



United States
Department of
Agriculture

Office of
Inspector
General

Semiannual Report Office of Inspector General

April 1, 1984 - September 30, 1984

PLEASE RETURN TO: ROOM 13-E
MANAGEMENT OPERATIONS STAFF



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

NOV 6 1984

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 from April 1, 1984 through September 30, 1984.

The Inspector General issued 313 audit reports, questioned costs and loans totaling \$62.6 million and closed or resolved 623 audits, resulting in total savings of \$208.2 million. This represented \$19.8 million in claims established for recovery, and \$188.4 million in agreed-upon savings and management improvements.

The Inspector General also reported 772 investigations, 595 indictments, and 588 convictions, resulting in fines, recoveries and collections of \$8.8 million, claims of \$7.3 million, and savings of \$302,060.

I continue my strong support for the Inspector General and his efforts to ensure the integrity and efficiency of the Department's programs.

Sincerely,

A handwritten signature in black ink that reads "John R. Block".

John R. Block
Secretary

Enclosure

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S U M M A R Y

From April 1984 through September 1984, the Office of Inspector General (OIG) issued 313 audit reports and 772 reports of investigation. At the time of report issuance, OIG questioned costs and loans totaling \$62.6 million. We resolved 623 audits, resulting in total savings of \$208.2 million. This represented \$19.8 million in claims established for recovery, and \$188.4 million in agreed upon savings and management improvements. OIG investigations led to 595 indictments and 588 convictions, and resulted in fines, recoveries, and collections of \$8.8 million, claims of \$7.3 million, and savings of \$302,060.

We have directed our efforts to those areas in the Department in greatest need of attention, with overall emphasis to stimulate program management improvements, including systems reviews involving automated data processing and telecommunications technology that are an integral part of the programs. On a government-wide basis, we have continued cooperative efforts with certain State and local governments with a view toward increasing program effectiveness.

A major concern of OIG and the Department is the quality of food products entering the marketplace, and the effect of USDA farm programs on the American farmer and on farm production. Recent OIG investigations into food safety determined that isolated cases of adulteration and misgrading of meat continue to occur, and that barring flagrant offenders from future operations is a necessary penalty and fraud deterrent. In Ohio, for example, a corporation that had been found guilty in 1976 of misgrading beef it sold to the military, pled guilty this year to new charges of the same violation. More notably, officials of a meat packing plant in Colorado pled guilty to schemes to sell adulterated and misbranded meat products to the Child Nutrition Program. Both the Ohio and Colorado plants have been closed and forbidden to reopen under the same management. In the case of the Colorado plant, two plant officials were given prison terms of 6 years and 15 months, respectively, and were fined a total of \$140,000. The Food Safety and Inspection Service has cooperated with OIG on these and similar cases, and has responded favorably to our suggestions.

Many of our investigations into food stamp fraud and trafficking were conducted with the support of local governments' investigative resources. Since our last report, the Food and Nutrition Service (FNS) is recommending some amendments to the Food Stamp Act of 1977 which should promote a more vigorous antifraud program by creating a less burdensome system for States to operate in obtaining reimbursement for 75 percent of the administrative costs for investigations and prosecutions.

We are also gaining State support for audits conducted under the single audit concept--OMB Circular A-102. For example, Minnesota completed and reported on its first organization-wide audit. For the State's fiscal year, ending June 30, 1983, Minnesota had \$6.5 billion in revenues, \$1.3 billion of which came from 212 Federal grants. OIG was the lead cognizant agency, in which the Minnesota State Legislative Auditor tested all 48 material grant programs for compliance with Federal laws and regulations. The Legislative Auditor reported findings affecting 64 grant programs involving cash management, indirect costs, payroll distribution, and Federal reporting. This audit will enable affected Federal Agencies to take action on issues common to numerous Federal grant programs as well as on the issues affecting individual grants.

FNS has moved toward a more controlled management of the food stamp program through States' use of computerized systems. However, there are still internal control weaknesses in these systems, particularly in the States' implementation of wage matching. In some cases the systems lack adequate controls because of design or developmental defects. One State had not only implemented a defective system, but also requested Federal cost-sharing reimbursement of about \$390,000 for questionable developmental costs. Wage matches were successful in some locations, most notably Kansas City, where food stamp recipients were indicted for illegally acquiring benefits in both Kansas and Missouri. Food stamp trafficking is still a problem and we continue to refer many cases for prosecution.

The Agricultural Stabilization and Conservation Service (ASCS) has been responsive to our audits and to improve program operations. We have reviewed the Payment-in-Kind (PIK) program as well as acreage reduction efforts in 1981 and 1982. While there has been general compliance with reduced acreage requirements, there are still some areas in need of attention. About 5 percent of the farms in our sample reported crop acres and idled acres outside the allowable tolerances, a variance that could involve standard payment reductions of at least \$5.9 million. We are working with ASCS to help control acreage reporting in current program operations.

OIG has been instrumental in working to prevent false storage claims and overcharges of commodity storage payments. An OIG system of "aging" PIK entitlements will identify irregular warehouse activity, while ongoing OIG audits can locate problem areas. In one case, a cotton cooperative which had claimed excess PIK storage fees of \$3.7 million due to a computer programming error, returned the excess payment to the United States Treasury after OIG auditors detected the error.

ASCS has responded positively to problems of control over loan collateral through its commodity loan programs. About 6 percent of the loans in our sample were shown to have collateral shortages, resulting in unsecured principal of an estimated \$28.5 million. ASCS has subsequently changed its procedures to verify collateral and to guard against unauthorized disposition.

