used to authorize the issuance of ATP cards and to make changes to the master file, were not properly controlled. As a result, duplicate issuances could be generated or coupon allotments computed incorrectly.

The District had not collected \$2.3 million of outstanding debts from issuing agents. However, the District has reimbursed FNS from District funds for \$1.8 million of this amount. Also, more than 1,000 cases of recipient overpayment which the District referred to its claims unit had not been reviewed, nor had claims been established. Many of these 1,000 referrals dated back to May 1979. Of the approximately \$276,000 in claims that the District established as of October 1, 1980, only about 7 1/2 percent was collected, and collection efforts were abandoned for about 50 percent of the claims during 1981.

Shipments of blank Authorization-To-Participate (ATP) cards were accepted even though the serial numbers duplicated those in shipments previously received. Perpetual inventory records did not reflect the actual status of the inventory, misprinted cards were mailed to clients, and the District could not account for all voided ATP cards. Necessary files were not retained for the required length of time, negating efforts to account for ATP cards issued prior to August 1980.

Other OIG Computer Matches

OIG wage-matching efforts are also currently ongoing in four Southeastern States. These audits involve only 12 counties, but wage matches there have already eliminated or reduced benefits for 6,486 cases from the Food Stamp Program, with an

estimated monthly savings of \$671,000. The extensive publicity that these audits have received is also responsible for substantial but unmeasurable program savings because recipients realize that computer matching will ultimately disclose unreported earnings.

In response to our current audits and prior audit recommendations, five Southeastern States have initiated matching efforts of varying scope, with OIG providing technical assistance. Two States have developed ongoing income verification systems. Efforts in the other three States have resulted in 31,552 cases of suspected fraud being referred for claims action.

In order to demonstrate the effectiveness of computer matching, OIG has conducted investigations of recipients identified through computer matches in several locations. We worked with local or State welfare fraud investigators, particularly in areas where the State agency lacked experience in conducting such investigations. The new matching requirement imposed upon the State agencies makes it imperative that the State and local fraud investigators become knowledgeable in this area. Some of our recent investigations include:

- In North Carolina, computer matches of food stamp rolls and wage records at the Employee Security Commission revealed numerous cases of unreported income. To date, 86 recipients have been indicted in Wake, Buncombe, and Mecklenburg Counties. The U.S. Attorney plans to indict further subjects.
- In Nashville and Memphis, Tennessee, a computer match with employment records has resulted in 199 Federal indictments to date. Many of the subjects also received other welfare payments to which they were not entitled. Tennessee welfare investigators worked with OIG and have obtained over 600 State indictments on other subjects as a result of this match.
- In Birmingham, Alabama, a match of food stamp rolls with records at the Alabama Department of Industrial Relations resulted in 17 indictments for recipient fraud.
- In Chicago, Illinois, a match of food stamp rolls with the master personnel file of the Office of Personnel Management resulted in the identification of Federal employees who had failed to report their income when applying for food stamps; 31 persons have been indicted to date.
- Also in Chicago, a computer program which identified two or more households on the food stamp rolls with the same first names and birthdays resulted in indictments for fraudulent multiple participation. The program was first run in 1980 and resulted in nine indictments. The second run has resulted in 28 indictments to date.
- In Ohio, a match between food stamp rolls and State government payroll tapes identified State employees who failed to report their

income when applying for food stamps and other welfare programs. To date, 47 persons in Cleveland and Columbus have been indicted.

Most of the above cases were covered by the various local media. Publicity like this, as well as broader press coverage as in the District of Columbia audit, offers its own form of deterrence against program abuses.

Matching Legislation Affecting the Food Stamp Program

OIG has supported several legislative proposals to make matching a more effective tool in verifying eligibility information in the Food Stamp and other federally funded, publicly assisted programs. One current proposal provides that employers in all States report the wages of each employee to a State unemployment agency on a quarterly basis, a system referred to as "wage reporting." Presently States have the option to require such reporting only for individuals who present claims to collect unemployment insurance. A State that exercises this option is referred to as a "wage-request" State. Currently, only 12 States fall into this category.

The Food Stamp Act and program regulations mandate that the States perform computer matches in which information on Food Stamp Program recipients is compared to information on either the Unemployment Compensation file or the Social Security Administration wage files. Since wage data are not available at State unemployment offices in "wage-request" States, the Food Stamp Act mandates that these States match information on Food Stamp recipients with information available at the Social Security Administration.

However, the Social Security Administration information is less current than the State unemployment insurance file because the Social Security information derives from reports of the previous tax year, and at least 6 months are needed to put the information into a form the computer can use. Moreover, stringent recordkeeping and security requirements have been imposed by statute and regulations upon those who use the data, giving the States little flexibility for their operations. Preliminary reports from the Department of Health and Human Services support the contention that the States have not found it helpful to match the files from Aid to Families with Dependent Children with those of the Social Security Administration.

Because the system under which "wage request" States operate is ineffective for wage-matching purposes, we have supported the proposal, which would result in current wage information being available for matching in all States.

Two bills introduced in the 97th Congress would have required the expansion of the States' matching activities. Both would have required a periodic matching of data on applicants and recipients of federally funded, needs-related programs with public records. The matching would be done at

the time of certification for program benefits, and quarterly thereafter, to verify income, assets, and other eligibility information. While we support matching as an effective means of verifying eligibility information, we believe the States should be given more flexibility than is envisioned in these bills, both in the frequency of the matches and in the files the States may use for matching purposes. We conveyed these views to the Legislative Committee of the President's Council on Integrity and Efficiency.

State Agency Compliance with Matching Requirements

The Food Stamp Act Amendments of 1980 required that wage matching be implemented by each State agency no later than January 1, 1983. The Agriculture and Food Act of 1981 further required States to request information concerning wages from the Social Security Administration, unless such information was requested from agencies administering the State unemployment compensation laws. There were no waivers or delays authorized for these requirements.

OIG recently reviewed all State agencies to determine the status of implementation and found that 12 "wage request" States will be delayed coming into compliance because the draft agreement between FNS and the Social Security Administration for wage-matching information was not finalized until February 1983. We also found that States without computerized operations will not fully implement matching in all counties until late in 1983.

In response to OIG's findings, FNS stated that the Social Security Administration has delayed carrying out its agreement concerning wage matching in the 12 "wage request" States. Further on March 2, 1983, FNS clarified its instructions on wage-matching requirements and requested updated information on States' implementation of the regulation.

OIG will continue to monitor the planned and actual implementation of wage matching and will gather data to evaluate the cost efficiency of the matching efforts.

USDA Funding of Non-Federal Computer Systems

We audited FNS's management of 25 computer systems financed in part by FNS and administered by various State agencies. FNS's share of the costs total about \$14 million for the 25 systems.

Generally, we found that FNS has not made adequate progress in improving controls over planning and funding of State agency computer systems since a 1978 General Accounting Office (GAO) audit report cited similar problems. A basic problem in FNS management of computer systems is the lack of adequate personnel with computer science expertise. FNS has been shifting these responsibilities from the national office to the regional offices to improve the controls, but unless regulations and procedures are strengthened and adhered to more strictly, the problems will continue.

A clear national policy for the development and transfer of information between State agencies needs to be established to better serve the States and to avoid duplicative costs. Had such a policy been in effect, FNS may have avoided part of the about \$5.5 million used between 1976 and 1983 to develop five similar food stamp operational systems. Since FNS had not determined its total expenditures for non-Federal computer systems, we could not assess the cost impact nationwide.

FNS responded favorably to this audit and indicated various corrective actions for overall improvements will be implemented. However, FNS informed OIG that resource limitations at the regional level, which were the major problems cited by the GAO audit, continue to exist.

Photo Identification/First Endorser Liability

OIG, in conjunction with Postal Service Inspectors and GAO, has long urged better identification for food stamp recipients and coupon issuer liability for fraudulent cashing of ATP's. In 1980, taking into account testimony from OIG and FNS, Congress amended the Food Stamp Act to require photo identification in those areas where the Secretary of Agriculture, in consultation with the Inspector General, finds that it would be needed to protect the program's integrity. FNS issued regulations implementing this amendment on October 9, 1981.

The proposed amendments required areas with 50,000 or more participants to use photo identification. This was in line with Congressional intent to limit photo identification to large urban areas. FNS increased the level to 100,000 participants in the final regulations, reducing the number of affected project areas from 56 to 17. FNS felt that cost effectiveness should be a determinant factor in project areas with less than 100,000 participants. OIG did not oppose the change, although we felt that cost effectiveness would be difficult to determine.

Of these 17 project areas, three already had photo identification and one implemented the provision by the specified date. One project area requested a waiver to implement photo identification before the legislation was passed. Two received automatic waivers, one due to direct mail issuance and one due to a drop in participation. The remaining 10 project areas requested waivers.

The waiver process was unduly time consuming. FNS did not press the States for prompt waiver requests, in two instances ignoring early warning from OIG that the States concerned did not plan to comply. FNS did not send State requests for waiver to OIG promptly. As a result, most project areas had their implementation dates extended by several months.

OIG's position on waiver requests was that alternate identification systems should be equal to or better than photo identification. Seven project areas proposed systems which, after modification, met OIG criteria. FNS waived two project areas

completely--Chicago and New Orleans--due to low duplicate ATP cashing. OIG objected to both waivers. We do not believe that good identification is needed solely to control duplicate cashing. Internal caseworker fraud and multiple participation, which we have repeatedly found in the project areas, could also be prevented or more easily detected with photo identification.

In September 1982, FNS advised two new project areas--Erie County, New York, and Milwaukee County, Wisconsin--that they were subject to the photo identification requirement due to increases in participation.

For project areas of under 100,000 participants, FNS was supposed to propose, on a case-by-case basis, areas which should implement photo identification. Four of the seven FNS Regions early in 1982 recommended additional project areas, a recommendation with which OIG concurred. However, OIG has not been informed that FNS has imposed photo identification on any project areas under 100,000 participants.

OIG believes that FNS should be more supportive of effective identification in the Food Stamp Program. Nonphoto identification requirements are practically nonexistent. Food Stamp Program identification cards are usually cardboard that can be easily counterfeited and are rarely identifiable by number to a particular household. In some cases, particularly in urban areas, a photo identification card is used for public assistance, but not for food stamps. Most States now have photo drivers' licenses. We believe similar safeguards should be used throughout the Food Stamp Program.

If Congress supports the need for better identification in the program, we urge that it be made part of the law, rather than left to agency discretion. OIG supports photo identification in all project areas with 50,000 or more participants; nonphoto identification cards which are tamper-proof and identifiable by number to a particular household in areas with less than 50,000 participants; a waiver allowing mandatory photo identification in any project area which wishes to implement it; a requirement that the identification card number be recorded on the Authorization-To-Participate (ATP) or Household Issuance Record (HIR) card by the coupon issuer; and mandatory coupon issuer liability.

In 1981, Congress amended the State issuance liability provision to make it clear that States are strictly liable for all issuance losses, except mail issuance losses. The amendments also required that in areas where photo identification is required, the coupon issuer must record the identification number on the authorization card or be liable to the State agency for the value of any transaction where this is not done. We believe this provision should be expanded throughout the program to prevent fraudulent ATP and HIR redemptions. This would be possible if better identification were used in the Food Stamp Program. OIG believes the costs do not outweigh the benefits to be derived from mandating reasonably tamper-

proof and accountable identification cards in the Food Stamp Program.

Alternative Issuance Demonstration Projects

FNS, as part of a general effort to improve the efficiency and integrity of the Food Stamp Program, is exploring various alternatives for delivering Food Stamp Program benefits to recipients without using the present coupon system. Several recently developed technologies may be applicable to the Food Stamp Program. They include magnetic card systems which connect with central computers and other issuance systems which use techniques such as microencoding, a device developed within the banking community to provide greater security for checks and to allow for machine processing.

OIG has reviewed several drafts of the Requests for Proposals for Electronic Benefit Transfer and provided comments and suggestions for increasing the security and effectiveness of the demonstrations. Our principal concerns have centered on physical security for hardware, electronic security, promotion of the integrity of both data and personnel, appropriate backup systems, and separation of certification, card production, and card issuance functions. We will be reviewing technical proposals and contract award documents while we continue to monitor the implementation of these projects.

Mail Issuance Loss Tolerance

In the past the Federal Government paid for all coupons lost in the mail. The new regulations require States to pay for any benefit losses over 0.5 percent of the total value of the mail issuances, with losses under \$1,500 forgiven in areas with mail issuances under \$300,000 for the quarter. We suggested that the \$1,500 threshold be allowed only for those areas with a total issuance (including mail and all other means) under \$300,000. In addition, we recommended that liability should be increased for States which continue to incur losses. Conversely, if States exceed the tolerance level during one period but have substantial improvements in the next period, a net figure could be used to recognize their efforts to decrease mail losses.

Authorization-To-Participate Issuance and Redemption Activities

A nationwide audit reviewed the revised FNS procedures for reporting and collecting State agency issuance liabilities and the accountability and control over ATP cards. The audit disclosed that the revised procedures were not fully implemented and/or clearly understood. As a result, States underreported their liabilities by an estimated \$1.2 million, and the Food and Nutrition Service did not promptly or fully bill States for at least \$900,000 in reported liabilities. In addition, the semiannual billing cycle currently utilized by FNS does not result in the prompt and timely collection of money owed.

We also found that some State agency printing contracts did not contain adequate controls and security over ATP's printed.

The audit report contained recommendations to improve the accuracy, timeliness, and usefulness of agency procedures. When implemented, these recommendations will strengthen controls over the reporting process and improve the reliability of the billing system.

In their response to the audit, FNS stated that it will develop procedures to improve the reporting and billing process and to strengthen controls over ATP printing contracts. FNS also agreed to revise its reporting form and provide training on the billing process.

Standard Utility Allowance

We recently commented on interim regulations for the Food Stamp Program Standard Utility Allowance. The Standard Utility Allowance is a part of the excess shelter deduction and is applicable to households which incur heating and cooling expenses separate from rent and mortgage payments.

Given the complexity of calculating these deductions, we endorse the Administration's legislative proposal to combine the standard and shelter deductions and fix the amount. We think such a deduction could eliminate errors and abuses to the program and make it simpler to administer.

Department of Justice Task Force

After extensive national publicity regarding fraud in the Food Stamp Program, the Attorney General announced in September 1981 the formation of a Department of Justice Task Force. Its purpose is to increase investigations and prosecutions of food stamp fraud. An Assistant United States Attorney in each of 12 major cities was designated to coordinate investigations and conduct prosecutions of Task Force cases. The Federal Bureau of Investigation, the United States Secret Service, and the Postal Inspection Service, in addition to OIG, are cooperating on food stamp investigations. These additional resources, intelligence, and technical capabilities have greatly assisted OIG in its efforts to combat fraud in the Food Stamp Program. FNS assisted the task force at several locations by providing information on retail grocers suspected of violating FSP regulations. Some recent task force cases have had the following results:

- In Maryland, OIG agents worked with the Secret Service on an investigation into food stamp trafficking. Undercover agents exchanged large quantities of food stamps with traffickers for cash and narcotics. Seven individuals were arrested, including a Maryland State senator who owned a retail grocery store where thousands of dollars worth of the food stamps used in this investigation were improperly redeemed.

- In Nashville, Tennessee, OIG Agents worked with the Secret Service and the Tennessee Department of Human Services on an investigation into food stamp trafficking. This investigation resulted in the indictment of 65 individuals and revealed that food stamps were routinely being exchanged "on the street" for stolen merchandise, stolen Government checks, and narcotics.

- In Cleveland, Ohio, OIG worked with the FBI and the Secret Service on an investigation of retailer trafficking. Seven persons were indicted. One subject transacted \$10,000 in food stamps for \$5,000.

- In Chicago, Illinois, OIG investigated retailers who purchased food stamps for cash. Eighteen persons were indicted in Federal court. At the same time, indictments were returned in County Court for recipient fraud.

- Working with the FBI and the U.S. Secret Service, OIG identified retailers in Detroit, Michigan, who trafficked in food stamps. Thirty-three individuals connected to 22 stores were indicted. To date, 23 persons have pled guilty; five indictments were dismissed as the result of plea bargaining; and five cases are pending.

Cooperative Law Enforcement Efforts

In addition to the Department of Justice Task Force, OIG has continued to expand its involvement in joint investigations with other Federal, State, and local law enforcement agencies. Particularly in trafficking matters, the subjects of OIG food stamp investigations are frequently also the targets of other law enforcement agencies for other crimes, such as dealing in narcotics, illegal weapons transactions, and receiving stolen goods. Some recent investigations include:

- OIG Agents worked with the Chattanooga, Tennessee, Police Department on an investigation into food stamp trafficking. A total of 101 individuals were indicted for various forms of food stamp fraud. This investigation was instrumental in the arrest and conviction of members of a stolen auto parts ring who were selling their "hot" merchandise for food stamps. A major narcotics dealer, who routinely exchanged drugs for food stamps, was also put out of business.

- In the area of Las Cruces, New Mexico, and El Paso, Texas, OIG worked with local police on an investigation of food stamp trafficking. Nine persons were indicted.

- We worked with the Seattle Police Department on an investigation of trafficking in the metro area. Ten persons were indicted for purchasing food stamps. In addition, working with Postal Inspection, OIG identified a postal employee who was stealing food stamps from the mail and two coconspirators who sold the stolen food stamps for cash. All three have been indicted.

Puerto Rico Nutrition Assistance Program (Block Grant)

Effective July 1982, Congress legislated a block grant to Puerto Rico in the amount of \$825 million for fiscal year 1983. This amount was 25 percent less than the allotment to which Puerto Rico would have been entitled under the Food Stamp Program. Congress further proposed that a portion of the block grant should be invested in projects designed to stimulate agricultural production in Puerto Rico. Procedures for distributing the block grant were left to the discretion of the Puerto Rican government, subject to approval by the Department. On July 1, 1982, the government of Puerto Rico replaced food coupons with monthly checks, mailed directly to the qualifying households.

Our review of the early implementation found:

- Substantial savings for the Department and Puerto Rico were realized. Administering a check issuance system costs approximately \$10 million per year less than administering a coupon system. Eliminated are expenses associated with the printing of coupons, distribution to numerous issuing offices, hiring of guards to prevent coupon theft, certification and monitoring of food stores, rental of office and vault space at issuing centers, and employment of issuance clerks at each such center.
- The possibilities for fraud are reduced. A chronic problem nationally with the Food Stamp Program involves "brokers" who convert coupons to cash in exchange for a percentage of their face value. In addition, some merchants have frequently accepted coupons in payment for non-food items.
- Puerto Rico is employing a high security document (check), which is difficult to falsify and easy to trace. In addition, administrative savings permit more frequent and thorough monitoring of recipient households to determine that they remain qualified for assistance.
- A further deterrent to fraud is Telecheck, a commercial check verification system widely used throughout Puerto Rico. At no cost to the government of Puerto Rico, stores subscribing to Telecheck confirm the validity of nutrition assistance checks before they are cashed.

Puerto Rico's Government Development Bank analyzed the endorsements of nutrition assistance checks through March 1983 and determined that approximately 90 percent of them were cashed at food stores. Only 9.7 percent were cashed elsewhere. The remainder were returned by the Postal Service, reported lost or stolen, canceled, or had stop-payment orders placed on them.

The funding reduction which accompanied implementation of the block grant required tightening of eligibility standards to a level much more stringent than that in effect on the mainland. During the last month in which the Food Stamp Program was in effect (June 1982), the number of Puerto Rican households participating totaled 514,332 (about \$75.6 million). The number of participants

declined continually during the subsequent months. By November 1982, the number of participants was reduced to 16.5 percent of the June total.

FOOD DONATION

In December 1981, the Department was authorized to distribute cheese and butter under a special surplus distribution program. Recently, the program was extended to December 1983 with an additional 280 million pounds of cheese and 75 million pounds of butter authorized for distribution. These surplus commodities are valued at about \$1 billion. As of March 1, 1983, over 257 million pounds of cheese and 51 million pounds of butter had been distributed to recipients.

Since the program was expected to be a one-time distribution effort, FNS regulations and guidelines to the State agencies were kept to a minimum to hold down administrative costs and yet distribute the surplus commodities in an expedient manner.

Our review in Ohio found that the majority of cheese and butter is getting to the needy; however, there are significant quantities not accounted for. FNS and State agency monitoring have been limited, according to FNS, to keep the administrative burden and costs to a minimum.

Eligibility and accountability requirements or procedures differ among the FNS regions. Officials in one region advised that recipients are required to present identification showing need, but that distribution sites are not required to keep accountability records. Officials in another region advised that recipients in all but two States are required to complete a form stating they are in need; however, no identification to support this need is required.

To test procedures and controls, we visited 15 sites distributing commodities to the needy in the Cleveland and Columbus areas (seven of which were State-approved sites) and found that 78,305 pounds of the butter and cheese distributed in December 1982 and/or January 1983 could not be properly accounted for. This represented 23 percent of the commodities. We were told that the seven State-approved sites distributed 75,810 pounds of commodities to eight other sites not approved by the State for distribution. The seven approved sites had no records of the other sites' distribution and the eight unapproved sites did not keep records of distribution.

We have recommended that all food distribution sites be approved by the State agency; FNS perform periodic site visits; recipients provide identification showing proof of need; and sites document the distribution of surplus food through minimum recordkeeping, such as names and signatures, addresses, and telephone numbers of recipients.

FNS agreed that States should distribute commodities through only approved sites, and that FNS would monitor States' distribution activities depending upon FNS' budget and travel limitations.

SMALL COMMUNITY AND RURAL DEVELOPMENT

RURAL ELECTRIFICATION ADMINISTRATION

The Rural Electrification Act provides for loans for the construction and operation of facilities to furnish central station electric services to persons in rural areas. These 30-year loans are made from a revolving fund at an annual interest rate of 5 percent. The Rural Electrification Administration (REA) Administrator is authorized to make loans at a lesser rate, but not less than 2 percent, if warranted by extraordinary circumstances. In 1973, the Act was amended to require cooperatives to generally obtain between 10-30 percent of their fund needs from nongovernment sources and endorse a policy that cooperatives be encouraged and assisted to reach financial self-sufficiency. In fiscal year 1982, REA disbursed loans totaling approximately \$851 million to electric distribution borrowers. As of 1982, REA had a total of about \$10 billion in loans outstanding to over 900 electric distribution cooperatives.

We have completed an audit which centered on three major areas: the financial condition of the revolving fund, REA's loan-making policies for electric distribution borrowers, and REA's controls over borrowers' receipt and use of loan funds. The audit disclosed that revolving fund assets are diminishing and that REA will need Congressional appropriations to subsidize the fund unless interest rates charged to borrowers are increased and loan-making criteria are changed. Further, we found that REA routinely made loans to electric cooperatives which were subsequently used for unapproved purposes; to cooperatives which had sufficient assets to fund their own operations; and/or to borrowers which serviced areas no longer rural in characteristic. Further, controls were lacking to preclude premature drawdowns of funds which we found were deposited in high-interest-bearing accounts. We believe that these problems are not limited to the borrowers we reviewed, but occur REA-wide and result in significant interest losses and questionable loanmaking. We understand from REA that present policies and procedures are now under review.

Financial Condition of the Revolving Fund

The revolving fund has been capitalized by the Treasury through interest-free loans of almost \$8 billion. The annual cost to the Government, in the form of forgiven interest, exceeds \$307 million, and the total cost was in excess of \$2.8 billion at the end of fiscal year 1982. The fund was intended to be self-supporting, in that interest and principal payments from borrowers were to be used to fund new loans. From its inception in 1973, however, disbursements for new loans have exceeded receipts from existing loans, and as a result, the fiscal integrity of the fund is threatened. To continue funding new loans, REA has had to sell borrowers' loan notes to the Treasury, and also borrow from Treasury at interest rates considerably higher than the 2 and 5 percent rates allowed borrowers.

We recommended that REA seek legislative authority to increase borrower interest rates to equal the cost of Government borrowing and to limit loan disbursements to those borrowers with a bonafide financial need as well as to initiate changes in the criteria and ratios used in considering loan applications. For those borrowers unable to absorb interest rates equal to Government borrowing costs, we recommended that the increase in loan interest rates be based on the borrower's financial condition, rather than being at a flat 2 or 5 percent.

For 1982, 1983, and 1984, REA recommended loan program levels which would have reduced the burden upon the revolving fund. These program levels were increased by Congress; however, the financial load being placed upon the revolving fund was retained. Although REA's stated position, as well as the stated intent of the Congress, has been to encourage borrowers to obtain greater portions of needed financing from the private sector, no changes in ratios or criteria for most borrowers have been made since 1972.

We were advised that REA has been considering adjustments in the ratios and criteria governing the allocation of loans from the revolving fund. However, REA advised us that Congress added language to the 1983 Agriculture Appropriations Act which expressly directed REA to retain the ratios and criteria in effect as of July 1982. This precluded REA from proposing changes in the ratios which would have increased the amount of supplemental financing in 1983.

Loan-Making Policies

REA has interpreted the Rural Electrification Act as allowing loans to be made to borrowers regardless of their financial strength or the urban/rural characteristics of areas serviced. Although this position complies with the directive of Senate Resolution 21, 86th Congress, the result is that loans are approved on a first-in, first-out basis for all eligible borrowers. Our review disclosed that of 50 borrowers who appeared to be financially sound, 44 were in a strong financial position when compared to neighboring investor-owned or municipal utilities providing similar services. We believe that 37 of these borrowers, based on our analysis of financial data, could sustain the cost of increased interest rates without substantially altering the electric rates charged to consumers.

Due to changing demographics, almost 200 cooperatives service areas which far exceed the Act's definition of rural eligibility. These cooperatives each have 15,000 customers or more, whereas the Act defines eligible service areas as those with 1,500 or fewer inhabitants. For example, 76 percent of the 34,000 consumers of one cooperative lived in the suburban communities surrounding

Washington, D.C. The median income of these consumers was over \$25,000, or 22 percent higher than the national average. In keeping with the position that REA should strive to limit loan disbursements, we believe REA should seek legislative change to permit modifying its participation with those borrowers serving areas which are no longer rural in nature.

Use of Loan Funds

Our review of the financial records of 32 electric distribution borrowers disclosed that 26 used approximately \$61.9 million for construction of electrical facilities not included in the construction work plans submitted in conjunction with the loan requests. REA does not have sufficient controls to ensure that borrowers complete the work for which the loans were made. Borrowers altered work plans without REA approval, by substituting other, unrelated construction, deferring work to future periods, or dropping work. Of the 26 borrowers who changed their work plans but still received loan funds, 21 subsequently reapplied and were funded for new loans based on work plans containing the previously funded but unbuild construction items.

We recommended that REA require that loan funds be used only for construction items supporting the loan request, and that borrowers obtain prior approval for changes to the construction work plans. Further, REA should conduct tests to assure that borrowers comply with these requirements.

REA policy requires that a cooperative's cash position fall below a specific level before a loan

advance can be made. The objective of this administrative control is to ensure that cooperatives employ excess cash to meet their continuing operational needs. REA has no mechanism in place, however, to ensure compliance. As a result, 22 of the 32 cooperatives reviewed reduced their cash balances in a questionable manner, like prepaying large power bills to draw down \$44 million prematurely or without need for the funds. Of this amount, over \$33 million (borrowed by REA at about 16 percent and loaned at 2 and 5 percent) was invested by the cooperatives in high-yield certificates for periods of 90 days or more and at terms of up to 20.75 percent.

We recommended that REA implement stronger controls over the disbursement and monitoring of loan advances to cooperatives. REA should also use its field personnel to review cooperatives' requests for loan advances to ensure compliance with requirements.

We have been advised by REA that recent organizational and functional changes will put the agency in a better position to strengthen the enforcement of its procedures and controls. Consolidation of field employee responsibilities has resulted in a situation whereby a field employee will be responsible for a smaller number of REA borrowers, creating a situation for more frequent contact. In addition, REA is in the process of restructuring the role of its field accountants in a manner which will rely more heavily on the use of Certified Public Accountants (CPA's) and strengthen its quality of review of CPA's audit and workpapers. This is intended to result in a closer and more frequent overview of borrowers' conformance with loan contract and mortgage requirements.

FARMERS HOME ADMINISTRATION

The Department has the responsibility for improving the rural economy through making and guaranteeing loans for farming, housing, community facilities, and business and industrial development. The Farmers Home Administration (FmHA), as the Department's credit agency for agriculture and rural development, had about 1.5 million active borrowers and a loan portfolio of about \$59 billion as of January 1, 1983. These funds were distributed to the various loan programs as shown in the following graph.

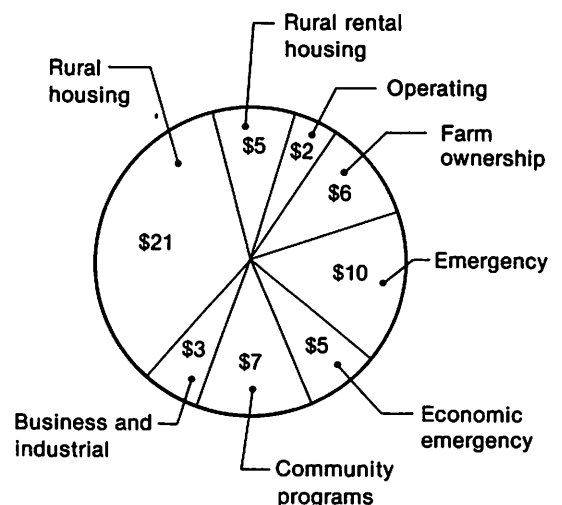
Some of the highlights of our overall audit efforts are as follows:

EMERGENCY LOAN PROGRAM

Emergency disaster (EM) loans are made to farmers in counties declared emergency disaster areas. Loans are made to help restore production to pre-disaster capacities. Farmers who cannot get credit elsewhere are charged a subsidized interest rate. If an applicant is able to obtain credit elsewhere, the loan is made at the prevailing private market rate. FmHA also made subsequent operating type loans to borrowers with EM loans. OIG reviewed these subsequent operating EM loans.

FMHA Loan Programs

As of January 1, 1983 in billions of dollars



OIG reviewed a statistical sample of 202 borrowers selected from the 49,500 delinquent borrowers in June 1982. There were about 120,000 EM borrowers with loans totaling about \$10 million in FmHA's portfolio at that time. We concentrated on 101 of the 202 borrowers who received about \$13 million in 1982 EM production loans.

Our audit found the following specific problems:

- Loans for 104 borrowers totaling \$68 million were undersecured by about 53 percent of the outstanding loan balances. Inadequate loan supervision and servicing, unauthorized or illegal dispositions of loan security, and declines in farm real estate and equipment values contributed to this condition. Additionally, the value of crops and chattels accepted as loan security was often overstated. From our sample, we project that nationwide approximately 11,362 delinquent EM loan borrowers are undersecured by \$1.1 billion.

- One hundred and nine borrowers had disposed of about \$22 million of security property without reporting or accounting for the proceeds to FmHA. These borrowers had outstanding loan balances totaling about \$83 million. We project that nationwide 13,355 delinquent borrowers have improperly disposed of \$888 million of secured property.

After FmHA issued its initial fiscal year 1982 loan policy for delinquent and problem farmer program loans, the farm economy further deteriorated and increased the probability of farm liquidations. In February 1982 FmHA revised its policy and decided not to act against borrowers for another year except in very extreme cases. This change did not require delinquent borrowers to demonstrate that they could reduce their delinquencies, fully secure existing loans, or eventually repay their FmHA indebtedness. There were five specific criteria to be met, however, before making subsequent loans to delinquent and problem case borrowers.

OIG found that these criteria were either misunderstood, misinterpreted, or not followed by FmHA field offices. Loans were made to farmers who had not acted in good faith, had not made honest efforts to pay, had not applied successful production and management practices, had not maintained and accounted for security, and had limited or no reasonable chance to repay the 1982 production loans plus interest. Of the 202 cases we reviewed, 101 had received 1982 production loans. We found that 68 of these borrowers had not met one or more of the five criteria and that 15 did not have a reasonable chance to repay the loans. In February 1983 we verified that 74 of the 101 borrowers had repaid only \$6.8 million of the \$12.1 million scheduled 1982 payments. We project that FmHA's improper implementation of 1982 policy affected 14,473 borrowers in the 1982 program, and involved \$440.1 million in EM loan funds.

FmHA has continued financing delinquent borrowers without providing required management assistance. FmHA provides management and technical assistance

primarily through the development of annual and long-term Farm and Home Plans. These formalized plans become the basis for making management decisions, determining the amount and type of financial assistance, and determining the borrowers' eligibility for subsequent loans. We found that annual plans in our sample were inaccurate or unrealistic in 102 cases. FmHA had not provided required servicing to delinquent borrowers, such as annual case reviews and farm visits. We project that 26,624 EM borrowers were affected by inadequate supervision and servicing actions.

FmHA faces serious problems in loan making and servicing within current staffing levels. Loan and grant amounts have more than tripled since 1974 while the number of employees who actually make and service most loans has increased only about 35 percent. A 1981 Office of Management and Budget report said of FmHA that, "Almost without exception, resources allocated credit management and servicing functions ... were severely deficient." Outstanding FmHA loan balances reached about \$56 billion by the end of fiscal year 1982, and delinquencies have exceeded over 50 percent in some farm loan programs. Although improved management policies can alleviate some problems, increases in staffing or reductions in loan volume seem viable alternatives.

BUSINESS AND INDUSTRIAL LOAN PROGRAM

Business and Industrial (B&I) loans are made by private-sector lenders to organizations or to individuals and guaranteed by FmHA for the purpose of improving the economic and environmental climate in rural areas. To obtain a loan, a borrower must have the capacity to repay it. Loans may be guaranteed by FmHA not to exceed 90 percent of the loan. Guaranteed loans are repayable in not more than 30 years, depending on the loan purpose, and bear interest at a rate agreed upon by the lender and borrower.

Our last semiannual report presented the results of our nationwide audit of borrower loan liquidations in the business and industrial loan program. As of June 30, 1981, 251 B&I loans with outstanding loan principal of \$214.2 million were in the process of liquidation. One hundred and forty-four other B&I loans with original loan principal totaling \$77 million had already been liquidated.

FmHA was required to honor loan guarantees totaling \$40 million on these accounts. Our audit estimated \$22.7 million of this \$40 million loss was directly attributable to poor loan servicing and improper liquidation processing by lenders and FmHA. We also estimated that FmHA could be required to honor \$100 million in loan guarantees of the \$214 million in liquidation.

As of February 9, 1983, the number of B&I loans in liquidation climbed to 341. FmHA estimates total losses payable on these loans as \$109.5 million.

Since our audit, the FmHA has taken a number of actions to prevent a continuation of losses. Final loss payment forms submitted by guaranteed

lenders for payment of loan guarantees must now be reviewed by FmHA national office staff. FmHA officials have stated they will request OIG services in performing final loss audits on liquidated loans, as they deem necessary. Regional training sessions were held to train State office staffs in loan liquidation procedures.

FmHA is still considering our recommendation that personnel vacancies for positions in the business and industrial loan program be filled with personnel possessing a proper academic background and experience in finance, accounting, economics, or business management.

Lender servicing still remains a problem according to the audits we conducted at the request of FmHA during this reporting period: a Massachusetts firm which had received an \$800,000 B&I loan in March 1981 became insolvent in October 1981. The lender's liquidation plan showed no recoveries were possible, but we found that the lender failed to obtain a complete list of collateral and current financial statements. On the basis of our report, FmHA required the lender to present a corrected loss plan.

In other developments:

- The loss plans submitted by lenders for two B&I loans in Wisconsin showed FmHA would lose approximately \$173,000. The lenders had recommended disposition of collateral at less than present value and had failed to take liens on property available as security for the loan.

- A Montana lender did not comply with FmHA instructions when the borrower moved his business from one town to another. Proceeds from the sale of the old business location were not applied to the building costs of the new location. Five mechanics' liens and a State tax lien were filed against the property, placing the lender's mortgage in a second position. The loss claims submitted included the amounts to cover these liens. Had the lender followed FmHA instructions, the liens would not have existed.

This lender also made eight other B&I loans, some of which are also in liquidation. We are reviewing the general liquidation plans on these loans. Problems in lender servicing similar to those above are evident.

Recently, in one of our ongoing investigations, information was filed in the District Court of the Virgin Islands charging seven defendants with 48 counts of racketeering, interstate transportation of property obtained by fraud, and mail fraud in a scheme to defraud the United States by obtaining \$3.1 million in loans guaranteed under FmHA's B&I loan program. The companies involved include an Oklahoma bank and several associated enterprises and several Virgin Island companies.

The information alleged the various defendants made false statements in support of each other to the FmHA. The bank was able to effectively reduce its risk of loss to zero, rather than 10 percent, and was able to extract large, profitable interest

payments on money never properly loaned and, in some instances, never loaned at all. The borrowers extracted "kickbacks" to themselves, made illegal "loans" to themselves, and diverted the borrowed funds to uses other than those allowed by FmHA. Judicial action is pending.

FINANCE OFFICE OPERATIONS

Rural housing loans are made to individuals to provide moderate cost housing and related facilities for persons of low or moderate income in rural areas. These loans are made only if the need for necessary housing cannot be met with financial assistance from other sources. FmHA subsidizes the interest payments on many rural housing loans, providing the subsidies in the form of interest credits.

In 1980, OIG performed a data base analysis at the FmHA finance office of rural housing loans to identify accounts which had expired interest credit agreements but continued to receive interest credit. This analysis identified 1,236 loan accounts in this category that were receiving improper annual interest credit subsidies totaling about \$940,000. We provided the FmHA finance office a listing of the accounts and recommended action to be taken to correct the conditions and retroactively adjust the accounts.

An OIG followup analysis in October 1982 found that the number of loan accounts receiving interest credit even though their interest credit agreements expired had increased to 2,056, approximately 66 percent, and the amount of annual interest credit subsidy had increased to \$1.8 million, approximately 94 percent.

Since OIG reported the October 1982 results to the FmHA Administrator, the agency reduced the number of accounts to 1,309 as of December 1982. The agency has also initiated a complete review of interest credit to identify problems and determine corrective actions, and it has requested that we perform monthly computer analyses of its progress.

COUNTY OFFICE OPERATIONS

Farm ownership loans are provided by FmHA to assist farm operators in purchasing the land or improving the farms they cultivate.

Interest Rates

OIG's ongoing computer analysis of FmHA's data base identified two conditions causing farm ownership loans to be carrying improper interest rates.

Approximately 1,110 farm ownership loans were re-amortized and/or assumed from January 1979 through June 1982. OIG's review identified 38 of these loans as having an incorrect interest rate. As a result, during the first year of these loans, FmHA was or will be underpaid about \$66,500 and overpaid about \$2,200. Unless corrected, these loans will continue to bear incorrect interest rates for the entire loan period.

In December 1982, OIG informed FmHA that some borrowers were being allowed to retain low interest farm ownership loans through accelerated repayment agreements either when they sold their farms on contract or graduated to other credit sources. In January 1983, FmHA advised that instructions were being changed to require accelerated repayment agreements for both farm ownership and operating loans to bear interest rates 1 percent higher than current loan rates or existing loan rate, whichever is higher when the agreement is signed. Based on loans accelerated during fiscal year 1982, we estimate that revised instructions will result in an annual savings of about \$375,000.

A special audit of a Tennessee FmHA county office disclosed substantial mismanagement and noncompliance with program requirements on the part of county office personnel, resulting in questioned Rural Housing and Farm Program loans and expenditures of over \$1 million. Many borrower case files did not contain sufficient documentation to justify the loans. Loan fund expenditures and property appraisals were questionable. In some cases the office made commitments to loan applicants before properly determining that they were eligible for the requested loans. Local realtors had taken advantage of FmHA borrowers and the Government.

The county supervisor engaged in personal business dealings with a contractor who built FmHA-financed dwellings without approval of the State Director. One day after the contractor had begun work on the county supervisor's residence, the county supervisor requested approval from the State Director, but such permission was never granted.

The State office initiated a review of eligibility and security for all rural housing loans, but we question whether some of the corrective actions taken were in the best interest of the Government. For example, the State office permitted loan closings to new FmHA applicants on

rural housing properties that had been vacated or sold by FmHA borrowers. In some cases the FmHA borrowers were shown as the sellers of the properties on the warranty deeds, but they did not receive the equity proceeds from the sales. Instead, the equity was disbursed to local realtors who had apparently acquired an interest in the properties but had not settled the prior loan accounts.

OIG conducted investigations related to FmHA programs that led to the following results:

- The former Chief of the FmHA Business and Industrial Loan Program in Oklahoma was named in a 31-count indictment accusing him of submitting fraudulent statements in approving \$12.2 million worth of FmHA loan guarantees. The 31 loans involved in the indictment ranged from \$60,000 to \$1 million. Trial is pending.

- An FmHA County Supervisor in Washington was named in a 2-count indictment accusing him of conspiring with a co-defendant to illegally obtain land through the manipulation of FmHA loan programs. The 2-count indictment charged the defendants with 1 count each of conspiracy and corrupt act by a public official. The indictment alleged that the County Supervisor, by use of his loan-making and servicing authorities, would obtain ownership of 35 acres of land from an unindicted FmHA borrower after the land was allegedly purchased by his co-conspirator. The County Supervisor has resigned. Trial is pending.

- An Oklahoma farmer was convicted of one count of a 19-count indictment for fraudulently securing a \$24,927 loan from the Agricultural Stabilization and Conservation Service by pledging 150 bales of cotton as security when the cotton was already mortgaged to the FmHA to secure an earlier loan. A sentence has not yet been imposed.

FEDERAL CROP INSURANCE CORPORATION

The Federal Crop Insurance Corporation (FCIC) is wholly owned by the Federal Government and was created to protect the farmer's production investment against unavoidable risks. The private sector, including reinsurance companies, is used to market and administer the program to the farmers.

For fiscal year 1983 (crop year 1982), the corporation estimates insurance in force of \$6.1 billion and farmer premiums of \$292 million. Estimated expenditures include a FCIC premium subsidy of \$98 million, bringing the total premiums to \$390 million.

REINSURANCE PROGRAM

The Federal Crop Insurance Act mandated FCIC to offer a program of "reinsurance" to the private sector. Under this program, private insurance companies insure farmers against crop losses, and

FCIC "reinsures" the private companies, thereby sharing their risk. FCIC in turn shares in the underwriting gains. FCIC subsidizes the premium payments made by the farmers, and also reimburses the companies for the costs associated with administering the program.

Farmers may transfer their insurance from one of the designated crop insurance companies to another, but to encourage new business and avoid nonproductive competition among the companies, FCIC has fixed the commission rate of "carryover" business at 22 percent, whereas the commission rate for new business is 27 percent.

Our review of FCIC activities under the reinsurance program began shortly after FCIC entered into reinsurance agreements in 1981. The review included a judgment sample of 1981 crop loss claims processed in 1982. We found that FCIC had not established accountability controls to prevent

individuals from obtaining policies from both FCIC and a reinsured company. Neither had FCIC established the controls needed to assure that policies transferred from FCIC or from one reinsured company to another would be properly classified as "carryover" business on the accounting reports submitted to FCIC, thus assuring application of the 22 percent commission rate for reimbursement purposes for carryover business. Controls were also needed so that insurance premiums could be

adjusted for good/adverse risk experience as required, and to prevent the duplication of premium or loss data on the accounting reports.

Our audit also included an assessment of reinsured company loss adjustment procedures. Through a review of 1981 loss claims filed with the reinsured companies, we found errors in the acreage, production, and share data of about 28 percent of the 75 claims reviewed.

INTERNATIONAL AFFAIRS AND COMMODITY PROGRAMS

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

The Agricultural Stabilization and Conservation Service (ASCS) administers commodity and related land use programs designed for voluntary production adjustment; resource protection; and price, market, and income stabilization. ASCS also administers the Commodity Credit Corporation (CCC), a corporation which is wholly owned by the Federal Government and which funds most of the programs administered by ASCS. CCC stores commodities and products that it acquires, or immediately sends them to available outlets.

The sale, donation, or transfer of CCC commodities is handled by the ASCS Kansas City Field Office and its branch offices in Houston, Texas, and Portland, Oregon. CCC promotes agricultural exports through sales, payments, guarantee of credit, and other operations. Fiscal year 1983 outlays for ASCS are estimated at \$288.5 million and for CCC at \$18.3 billion. A summary of OIG major audits in the past 6 months follows.

PAYMENT-IN-KIND PROGRAM

Under the Payment-In-Kind (PIK) program announced January 11, 1983, farmers can allow some of the land they normally farm to lie idle. In return, they will get a certain amount of the commodity they would have raised from reserves held by the Government. The PIK program is aimed at bringing supply more in line with demand. Its threefold objective is to reduce production, reduce surplus stock holdings, and avoid increased budget outlays that would otherwise be necessary under price support programs.

Soon after the PIK program was announced, OIG began monitoring development of the program, including a review of the handling of early applications by State and county offices. We made suggestions to the Department on a number of program provisions and issues which we believe would improve equity among producers, reduce Commodity Credit Corporation's costs, and assist in minimizing the vulnerability of certain provisions. In addition, we conducted an early review of State and county offices' handling of signup in the PIK program and reported our observations and concerns to the Department.

OIG initiated a series of special audits to monitor and test compliance with the PIK program provisions on a nationwide basis. Our basic objec-

tive is to identify problems in the implementation process and to detect weaknesses in systems or procedures that could impact on the delivery of 1983 PIK commodities. We developed a comprehensive audit plan consisting of a four-phase approach to the various stages of the 1983 PIK program. These phases include: monitoring of program development and implementation, audit of program signup and contracts in selected States and counties, audit of program compliance and effectiveness, and audit of program delivery of commodities.

Audits in 15 States now under review have raised some concerns about the way ASCS applies its procedures regarding the designation of base acres under the PIK program. We have found questionable farm reconstitutions (combining or dividing farms) and questionable adjustments in bases and yields after producers appealed their original designated acres. We are reviewing these areas to see what effect these reconstitutions and adjustments are having on the program.

AUTOMATED DATA PROCESSING ACTIVITIES

OIG reviews of automated data processing (ADP) activities disclosed that ASCS management at all levels needs to be more actively involved in systems development. We also found that higher priorities need to be assigned to ADP in the areas of justification studies, analyses of alternatives, systems testing, long-range planning, and technical approvals to ensure that these functions are properly performed. Details of our audit findings are as follows:

- The ASCS Kansas City Field Office (KCFO) did not perform sufficient planning or seek proper technical guidance in relation to ADP systems design and development. Justification/feasibility analyses were often incomplete and fragmented; basic system test procedures were not always followed; departmental technical approvals were not obtained; and long-range ADP plans were not developed. As a result, KCFO is incurring major problems in getting systems operational; systems are not being timely developed; and cost overruns have been incurred.

- ASCS did not plan to explore alternative types of ADP hardware and software during their study of ASCS county office automation. Our

review showed that the magnitude of county office automation (estimated cost of approximately \$50 million) necessitated a broad base of knowledge and information concerning various vendor hardware and software capabilities and limitations. Expanding the study to include multiple vendors of ADP equipment in an operational environment would help to better attain information for determining the best approach to county office automation and for developing procurement requirements.

- The KCFO did not perform required acceptance tests of major ADP system modifications. In addition, the KCFO did not provide for ADP system operational reviews to enhance internal controls and guard against design inefficiencies. As a result, system malfunctions and inefficiencies have occurred. System weaknesses resulted in or contributed to erroneous ASCS payment history files, personnel records, and financial reports.

- Followup on prior audit findings disclosed that KCFO managers had not implemented corrective actions they agreed were needed to strengthen automated internal control systems. In addition, followup reviews were not conducted by ASCS to ensure that corrective actions, once initiated, were maintained to prevent recurrence of the conditions reported. Because audit recommendations have not been fully implemented, the efficiency of ASCS operations has been reduced, financial accounts and other informational data are inaccurate, and overpayments and underpayments have been made.

In general, ASCS has agreed with our audit findings. They are currently in the process of developing plans to implement corrective action.

Peanut Price Support Program

OIG reviewed the handling of the Peanut Price Support Program by the Southwestern Peanut Growers Association, Gorman, Texas, to determine whether its financial statements were accurate and whether it complied with applicable laws and regulations. We identified weaknesses in the Association's billing, collection, and settlement procedures that cost CCC about \$450,000. Implementation of our recommendations will result in estimated continued annual savings to the Peanut Loan Program. We are recommending collection of about \$340,000 for nonenforcement of contract provisions and for tax collection procedures by the Association.

Several OIG investigation activities in ASCS/CCC programs are highlighted below:

- A former ASCS county executive director in Indiana and three other individuals were named in a 9-count conspiracy indictment. The indictment was based on two separate schemes by which a total of \$237,350 was taken from the Commodity Credit Corporation through fraudulent loans and sight drafts stolen from an ASCS county office.

The last count of the indictment describes a different scheme in which the county executive director used his position to set up fictitious loans with no collateral. One of the other indicted individuals negotiated the sight draft for the loan proceeds. Four sight drafts totaling about \$120,837 were cashed in this scheme. The trial is pending.

The same county executive director and one of the three others are presently awaiting sentencing in Federal Court after having entered guilty pleas to charges concerning a \$3.2 million counterfeiting operation for which they were indicted in the fall of 1982.

- A former vice president of a North Carolina farm organization who was Director of the ASCS Flue-Cured Cooperative Stabilization Corporation pled guilty in Federal Court to a charge involving the illegal sale of 6,917 pounds of tobacco valued at \$10,960. The tobacco was falsely identified and marketed under a Tobacco Marketing Card issued to another individual. Sentencing is pending.

- A Georgia farmer pled guilty to a criminal information in Federal Court and was sentenced to 4 years in prison. The information was filed after the farmer converted to his own use 17,069 bushels of 1979 crop year soybeans that were pledged to the Commodity Credit Corporation as collateral for a \$76,300 loan.

- An Illinois Federal Judge sentenced a grain elevator operator and his wife each to 4 years in prison and ordered them to make restitution of \$1.4 million dollars after they were convicted of mail fraud and theft in a series of acts to defraud the Commodity Credit Corporation and dozens of local farmers. The couple sold grain deposited in their warehouse for storage and failed to pay farmers for grain sold by the elevator on the farmers' behalf.

NATURAL RESOURCES AND ENVIRONMENT

FOREST SERVICE

The Forest Service is responsible for Federal leadership in forestry and carries out this role through protection and management of National Forest System lands. It also cooperates with State and local governments to encourage proper management of non-Federal forest land. It engages in a broad program of forest and range research and participates with other agencies in human resources and community assistance programs.

FORPLAN System

We have completed our review of the system development process used by the Forest Service to develop and implement the FORPLAN (Forest Planning) System. FORPLAN is a set of computer programs designed to provide the Forest Service with land and resource optimization techniques used in preparing National Forest resource plans required by The National Forest Management Act of 1976. The system is designed to provide necessary forest planning information used in developing long-range national goals for the Forest Service National RPA Program.

We found that the Forest Service had not followed Departmental and agency system development standards. Key system development processes were not completed prior to implementation of the system, which resulted in increased costs and time delays. OIG attributed these conditions to three problem areas: inadequate staffing of the FORPLAN project group; insufficient authority delegated to the project manager; and the lack of user involvement in developing the system. The Forest Service took the position that time constraints imposed by law made it necessary to forego some steps of the established system development life-cycle process where FORPLAN was concerned. We believe, however, that the Forest Service could have adhered more closely to the established process, still have gotten the job done on time, and avoided many of the problems encountered and costs incurred by shortcutting the process.

The Forest Service's reply to our audit report states that actions have been taken to preclude recurrence of this type of situation.

Forest Level Information Processing System (FLIPS) Procurement

The Forest Service is in the process of purchasing a distributive processing system to be used by

field units to meet local information processing needs. The system will be implemented over a 4-year period beginning in fiscal year 1983. The Forest Service estimates the cost of procuring this system at over \$72 million.

Our review of this procurement identified the following issues:

- In responding to a Congressional subcommittee's request for cost estimates, the Forest Service understated the full life-cycle costs of the system by more than \$70 million. The understatement occurred mainly because the Forest Service included only the cost of procuring the system and other nonrecurring costs in their response.

- The Forest Service and the Department's Office of Information Resource Management had not coordinated their activities closely enough to make sure that the communication requirements of the FLIPS were included in a Departmentwide procurement of telecommunication facilities.

- The live test demonstration developed for the FLIPS did not require vendors to demonstrate the full hardware-to-hardware communications ability of the offered equipment. Forest Service officials originally said that in light of other tests to be performed they did not consider the hardware-to-hardware interface ability to be an essential test area. In a response dated March 31, 1983, the Forest Service provided information that the vendors were required to demonstrate the interface capability of the hardware.

- An accounting process had not been established to accumulate and monitor the life-cycle costs of the system.

OIG recommended corrective action on these issues. The Forest Service sent the Congressional subcommittee a statement explaining how the understatement of system life-cycle costs occurred. Since then, the Forest Service was directed by Congress to maintain records of actual costs incurred and benefits realized, and to report this information to Congress periodically. Action has been taken or initiated by the Forest Service to deal with the other conditions reported. We intend to next review the FLIPS implementation process.

MARKETING AND INSPECTION SERVICES

FOOD SAFETY AND INSPECTION SERVICE

A major objective of the Food Safety and Inspection Service (FSIS) is to ensure that the Nation's commercial supply of meat and poultry products is safe, wholesome, and correctly labeled and packaged. The agency's fiscal year 1983 appropriation was \$328 million and the fiscal year 1984 budget estimate is \$333 million.

OIG conducted investigations related to FSIS programs that led to the following results:

- Our investigation of a federally inspected plant and a custom slaughterhouse in Pennsylvania led to the indictment of five individuals for conspiracy and several violations of the Federal Meat Inspection Act. Each of these individuals was involved, in one way or another, with the illegal slaughter of cancer-eyed, sick, and/or otherwise diseased cattle without the benefit of Federal inspection. These persons were also charged for stamping the meat with the USDA "Inspected and Passed" brand, and with transporting the meat in commerce for human consumption. All five persons were found guilty in Federal District Court. Sentencing is pending.

- OIG is currently investigating a federally inspected meat plant for the handling of adulterated and misbranded beef. During a search of this establishment in early February 1983, several boxes of the suspected product were seized as evidence. Our investigation disclosed that the adulterated beef was derived from unhealthy animals slaughtered off-premises

and transported to the plant in boxes designed for the exclusive use of the plant. This matter is ongoing and is being coordinated with the U.S. Attorney.

- In another recent investigation, OIG was asked to investigate three anonymous telephone calls placed to a poison control center, a television station, and a large beef processing plant. This investigation was brought to a successful conclusion through the invaluable assistance of a State police investigative unit and the unselfish cooperation of the telephone company. The telephone company devised a sophisticated method of backtracing the calls and matching them to the perpetrator's home telephone number. The caller, a disgruntled former employee of the beef processing firm, was placed under arrest for making terroristic threats. He admitted having placed the calls, and his contention that the entire incident was a hoax was supported by the results of a polygraph examination to which he submitted. Disposition of this matter is pending in the State district court.

GAO recently released a draft report on FSIS import activities entitled "Import Meat Inspection: Improved Management Needed to Achieve More Effective and Efficient Program." The GAO report details many of the same problems that OIG reported in a 1981 audit. We are concerned that the necessary internal controls are not in place and plan to initiate a followup review of FSIS import inspection activities after the Department reacts to the GAO report.

ANIMAL AND PLANT HEALTH INSPECTION SERVICES

The primary mission of the Animal and Plant Health Inspection Service (APHIS) is to protect animal and plant resources of the Nation from diseases and pests in order to preserve the marketability of agricultural products within this country and abroad. The agency's fiscal year 1983 appropriation was \$271 million and the fiscal year 1984 budget estimate is \$228 million.

In response to an OIG investigation, a Federal grand jury returned a 52-count indictment charging a corporation and its principal officer with making a variety of false representations to the Department concerning brucellosis and tuberculosis test records. (Brucellosis, a highly infectious

disease, causes abortion, sterilization, and loss of milk-producing ability. Bovine tuberculosis is a chronic and highly contagious disease which poses a danger to human as well as bovine health.) The false representations ranged from increasing the number of cows on the test records considerably above the number actually tested, to substituting the blood from a few "donor" animals for that of hundreds of cows. This investigation has been ongoing since December 1979 and the defendant corporation, at the time of the crimes charged, was a large dairy cattle dealer, selling cows in both interstate and foreign commerce. Disposition of this matter is pending in the Southern District of New York.

S C I E N C E A N D E D U C A T I O N

EXTENSION SERVICE/COOPERATIVE STATE RESEARCH SERVICE

The Extension Service was established to provide instruction and demonstrations through land-grant colleges in agriculture and home economics and to encourage the application of such information by demonstrations, publications, and other means to persons not attending or resident in the colleges.

The Cooperative State Research Service administers grants and payments to States for agricultural research carried on by a nationwide system of agricultural experiment stations.

Our audits of the 1890 Land Grant Institutions continue to disclose significant problems with fiscal accountability and controls. During this period we completed an audit of the Cooperative Research and Extension Service programs at Alcorn State University in Mississippi. Total questioned costs in this audit will exceed \$1.2 million. We recommended that more than \$1 million in unliquidated obligations (against funds retained in the U.S. Treasury) be deobligated.

The problems reported in this audit included:

- Inadequate accountability of Federal funds and property.
- Retention of excess program funds after grants had expired.
- Unreliable and untimely financial status reporting.
- Overcharges for salaries, fringe benefits, and indirect costs.
- Purchases of excess/unnecessary supplies and equipment. Some deliveries were scheduled to arrive after the grants terminated.

D E P A R T M E N T A L A D M I N I S T R A T I O N

DEBT MANAGEMENT

OIG efforts in the debt management area during the reporting period were limited primarily to a review of the Office of General Counsel (OGC) role. As the agency responsible for providing legal services to the Department, we found that OGC could do more to improve USDA's debt management.

Although OGC has conveyed to USDA agencies the need for operational and/or policy changes to prevent or reduce losses, these actions have been largely limited to case-by-case analyses. In our opinion, OGC needs to take a more active role in communicating the remedial action needed to remove impediments to litigation and debt collection. Some of the causes of losses already identified by OGC include:

- Security interests not being perfected.
- Questionable loans and insufficient servicing.
- Inability to recover from third parties.
- Incomplete information and documentation.

To establish better accountability and to encourage improvement in debt management, OGC needs a more formalized procedure for gathering and reporting data on the causes and extent of losses. Further, OGC should elevate these issues to higher levels of agency or Department management when corrective action is not taken in a timely manner.

CASH MANAGEMENT

OIG continued to give priority to the evaluation of cash management practices during this reporting period. Responses were received from all agencies included in our overall Departmental survey, which identified five areas that will need significant improvements before the Department has effective cash management.

- Agencies scheduled disbursements without regard to the due date. Early payments cause unnecessary interest costs, and late payments erode the Government's image. The Prompt Payments Act will help bring about necessary improvements.

- After receiving collections, agencies delayed depositing them at collection centers. Because there are already inherent delays in mail service and in check processing, agencies should expedite deposits.

- Collection centers did not deposit on a daily basis. Collection centers were holding receipts unnecessarily pending reconciliation of records.

- Agencies made advance payments prior to receiving services. Although program procedures allow for advance payments, they should not be made unless determined to be cost effective.

- Funds were held in accounts not under direct control of the Treasury. Some agency procedures caused funds to be unnecessarily held in bank accounts (e.g., of grantees) thereby incurring interest costs to the Government.

The Department has submitted the USDA Cash Management Action Plan for fiscal year 1983 to the Office of Management and Budget for approval. This action plan addresses some of our concerns, and we will be coordinating with appropriate Departmental officials on other problem areas identified during our survey and in conjunction with our ongoing audits within the respective agencies.

Processing Collections

OIG's prior semiannual reports have addressed the significant losses (increased Treasury interest costs) incurred by FmHA because of delays in processing and depositing collections. Although FmHA has made significant improvements, the agency continues to incur substantial losses because of delayed deposits.

We have monitored and reported on delayed deposits since December 1980, initially estimating a loss of \$19 million annually because of delays between the receipt and deposit of collections. We estimated that about half the loss was attributable to mail delay between county offices and the FmHA Finance Office. The other half was attributed to county offices delaying transmittal of collections to the finance office and finance office backlogs in depositing collections.

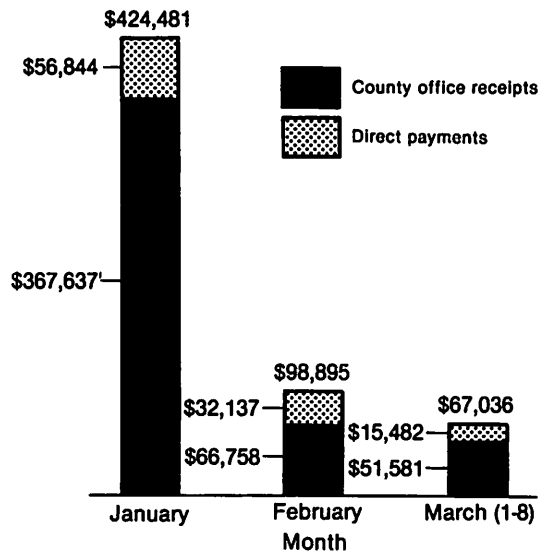
Despite FmHA efforts to correct this situation, OIG reviews in 1982 and the first 3 months of 1983 disclosed that substantial losses are still occurring. Further improvements are needed at both the county office and finance office levels to expedite deposit of collections.

Finance office records for February 1983 show that backlogs in undeposited collections ranged from 1 to 6 days for direct payments and 1 to 4 days for county office receipts. For the first 8 days of March 1983, the status reports show a steady backlog of 2 to 3 days for both direct payments and county office receipts.

Interest costs incurred because of backlogs at the finance office during the first 3 months of 1983 are illustrated in the following chart.

FmHA Interest Costs

First three months of 1983



Calculations allow 24 hours for deposit.

The finance office receives 70 percent of the daily collections by 8:00 a.m. Because the finance office enacted procedures for immediate deposit in December 1982, we recommended that sufficient resources be assigned to eliminate all backlogs and maintain a current deposit status throughout the year. In our opinion, a current status would constitute 70 percent of the collections deposited on the day received at the finance office and the remaining 30 percent deposited on the following day.

Regarding delays at the county offices in transmittal of collections to the finance office, we estimated that during 1982 the Government incurred unnecessary interest costs of about \$1.4 million. Our review of collections for April, May, and June of 1982 disclosed that 17 percent, or about \$172 million, was transmitted from 24 hours to 29 days after the date of credit. In addition, another \$6.8 million of these collections were not transmitted for 30 or more days after the date of credit, including some collections delayed almost 2 years. We recommended field offices be notified of these conditions and reminded of their responsibilities. We also recommended that FmHA establish a tracking system to determine problem field offices, and a daily cut-off time for credit of receipts. FmHA is evaluating our recommendations.

In June 1982, a joint FmHA/Treasury Short-Term Collection Study was established. The study, which was scheduled to be completed in March 1983, was intended to bring changes necessary to substantially reduce deposit "float." Implementation of the study results should help reduce excess interest costs.

SECURITY AND SPECIAL OPERATIONS

CONTRACT INVESTIGATIONS

In February 1982 the backlog of Equal Employment Opportunity (EEO) investigations was unacceptable. Some cases had aged almost 2 years awaiting investigative action; therefore, the Inspector General contracted EEO investigations to qualified firms.

The contracting procedure, in effect since July 1, 1982, has achieved the following significant results:

- The number of cases in inventory awaiting assignment has decreased by 40 percent.
- The cost of an investigation is less than half of that which it would have cost in-house and should result in an estimated annual savings of approximately \$750,000 for the Department of Agriculture. The current backlog has no unassigned case that predates July 1982.

- By May 1983, all geographical areas within the Inspector General's purview will be covered by contract.

- The activities of the Contract Investigations Branch, which was established to handle all technical contacts with contractors, have been computerized, and statistical data regarding EEO complaints will be furnished to agency heads periodically as a managerial aid. The data will identify areas of EEO program vulnerability and thus indicate where agency attention is most needed.

Based on current complaint receipts, we anticipate contracting out approximately 200 investigations per annum.

WHISTLEBLOWER COMPLAINTS

The Inspector General Act of 1978 (P. L. 95-452) provided for the Inspector General to establish a "hotline" to receive complaints or information concerning possible violations of laws, rules, or regulations; mismanagement or gross waste of funds; abuse of authority; and substantial and specific danger to public health and safety.

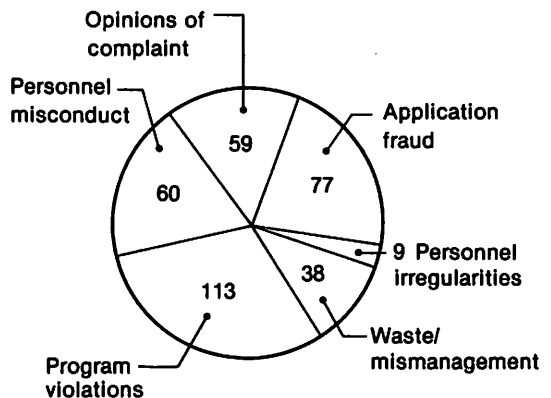
Complaints are received through various means, but the majority, 70 percent, are received by telephone. The Complaint Analysis Branch operates a 24-hour toll free hotline to receive complaints. This hotline serves a very useful purpose for the Department. While the phone number is publicized as a number to call to report fraud, waste, and/or abuse of USDA programs, many citizens also use this phone number to seek answers to questions they have regarding USDA programs. The employees of the Complaint Analysis Branch research citizens' questions and either find the answers and relay them to the callers or refer the callers to the appropriate agency for the information they are seeking.

The Office of Inspector General received 356 complaints during this reporting period. Of those received, 245 were opened as formal case files. The number of complaints received has increased every reporting period since the Whistleblower Hotline Office was established. We attribute this to the increased concern by citizens and employees to do their part to help eliminate waste in Federal spending.

The alleged violations are categorized in six areas. The following table indicates the alleged violations and the number of complaints received during this reporting period for each.

Hotline Complaints of Alleged Violations

First 6 months of FY 1983



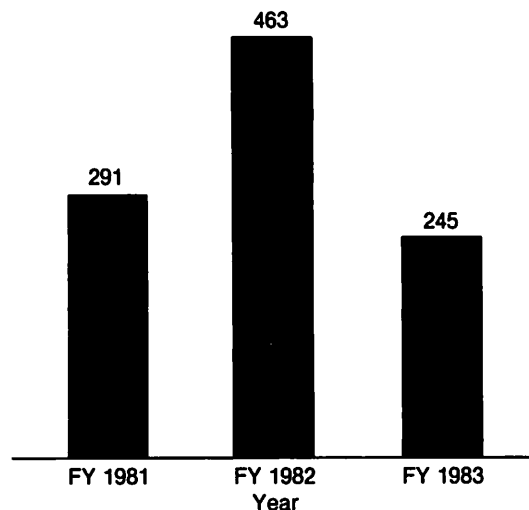
Note: Opinions of complaint - complaint not a violation. Questions the validity of USDA policy, programs or regulations.

Over half of the complaints received concern programs administered by the Food and Nutrition Service, and most of these are allegations of application fraud by recipients in the Food Stamp and Women, Infants and Children Programs.

During this reporting period, action was completed on 209 cases, whose files were closed. Of those cases closed, 16 percent of the alleged violations were substantiated.

The following chart reflects the increase of formal case files opened as a result of complaints over the past 2 fiscal years.

Whistleblower Complaints



Only first 6 months of FY 1983 indicated.

ADMINISTRATION

OTHER LEGISLATIVE/REGULATORY REVIEW ACTIVITY

OIG commented to the Legislation Committee of the President's Council on Integrity and Efficiency concerning H.R. 1092, "The Federal Computer Systems Protection Act of 1983." This bill defines computer-related felonies. In our comments we emphasized the need for passage of this bill before large losses are experienced. We made several suggestions to improve the bill. We suggested

that investigative jurisdiction be vested in the Offices of Inspectors General as well as the Departments of Justice and Treasury; misdemeanors should be included as violations; the language on vandalism should be broadened; the term "software" should be more adequately defined; and telecommunications and switching activities should be included in the bill.

FREEDOM OF INFORMATION AND PRIVACY ACT ACTIVITY

During this reporting period, we processed 280 requests under the Freedom of Information Act (FOIA), and released 321 audit, investigative, and other OIG reports in response to 233 of these requests. In 29 instances, we had no records. We denied 18 requests because release of the records would have interfered with law enforcement proceedings. For another 21 requests, part of the

information was withheld because its release would have constituted a clearly unwarranted invasion of personal privacy or would have disclosed the identity of confidential sources. There were no appeals. We estimate costs at \$125,000 annually (salaries only), although figures are difficult to calculate, given the problems of measuring time spent by field staff, supervisors, and clerical personnel.

ANALYSIS AND EVALUATION

USDA VULNERABILITY STUDIES

Office of Management and Budget Circular A-123, "Internal Control Systems," issued October 28, 1981, requires Federal departments to perform vulnerability assessments to determine the susceptibility of Agency programs to loss or unauthorized use of resources, errors in reports or information, illegal or unethical acts, and adverse or unfavorable public opinion. By action of the Secretary, the Investigations and Auditing Subcom-

mittee of the Secretary, chaired by the Inspector General, was responsible for coordinating, monitoring, and technically assisting in Department vulnerability assessments.

Based on a Departmental vulnerability plan approved by OMB, every USDA agency submitted an assessment evaluating all program and administrative functions.

Agency heads certified that the process had been conducted in accordance with the intent and requirements of the Circular. The assessments have been forwarded to the Assistant Secretary for Administration who, as Chairperson of the Administration Subcommittee of the Secretary's Policy

and Coordination Council, has been charged by the Secretary to provide leadership in implementing Departmental internal control reviews based on the vulnerabilities identified in the assessments. The OIG will continue to perform an oversight role in the A-123 process.

FEDERAL/STATE COOPERATION PROJECT ON THE REDUCTION OF WASTE, FRAUD, AND IMPROVEMENT OF MANAGEMENT IN GOVERNMENT PROGRAMS

The Office of Management and Budget (OMB) in conjunction with the Council of State Governments will host four regional conferences designed to promote continued cooperation between Federal and State governments by sharing information on successful

techniques used for reducing waste and fraud and in improving the management of government. OIG will participate and provide technical advice, particularly on the use of statistical sampling techniques at each conference.

STATISTICAL SAMPLING

The use of statistical sampling in OIG has continued to grow and to result in increased productivity. The new random sampling techniques used by both Audit and Investigations are, for the most part, large-scope program evaluations. However, county, State, and national estimates of program integrity are now being produced.

The use of these unbiased techniques has given program management a better idea of their areas of vulnerability. Statistical/mathematical techniques have helped to isolate problems effectively and to establish priorities for corrective action strategies.

DEBTS OWED TO THE DEPARTMENT

In accordance with a request in the Senate Committee on Appropriations' report on the Supplemental Appropriation and Rescission Bill of 1980, the following chart shows unaudited estimates

provided by the agencies of the Department of the amounts of money owed, overdue, and written-off as uncollectible during this 6-month reporting period.

DEBTS OWED TO THE DEPARTMENT OF AGRICULTURE (In Thousands of Dollars)

AGENCY	AS OF SEPTEMBER 30, 1982			AS OF DECEMBER 31, 1982		ESTIMATE AS OF MARCH 30, 1982		
	OWED	OVERDUE	WRITTEN OFF	OWED	OVERDUE	OWED	OVERDUE	WRITTEN OFF
			4/1/82 - 9/30/83					10/1/82 - 3/31/83
Farmers Home Administration	\$ 60,122,729	\$ 2,927,686	\$18,444	\$ 60,661,387	\$2,750,014	\$ 60,791,869	\$4,675,000	\$25,278
Rural Electrification Administration	30,449,588	7,175	-0-	31,399,007	7,246	32,296,152 ^{1/}	7,126	-0-
Agricultural Stabilization and Conservation Service/Commodity Credit Corporation	21,638,394	362,121	16,794	27,732,740	466,073	31,023,172	395,058	477
Federal Crop Insurance Corporation	240,926	26,183	119	165,766	19,184	76,785	14,131	349
Food and Nutrition Service	193,150	190,984	140	181,708	181,058	212,368	168,343	261
Forest Service	79,084	62,732	6,056	90,482	75,499	285,350	75,751	6,600
Soil Conservation Service	7,230	976	22	7,431	1,444	6,402	1,790	37
Agricultural Marketing Service	8,100	4,066	-0-	8,597	7,167	6,654	6,187	-0-
Federal Grain Inspection Service	4,499	2,249	-0-	3,272	603	3,276	236	-0-
Food Safety and Inspection Service	5,486	3,219	-0-	3,721	1,150	3,600	249	-0-
Office of International Cooperation and Development	5,573	4,674	-0-	6,323	6,222	13,500	12,745	-0-
Animal and Plant Health Inspection Service	35	21	-0-	499	320	1,149	640	-0-
Science and Education	233	224	-0-	133	116	659	275	-1-
Department Administration and Office of Secretary	99	98	-0-	98	98	92	92	-0-
Foreign Agricultural Service	54	54	-0-	53	51	57	57	-0-
Statistical Reporting Service	40	40	-0-	20	19	9	4	-0-
Working Capital Fund	428	323	-0-	383	357	246	238	-0-
Office of General Counsel	21	-0-	-0-	21	21	-0-	-0-	-0-
Economics Management Staff	25	25	-0-	25	25	3	3	-0-
Office of Inspector General	4	4	-0-	7	4	4	4	-0-
TOTAL	\$112,755,698	\$3,592,854	\$41,575	\$120,261,673	\$3,516,671	\$124,721,347	\$5,357,929	\$33,003

^{1/} Includes: Federal Finance Bank Loans - \$17,309,132
Certificates of Beneficial Ownership - \$ 3,310,707

APPENDIX

LISTING OF AUDIT REPORTS ISSUED OCTOBER 1, 1982, THROUGH MARCH 31, 1983

During the 6-month period from October 1982 through March 1983, the Office of Inspector General (OIG) issued 233 audit reports, including 32 performed under contract by certified public accountants.

A copy of audits listed may be obtained by contacting the Assistant Inspector General for Administration, Office of Inspector General, 12th and Independence Avenue, S.W., Room 8-E, Administration Building, Washington, D.C. 20250 (telephone: (202) 447-6915).

The following is a listing of those audits:

	<u>AGENCY</u>	<u>AUDITS RELEASED</u>
FNS	Food and Nutrition Service	75
FSQS	Food Safety and Inspection Service	6
FS	Forest Service	8
OGPA	Office of Governmental and Public Affairs	1
SCS	Soil Conservation Service	7
APHIS	Animal and Plant Health Inspection Service	3
FmHA	Farmers Home Administration	41
AMS	Agricultural Marketing Service	5
ASCS	Agricultural Stabilization and Conservation Service	21
OOF	Office of Operations and Finance	3
SEA	Science and Education Administration	8
FCIC	Federal Crop Insurance Corporation	4
MULTI	Multi-Agency/Division Code	51
	Total Completed	—
	- Single Agency Audit	150
	- Multi-Agency/Division	51
	Total Completed Under Contract*	32
	TOTAL RELEASED NATIONWIDE	233

*Indicates those audits completed under Certified Public Accountant contracts.

UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF INSPECTOR GENERAL -- AUDITING
AUDIT REPORTS RELEASED

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AGENCY - FNS FOOD AND NUTRITION SERVICE

AUDIT NUMBER	REGION	RELEASE DATE	TITLE
27-002-0001	NAR	11-01-82	COMMODITY DIST. PROG. COMMONWEALTH OF PR
27-002-0002	NAR	12-30-82	FNS COMMODITY DISTRIBUTION PROGRAM NEW YORK STATE
27-013-0001	NAH	12-01-82	MASS. FSP FOLLOW-UP AUDIT
27-013-0005	NAR	12-03-82	MAINE FSP OPERATIONS
27-013-0030	SWR	03-08-83	FNS FOOD STAMP PROGRAM MAIL ISSUANCE IN OKLAHOMA
• 27-013-0041	MWR	01-12-83	AUDIT OF MINNESOTA FSP HENNEPIN AND RAMSEY COUNTY PROJECTS
• 27-013-0043	MWR	12-27-82	COMPUTER MATCHING TO DETECT FRAUD IN THE FSP IN OHIO
• 27-013-0044	MWR	01-12-83	AUDIT OF MINNESOTA FSP - HENNEPIN COUNTY PROJECT
27-013-0074	WR	11-05-82	FNS-FSP, CALIFORNIA DEPT OF SOCIAL SERVICES, SACRAMENTO
27-013-0075	WH	10-29-82	FNS-CALIFORNIA FOOD STAMPS-INELIGIBLE ALIENS
27-013-0076	NER	01-04-83	FNS FSP SURVEY DEPT. HUMAN RESOURCES, WASH. D.C.
27-014-0803	MWR	10-28-82	FNS FSP CLARK CO DEPT OF PUBLIC WELFARE, SPRINGFIELD, OHIO
27-014-0804	MWR	03-11-83	FNS FSP TUSCARAWAS CO WELFARE DEPT, NEW PHILADELPHIA, OHIO
27-016-0007	GPR	01-07-83	JOINT OIG WAGE MATCH FOR FOOD STAMP PROGRAM, ST. LOUIS, MO
27-016-0018	GPR	01-21-83	METRO ST LOUIS FSP COMPUTER MATCH ST LOUIS MO
27-016-0050	MWR	10-28-82	FNS FSP MONTGOMERY CO DEPT OF PUBLIC WELFARE, DAYTON, OHIO
27-016-0077	SER	11-23-82	METRO ATLANTA FOOD STAMP MATCHING, ATLANTA, GA
27-016-0078	SER	12-23-82	FNS FSP FAYETTE CO., LEXINGTON, KY
27-016-0079	SER	12-14-82	MONTGOMERY CO. FSP FRAUD MATCH, MONTGOMERY, AL
27-016-0080	SER	10-29-82	FNS FSP COMPUTER MATCHING, CHATHAM CO., SAVANNAH
27-016-0082	SER	01-25-83	FULTON CO. FSP AND FEDERAL EMPLOYEES MATCH, ATLANTA, GA
27-017-0002	SER	10-05-82	FNS FSP, MIAMI, DADE CO., DISTRICT 11
27-017-0004	MWR	02-03-83	FNS FSP CUYAMOGA CO DEPT OF PUBLIC WELFARE, CLEVELAND, OHIO
27-019-0014	SER	10-28-82	FNS RECIPIENTS UNREPORTED INCOME, WAKE CO., RALEIGH
27-019-0017	SER	02-25-83	FNS FOOD STAMP WAGE MATCH, GUILFORD CO., GREENSHORO
27-019-0019	SER	03-07-83	FNS FOOD STAMP WAGE MATCH, BUNCOMBE CO., ASHEVILLE, NC
27-019-0019	WR	11-08-82	FNS-REVIEW OF FOOD STAMP LOSS CLAIMS BY HANKS
27-019-0022	WR	11-19-82	FSP-MULTI-STATE ISSUING-AGENCY-SSDC-SACRAMENTO
27-019-0025	WR	12-23-82	"FNS-FSP INCOME MATCHING IN LOS ANGELES, CALIFORNIA"
27-019-0031	SWR	10-18-82	FNS FSP PARTICIPATION BY FOREIGN STUDENTS
27-019-0044	MWR	10-15-82	MATCH OF UPM RECORDS AGAINST ILLINOIS FSP PARTICIPATION
27-019-0047	MWR	03-14-83	USE OF COMPUTER AND OTHER WAYS TO DETECT ILLINOIS FSP FRAUD
27-019-0049	MWR	11-29-82	USE OF COMPUTER IN OTHER WAYS TO DETECT INDIANA FSP FRAUD
27-019-0052	MWR	03-10-83	FNS, FSP, IUPA COMPUTER WAGE MATCH OF NPA HOUSEHOLDS, CHICAGO
27-022-0040	NER	12-29-82	FNS CNP USE OF ST AUM EX FUNDS & SFA OPR HAL. D.C.
27-023-0236	SWR	11-03-82	FNS NSLP AND SBP EDGEWOOD ISD SAN ANTONIO TEXAS
27-023-0237	SWR	03-31-83	FNS CHILD NUTRITION PROGRAMS TIMBO SCHOOL DIST TIMBO AR
27-023-0239	SWR	02-10-83	FNS NSLP SBP AND SMP ROMA ISD ROMA TX
27-023-0321	WR	03-11-83	FNS SCHOOL LUNCH PROGRAM BID RIGGING COMPLAINT SURVEY
27-023-0322	WR	02-28-83	FNS-NATIONAL SCHOOL LUNCH PROGRAM SCHOOL DISTRICT-RICH
27-025-0022	SWR	02-09-83	FNS CCFP LONOKE CO DAY CARE CENTER LONOKE ARKANSAS
27-026-0032	GPR	03-09-83	CNP - ESCUELA TLATELOTCO

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AUDIT NUMBER	REGION	RELEASE DATE	TITLE
* 27-028-0043	NAR	01-17-83	FNS SFSP MACHME ROV TOV BROOKLYN NY
* 27-028-0044	NAR	01-17-83	FNS SFSP BUFFALO PARK SUMMER LUNCH BUFFALO NY
* 27-028-0045	NAR	01-17-83	FNS SFSP BOBOVER YESHIVA BROOKLYN NY
* 27-028-0046	NAR	01-05-83	FNS SFSP FRESH AIR FUND NEW YORK NY
27-028-0091	WR	01-19-83	FNS-SFSP, LOS ANGELES COUNTY DEPT OF PARKS AND RECREATION-82
27-028-0092	SWR	12-03-82	FNS SFSPC APPLE SPRINGS TEXAS ISD
27-028-0093	SWR	03-21-83	FNS SFSPC AND FDP ROMA ISD ROMA TEXAS
* 27-029-0013	NER	10-12-82	FNS, CCFP, ARMY COMMUNITY SERVICE, FT. EUSTIC
* 27-029-0013	SEP	02-08-83	CCFP MARTHA O'BRYAN COMMUNITY CTR, NASHVILLE, TN
* 27-029-0017	SER	01-28-83	THE SALVATION ARMY, 200 MONROE, MEMPHIS, TN
* 27-029-0019	GPR	11-26-82	CHILD CARE CODE 54129
* 27-029-0024	SEP	02-08-83	S. STREET COMMUNITY CENTER, NASHVILLE, TN
* 27-029-0025	SLR	01-28-83	CCFP WEST END UNITED METHODIST CHURCH, NASHVILLE, TN
* 27-029-0032	SER	01-31-83	CCFP ST. LUKES CHILD DEVELOP. CENTER, NASHVILLE, TN
* 27-029-0045	SER	01-31-83	CHILD CARE PROGRAM ST. MATTHEW C. LEARN. CTR., MEMPHIS, TN
27-029-0100	WR	10-18-82	FNS-CHILD CARE FOOD PROGRAM-FDCA, KING COUNTY, SEATTLE, WA
* 27-031-0015	SER	11-16-82	FNS WIC KENTUCKY STATE AGENCY, FRANKFORT, KY
* 27-031-0029	SWR	10-18-82	FNS-WIC-STATE AGENCY, OKLAHOMA CITY, OK
* 27-031-0031	SWR	01-04-83	FNS AUDIT OF PUERLO DE ACOMA WIC PROGRAM
27-099-0007	NAR	02-03-83	SUBCOMMITTEE TASKFORCE FOOD STAMP INVOLVEMENT
27-099-0008	NAR	11-02-82	FNS SCHOOL LUNCH PROGRAM NEW YORK CITY WHISTLEBLOWER
27-099-0016	SWR	03-24-83	FNS NET TEXAS EDUCATION AGENCY, AUSTIN, TX
27-099-0020	SWR	11-03-82	FNS-WIC & FSP-VENDOR COMPLIANCE BERNALILLO NM
* 27-099-0046	NER	02-17-83	FNS PROGRAMS - GENERAL CONFERENCE OF 7TH DAY ADVENTIST
* 27-099-0047	NER	02-17-83	FNS PROGRAMS - SALVATION ARMY
27-541-0002	SWR	01-27-83	FNS FSP IMPLEMENTATION WAGE MATCH REGS DALLAS TX
27-561-0001	SER	10-21-82	A-102 DEKALB CO., GEORGIA - FNS
27-561-0003	SEP	01-26-83	FLORIDA DEPT. OF ED. - FNS NSLP, SBP, SMP, FSEAP, SFSP, CCFP
27-627-0003	NER	03-03-83	FNS FSP MGMT EVALUATION & CORRECTIVE ACTION PLANS
27-636-0002	SWR	03-31-83	FNS-CNP-NSLP TEACHER SUPVR AR BOARD OF ED, LITTLE ROCK, AR
27-64J-0001	MWR	11-03-82	FNS, FSP ROLLOVER CERTIFICATIONS
27-642-0001	NER	02-08-83	FSP ISSUANCES - REDEMPTIONS
27-805-0001	NAR	12-30-82	PCIE WAGE REPORTING MATCH NEW YORK CITY AND NEW JERSEY
TOTAL	FNS	FOOD AND NUTRITION SERVICE	- 75
AGENCY - FSUS	FOOD SAFETY AND QUALITY SERVICE		

AUDIT NUMBER	REGION	RELEASE DATE	TITLE
* 38-092-0011	NER	02-04-83	W.VA. DEPT OF AGRICULTURE INDIRECT COST AUDIT
* 38-092-0012	NER	03-10-83	MD DEPT OF AGRICULTURE INDIRECT COST AUDIT
* 38-092-0013	NER	03-10-83	DEL. DEPT. OF AGRICULTURE INDIRECT COST AUDIT
38-092-0014	NER	02-08-83	SPECIAL AUDIT DELA INDIRECT COST - INELIGIBLE PAYMENTS
38-560-0001	SER	11-24-82	A-102 FLORIDA DEPARTMENT OF AGRICULTURE - FSIS FUNDS
38-560-0002	SEP	03-07-83	SOUTH CAROLINA DEPT. OF AGRICULTURE - FSIS FUNDS
TOTAL	FSUS	FOOD SAFETY AND QUALITY SERVICE	- 06

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AGENCY - FS	FOREST SERVICE	AUDIT NUMBER	RELEASE DATE	TITLE
TOTAL	FS	FOREST SERVICE		
08-097-0004	WR	11-05-82		WHISTLEBLOWER COMPLAINT - SEQUOIA NATIONAL FOREST
08-097-0005	WR	03-04-83		WHISTLEBLOWER COMPLAINT-PAYETTE NF, MCCALL, IDAHO
08-530-0001	SER	03-22-83		FOREST SERVICE ATLANTA, GA. COMPUTER CENTER SECURITY
08-530-0001	GPR	11-03-82		FS LAND MANAGEMENT PLANNING SYSTEM, FT. COLLINS
08-545-0002	SWR	10-04-82		FS AUDIT OF CONTRACT PRICING PROPOSAL-ALBUQUERQUE
08-545-0004	SWR	10-18-82		FS AUDIT OF CONTRACT PRICING PROPOSAL TUSAS MESA ROAD 569
08-550-0001	GPR	02-11-83		FOREST SERVICE DISTRICTIVE PROCESSING SYSTEM I-PROCUREMENT
08-560-0004	SER	11-19-82		A-102 FLORIDA DEPARTMENT OF AGRICULTURE - FOREST SERVICE
AGENCY - FS	FOREST SERVICE			
TOTAL	FS	FOREST SERVICE		
AGENCY - GPPA	OFFICE OF GOVERNMENTAL AND PUBLIC AFFAIRS	AUDIT NUMBER	RELEASE DATE	TITLE
18-099-0002	HAD	11-09-82		REVIEW OF GPA REIMBURSABLE CHARGES
TOTAL	GPPA	OFFICE OF GOVERNMENTAL AND PUBLIC AFFAIRS		
AGENCY - SCS	SOIL CONSERVATION SERVICE	AUDIT NUMBER	RELEASE DATE	TITLE
10-545-0001	NAR	01-05-83		SCS CONTRACT CLAIM SERVICEONE CONSTRUCTION CO MERCER CO, NJ
10-545-0002	NAR	02-03-83		SCS CONTRACT AUDIT MASON PT WATERSHET PROJ SALEM CTY
10-545-0006	NER	01-21-83		SCS CONTRACT CLAIM, WARDENSVILLE, W.VA
10-545-0007	NER	01-21-83		SCS CONTRACT CLAIM, GANDEEVILLE, W.VA.
10-545-0008	SWR	01-27-83		SCS TX ST OF AUDIT OF CONTRACT TERMINATION CLAIM TEMPLE TX
10-545-0009	SWR	03-24-83		SCS ADDITIONAL CONTRACT CLAIM COMAL COUNTY AUDIT
10-560-0002	SER	11-24-82		A-102 FLORIDA DEPARTMENT OF AGRICULTURE - SCS FUNDS
TOTAL	SCS	SOIL CONSERVATION SERVICE		
AGENCY - APHIS	ANIMAL AND PLANT HEALTH INSPECTION SERVICE	AUDIT NUMBER	RELEASE DATE	TITLE
33-062-0011	SWR	10-18-82		FSIS COOPERATIVE MEAT AND POULTRY INSPECTION CLOSEOUT ARK
33-545-0004	GPR	10-29-82		WELLCOME PRICING PROPOSAL KANSAS CITY MO
33-560-0001	SER	11-24-82		A-102 FLORIDA DEPARTMENT OF AGRICULTURE - APHIS FUNDS
TOTAL	APHIS	ANIMAL AND PLANT HEALTH INSPECTION SERVICE		

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AGENCY - FMHA FARMERS HOME ADMINISTRATION

AUDIT NUMBER	REGION	RELEASE DATE	TITLE
04-011-0224	NEP	01-21-83	ALLENTOWN CO PREVENTIVE AUDIT, ALLENTOWN, PA
04-012-0316	WR	01-19-83	FMHA, YUMA COUNTY OFFICE, YUMA
04-012-0317	WR	01-19-83	FMHA, HUCKEY COUNTY OFFICE, HUCKEY
04-012-0646	SWR	11-22-82	FMHA, MADISON COUNTY, AR
04-012-0647	SWR	12-20-82	FMHA CHICOT COUNTY AR
04-012-0648	SWR	03-09-83	FMHA AUDIT OF LOAN PROGRAMS IN DONA ANA AND SIERRA COUNTY NM
04-012-0700	SEP	10-21-82	FMHA FAYETTE PIKE SPALDING COS., GRIFFIN, GA
04-012-0701	SEP	12-21-82	LEE RUSSELL CO. FMHA OFFICE, OPELIKA, AL
04-097-0001	WR	01-26-83	FMHRURAL HOUSING PROGRAM -COMPLAINTS JEROME CO
04-099-0005	NAR	12-30-82	AUDIT OF FMHA RURAL HOUSING FORECLOSURES
04-099-0006	NAR	12-21-82	FMHA BUSINESS AND INDUSTRIAL LOAN LIQUIDATION HYANNIS
04-099-0029	MWP	10-26-82	RRH PROJECT BEMIDJI MANAGEMENT BEMIDJI MN
04-099-0031	MWR	01-27-83	FMHA EE LOAN SPECIAL REQUEST AUDIT WISCONSIN RAPIDS WI
04-099-0032	MWR	11-26-82	FMHA CONSTRUCTION PROBLEMS BLUFTON INDIANA
04-099-0046	NER	01-21-83	PA FMHA PREVENTIVE AUDIT
04-099-0061	GPR	10-01-82	FMHA BUSINESS AND INDUSTRIAL LOAN TO CROSS MANUFACTURING
04-099-0062	GPR	12-21-82	FMHA LOANS - WELSH BROS., LANCASTER, MO
04-099-0063	GPR	01-24-83	SECURITY POSITION OF FMHA ON LOAN IN WHITEHALL MONTANA
04-099-0080	SWR	10-28-82	FMHA FISHER CO OFFICE, ROTAN, TX
04-099-0085	SEP	01-13-83	FMHA WILLIAMSON/DAVIDSON COUNTIES, FRANKLIN, TN
04-099-0091	SEP	02-17-83	FMHA STATE OFFICE, JACKSON, MS
04-099-0092	SEP	12-21-82	MITCHELL CO. FMHA OFFICE, CAMILLA, GA
04-099-0093	SEP	10-21-82	GRAVES FMHA CO. OFFICE, MAYFIELD, KY
04-099-0194	SEP	12-22-82	SHELBY FMHA CO. OFFICE, SHELBYVILLE, KY
04-099-0100	SEP	12-06-82	FMHA B&I LOAN PROGRAM, CARTERSVILLE, GA
04-099-0101	SEP	11-24-82	FMHA RURAL RENTAL HOUSING, MOBILE, ALA.
04-099-0104	SEP	03-09-83	SURVEY OF FMHA-REA WEATHERIZATION LOANS, JACKSON, MS
04-099-0109	SEP	03-01-83	SURVEY OF FEDERAL EMPLOYEES WITH FMHA LOANS, ST. OF KENTUCKY
04-099-0110	SEP	03-25-83	FEDERAL EMPLOYEES WITH FMHA LOANS, NORTH CAROLINA
04-545-0002	MWR	03-03-83	FMHA CONTRACT AUDIT MOBILE ALABAMA
04-545-0003	SWR	11-08-82	DCAA PREAWARD AUDIT - COST PROPOSAL - PRICE WATERHOUSE
04-545-0005	NER	01-27-83	INCURRED COSTS FMHA CONTRACT NO. 53-3157-1-9, WASH. D.C.
04-545-0006	NER	01-27-83	INCURRED COSTS, FMHA CONTRACT NO. 53-3157-1-13, D.C.
04-545-0007	NER	01-10-83	GRANT TERMINATION, FMHA, WASHINGTON, D.C.
04-561-0005	SEP	10-22-82	ALABAMA - OFFICE OF STATE PLANNING & FEDERAL PROGRAMS
04-561-0006	SEP	01-11-83	CENTRAL MIDLANDS REGIONAL PLANNING COUNCIL, COLUMBIA, SC

AUDIT NUMBER	REGION	RELEASE DATE	TITLE
04-606-0001	WR	10-18-82	FMHA B&I LOANS, SPEC IMPACT, LIQUIDATIONS, DELINQUENCY, CONTROLS
04-631-0001	GPR	03-04-83	FMHA PREVENTIVE AUDITS
04-632-0001	GPR	01-11-83	FMHA FO DATA BASE ANALYSIS
04-632-0007	GPR	12-10-82	FMHA LOAN ACCELERATED REPAYMENT AGREEMENTS
04-638-0002	SEP	03-31-83	FMHA EM LOAN PROGRAM-DEBT MGT. FOR DELINQUENT BORROWERS

TOTAL FMHA FARMERS HOME ADMINISTRATION

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AGENCY - AMS AGRICULTURAL MARKETING SERVICE

AUDIT NUMBER	REGION	RELEASE DATE	TITLE
• 01-041-0023	NER	03-30-83	AMS MIDDLE ATLANTIC MILK MKTG AREA ORDER 4
01-099-0019	NER	10-08-82	AMS POULTRY DIV. EGG REFERENDUM, WASH., D.C.
• 01-099-0020	MWR	11-01-82	CHICAGO REGIONAL MILK MARKET OPERATIONAL AUDIT SURVEY
01-560-0001	SER	11-24-82	A-102 FLORIDA DEPARTMENT OF AGRICULTURE - AMS FUNDS
01-560-0002	SER	03-07-83	SOUTH CAROLINA DEPT. OF AGRICULTURE - AMS FUNDS
TOTAL	AMS	AGRICULTURAL MARKETING SERVICE	- 05

AGENCY - ASCS AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

AUDIT NUMBER	REGION	RELEASE DATE	TITLE
03-003-0049	WR	03-10-83	ASCS WHEAT AND FEED GRAIN PROGRAMS STAT SAMPLE ID STATE
03-011-1081	MWR	03-11-83	ASCS PREVENTIVE AUDIT SHERIDAN CO MCCLUSKY NORTH DAKOTA
03-011-1087	MWR	03-15-83	ASCS PREVENTIVE AUDIT BROWN CO ASCS OFFICE MT STERLING IL
03-011-1091	MWR	03-15-83	ASCS PREVENTIVE AUDIT DOUGLAS CO ASCS OFFICE TUSCOLA IL
03-011-1203	SWR	12-02-82	ASCS HAYS CO OFFICE SAN MARCOS TX
03-011-1205	SWR	12-03-82	ASCS JASPER CO ASCS OFFICE JASPER TX
03-011-1206	SWR	02-04-83	ASCS CROSBY CO ASCS OFFICE CROSBYTON TX
03-091-0001	NAR	12-16-82	ASCS TOBACCO ASSOCIATION AUDIT SAN JUAN PR
03-091-0002	NAR	01-05-83	ASCS TOBACCO ASSOC AUDIT UTUADO PR
03-091-0098	SWR	03-28-83	SOUTHWEST PEANUT GROWERS ASSOC, GORMAN, TX
03-099-0029	WR	01-12-83	ASCS INCORRECT PAYMENTS IDENTIFIED DURING 303-49-SF AUDIT
03-099-0034	GPR	12-20-82	INDIAN ACUTE DISTRESS DONATION PROGRAM
03-099-0036	GPR	02-23-83	EMERGENCY LIVESTOCK FEED PROGRAM IN KANSAS
03-099-0037	GPR	02-23-83	EMERGENCY LIVESTOCK FEED PROGRAM IN MISSOURI
03-099-0038	GPR	02-23-83	EMERGENCY LIVESTOCK FEED PROGRAM IN SOUTH DAKOTA
03-099-0049	GPR	12-22-82	RUSSELL COUNTY ASCS OFFICE, RUSSELL, KS
03-099-0050	SWR	03-10-83	ASCS UPLAND COTTON PROGRAM
03-099-0051	SWR	01-13-83	SW IRR COTTON GROWERS ASSOC EL PASO TX
03-099-0052	SWR	03-01-83	ASCS SIGN UP SURVEY PIK PROGRAM
03-099-0065	SEK	03-21-83	SPECIAL ASCS PIK PROGRAM
03-530-0006	GPR	01-13-83	REVIEW OF KCFO DATA BASE DEVELOPMENT EFFORT
TOTAL	ASCS	AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE	- 21

UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF INSPECTOR GENERAL -- AUDITING
AUDIT REPORTS RELEASED
BETWEEN OCTOBER 01, 1982 AND MARCH 31, 1983

AGENCY - OOF OFFICE OF OPERATIONS AND FINANCE

AUDIT NUMBER	REGION	RELEASE DATE	TITLE
43-023-0002	GPR	11-04-82	TRAVEL VOUCHER AUDITS BY NFC NEW ORLEANS, LA.
43-023-0003	GPR	01-20-83	VALIDITY OF TRAVEL VOUCHER PAYMENTS NEW ORLEANS, LA.
43-099-0006	GPR	12-09-82	OFFICE OF OPERATIONS & FINANCE IMPLEMENTATION OF OMB A-121
TOTAL	OOF	OFFICE OF OPERATIONS AND FINANCE	- 03

AGENCY - SEA SCIENCE AND EDUCATION ADMINISTRATION

AUDIT NUMBER	REGION	RELEASE DATE	TITLE
40-001-0001	NAR	11-02-82	SEA ANIMAL DISEASE CTR WHISTLEBLOWER COMPLAINT PLUM ISLAND
40-002-0002	SER	11-02-82	SEA CSRS ALCORN STATE UNIV., LORMAN, MS
40-002-0004	SER	11-16-82	CSRS OVERHEAD COST PL 95-113 ALCORN STATE UNIVERSITY
40-003-0003	SER	10-18-82	SEA ES ALCORN STATE UNIV., LORMAN, MS
40-003-0004	SER	02-07-83	CES KANSAS STATE UNIVERSITY, MANHATTAN, KANSAS
40-003-0006	SER	11-09-82	CES OVERHEAD COSTS PL 95-113 ALCORN STATE UNIVERSITY
40-545-0003	NAR	02-15-83	SEA CONTRACT AUDIT NUTRITION RESEARCH CENTER BOSTON
40-545-0003	GPR	11-04-82	CONTRACT NO. 53-3K06-0-150, KS STATE UNIV. I, MANHATTAN, KS
TOTAL	SEA	SCIENCE AND EDUCATION ADMINISTRATION	- 08

AGENCY - FCIC FEDERAL CROP INSURANCE CORP

AUDIT NUMBER	REGION	RELEASE DATE	TITLE
05-099-0001	WR	03-18-83	FED CROP INS CORP-REGIONAL AND COUNTY OFFICE SURVEY
05-099-0004	SWR	01-28-83	FCIC OPERATIONS OF PRIVATE INSURANCE COS IN OKLAHOMA
05-099-0016	GPR	01-03-83	FCIC-REINSURANCE PROGRAM
05-099-0020	GPR	03-02-83	FCIC SURVEY
TOTAL	FCIC	FEDERAL CROP INSURANCE CORP	- 04

UNITED STATES DEPARTMENT OF AGRICULTURE
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AUDIT REPORTS RELEASED

BETWEEN OCTOBER 01, 1982 AND MARCH 31, 1983

AGENCY - MULT MULTI-AGENCY/DIVISION CODE

AUDIT NUMBER	REGION	RELEASE DATE	TITLE
50-099-0023	GPR	02-04-83	PCIE PROJECT - LETTER OF CREDIT
50-099-0026	GPR	10-27-82	REPORTING OF WRITEOFFS/FORGIVEN DEBTS TO IRS
50-099-0029	GPR	01-20-83	OVERHEAD RATE STUDY, NEW MEXICO STATE UNIVERSITY
50-545-0001	GPR	02-23-83	FNS ASCS COMMODITY RECONCILIATION, KC & WOC
50-550-0006	NEH	10-01-82	FY 1981 YEAREND SPENDING
50-560-0002	SFR	01-26-83	GEORGIA FORESTRY COMMISSION - FS, ARC, TVA, DOE
50-560-0003	NER	01-28-83	A 102 ISLE OF WIGHT COUNTY REC FAC. AUTH.
50-560-0005	WR	11-03-82	A-102 ALASKA STATE DEPART OF HEALTH AND SOCIAL SERVICE(HHS)
50-560-0006	WR	11-03-82	A-102 AUDIT OF THE PAPAGO TRIBE OF ARIZ - INTERIOR(LOGNIZ)
50-560-0007	WR	12-27-82	A102 OREGON STATE HUMAN RESOURCES-HEALTH DIV (USDA COGNIZANT)
50-560-0009	WR	12-23-82	A-102 OREGON DEPT OF AGRICULTURE (USDA COGNIZANT)
50-560-0010	WR	10-15-82	A-102 TAHOE REGIONAL PLANNING AGENCY (USDA COGNIZANT)
50-560-0011	WR	01-28-83	A-102 CITY OF SEATTLE USDA COGNIZANT
50-560-0012	WR	01-28-83	A-102 IDAHO STATE DEPARTMENT OF LANDS (USDA COGNIZANT)
50-561-0001	SEH	03-11-83	LOWCOUNTRY COUNCIL OF GOVERNMENTS - (FMHA)
50-561-0001	SWR	12-13-82	A102 ATT P RIO GRANDE STATE CENTER FOR MHRM
50-561-0001	WR	03-14-83	A-102 CONFED TRIBES OF THE WARM SPRINGS RESERVATION OF OR
50-561-0002	SWR	02-15-83	A-102 ATT P TEXAS DEPARTMENT OF HEALTH
50-561-0003	NER	12-14-82	RCKP REGIONAL INTERGOVERNMENTAL COUNCIL A102 FMHA DUNBAR WVA
50-561-0003	SWR	02-11-83	A-102 ATT P SOUTH TEXAS DEVELOPMENT COUNCIL
50-561-0004	NER	01-05-83	RICHMOND REGIONAL PLAN COMM. FMHA GRANTS A1102
50-561-0004	SWR	02-11-83	A-102 ATT P CITY OF SAN ANTONIO TX
50-561-0005	NER	01-17-83	A 102 AUDIT CAMBRIA COUNTY PLANNING COMM. EBENSBURG, PA
50-561-0005	SWR	02-14-83	A-102 ATT P TEXAS DEPARTMENT OF COMMUNITY AFFAIRS
50-561-0006	NER	02-24-83	A-102 CITY OF ROANOKE, VA FOR FY ENDING 63082
50-561-0006	SWR	02-14-83	A-102 ATT P CENTRAL OFFICE OF TEXAS DEPT OF MHRM
50-561-0007	NER	02-28-83	A-102 CITY OF MORGANTOWN, W.VA. YEAR END 6/82
50-561-0007	SWR	02-11-83	A-102 ATT P CITY OF AUSTIN
50-561-0008	SWR	02-18-83	A-102 ATT P DEEP EAST TEXAS COUNCIL OF GOVERNMENTS
50-561-0009	SWR	02-15-83	A-102 ATT P GOVERNOR'S OFFICE
50-561-0010	SWR	02-15-83	A-102 ATT P CHEROKEE NATION OF OKLAHOMA
50-561-0011	SWR	02-16-83	A-102 ATT P TEXAS DEPARTMENT OF HUMAN RESOURCES
50-561-0012	SWR	02-25-83	A-102 ATT P WHITE RIVER PLANNING AND DEV DISTRICT INC
50-561-0013	SWR	03-08-83	A-102 ATT P SAN ANTONIO STATE HOSPITAL AND SCHOOL
50-561-0014	SWR	03-09-83	A-102 ATT P BRENNHAM STATE SCHOOL
50-561-0015	SWR	03-10-83	A-102 ATT P RUSK STATE HOSPITAL
50-561-0016	SWR	03-10-83	A-102 ATT P LUFKIN STATE SCHOOL
50-561-0017	SWR	03-09-83	A-102 ATT P WACO CENTER FOR YOUTH
50-561-0018	SWR	03-10-83	A-102 ATT P STATE OF LA DEPT OF URBAN AND COMMUNITY AFFAIRS
50-561-0019	SWR	03-10-83	A-102 ATT P CHOCTAW NATION OF OKLAHOMA
50-561-0024	SWR	03-10-83	A-102 ATT P THE MIDDLE RIO GRANDE COUNCIL OF GOVERNMENTS
50-562-0001	NER	01-28-83	A110 GLAYDIN SCHOOL & CAMP, LEESBURG VA
50-562-0002	NER	01-28-83	A110 NATIONAL CAP UNION PRESBYTERY CAMP GLENKIRK, D.C.
50-562-0003	NER	01-28-83	A110 ST JOSEPH'S VILLA, RICHMOND, VA
50-562-0004	NER	01-28-83	A110 GRAFTON SCHOOL INC, BERRYVILLE, VA
50-562-0005	NER	01-28-83	A110 ELK HILL FARM INC, GOOCHLAND, VA
50-562-0006	NER	03-01-83	A-110 MT. ROGERS SHELTER HOME INC YEAREND JUNE 30, 1982
50-563-0002	NER	01-05-83	W. VA. UNIV. A-110 AUDIT FOR FY 1980 AND 1981
50-563-0003	NER	02-01-83	A110 TEMPLE UNIV. PHILA. FOR YEAREND JUNE '81
50-563-0004	NER	03-30-83	HOWARD UNIV. A-110 AUDIT
50-615-0166	NER	02-24-83	A-88 PAYROLL COSTS UNIV. OF CA. BERKELEY