OIG investigations have disclosed that Farmers Home Administration's (FmHA) loan programs still need strengthening. Cases involving the unauthorized conversion of property mortgaged to FmHA received considerable attention, as did cases of loan fraud and lender violations of loan agreements. OIG has been working with FmHA to tighten control over its programs. FmHA is aware of the problem areas, and at their request, we have audited some county offices. We believe FmHA should take further action to institute appropriate program reforms.

We continue to work with FmHA to improve the timeliness of their referrals of suspected criminal matters to OIG. Due to court ordered adjustments in FmHA regulations and the institution of new assistance programs for farms, formulation and implementation of revised referral regulations have been delayed.

The Federal Crop Insurance Corporation (FCIC) has acted to reduce its high loss ratio, which has been reported in previous semiannual reports.

FCIC is implementing reforms in its soybean indemnity program, a major source of its overall indemnity costs.

While overall control of program operations has improved Departmentwide, control of debt management within the agencies needs greater emphasis. FNS made significant progress to reduce outstanding receivables and to implement United States Department of Treasury's advanced cash delivery system. More can be done, however, to correct some material internal control weaknesses and to reduce the Federal cost of borrowing. Unnecessary interest costs on outstanding cash amounts are a major concern of the Department, and the Joint Financial Management Improvement Program. Our audit of cash and debt management operations by FNS disclosed practices that resulted in unnecessary costs to the Government of over \$4.6 million interest incurred. Similarly, ASCS' decision to defer collections of some unearned 1983 advanced deficiency payments could cost the Government up to an additional \$5 million in interest. We are working with these agencies to achieve more timely actions that will improve the effectiveness of these operations.

Except for the audit listed in our report under Audit Resolution and Followup, all recommendations included in previous reports to Congress involving significant dollar savings have been resolved.

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

AUDIT REPORTS ISSUED

From April 1, 1984, through September 30, 1984, OIG issued 313 audit reports including 112 reports prepared by certified public accountants and Defense Contract Audit Agency. Questioned costs and loans associated with these findings totaled over \$62.6 million. A detailed listing of reports issued during the reporting period is

included as an appendix.

AUDIT REPORTS RESOLVED

OIG closed 473 audit reports and resolved 150 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 Cost and Loans Intended for Collection	<u>\$ 30,500,435</u>
Loan Guarantees Recommended for Cancellation	<u>\$ 1,204,969</u>

At Time of Report Resolution

Postaudit Justification Accepted by OIG	<u>\$ 12,265,743</u>
Costs and Loans Referred for Collection	<u>\$ 18,614,213</u>
Loan Guarantees Canceled	<u>\$ 1,204,969</u>
Savings and Management Improvements **	<u>\$188,447,742</u>

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

DEBTS ARISING FROM OIG ACTIVITIES

Agencies of the Department of Agriculture established 198 new claims during the period covered by this report that arose from OIG activities. This amounted to approximately \$4.8 million, with \$3.7 million collected against these and other prior claims; and \$2.5 million waived,

compromised, or reduced because of postresolution justification.

AUDIT RESOLUTION AND FOLLOWUP

The following audit remains unresolved beyond the 6-month limit imposed by Congress:

<u>Agency</u>	<u>Date Issued</u>	<u>Title of Report</u>	<u>Dollar Value Unresolved</u>
ASCS	12-20-82	● Indian Acute Distress Donation Program (03099-34-KC)	\$ 182,000

● Indian Acute Distress Donation Program Issued December 20, 1982

The audit disclosed excessive distributions of donated grain. The unresolved issue is the establishing of claims for the excessive distributions. Since the program operates through the

Bureau of Indian Affairs (BIA), United States Department of Interior, this agency must take the initiative to establish claims. ASCS is in agreement with our recommended actions and has requested BIA to make claim determinations. (This matter was reported in the last semiannual report.)

IMPLEMENTATION OF OMB CIRCULAR A-102

OIG has responsibility for 74 State agencies and two Statewide A-102 audits, Pennsylvania and Minnesota. During this reporting period, A-102 audits have been issued for 23 entities where USDA is cognizant. Also, we have received and distributed 232 Attachment P audit reports furnished to us from other Federal cognizant audit agencies.

ORGANIZATIONWIDE AUDIT IN THE STATE OF MINNESOTA

During this reporting period, the Minnesota Office of the Legislative Auditor, with assistance from OIG, completed its first organizationwide audit.

The Legislative Auditor reported findings affecting 64 grant programs. While many of the findings were grant specific, the Legislative Auditor reported on several crosscutting compliance issues that were generally applicable to all Federal programs. These issues included cash management, indirect costs, payroll distribution, and Federal reports.

Based on our quality control review of the audit, we determined that the Legislative Auditor did an excellent job in performing the organizationwide audits in accordance with OMB Circular A-102, Attachment P - Audit Requirements. Particular strengths included comprehensive audit planning, development of detailed audit procedures for testing material compliance features of the Federal grant programs, completion of the audit in a timely manner, and a well-prepared financial and compliance report. The audit will enable affected Federal agencies to take action on issues common to numerous Federal grant programs as well as on issues affecting individual grants.

INDIRECT COST PROPOSALS

OMB Circular A-87 gives USDA cognizant responsibility for negotiating, approving, and auditing indirect cost proposals submitted by State departments of agriculture and forestry. The approved indirect cost rates allow these State agencies to recover indirect costs attributable to the Federal grants and programs they administer.

Audits have disclosed substantial misclassification or omission of costs, lack of supporting financial documentation, noncompliance with Federal requirements, and weak internal controls over the preparation and submission of the proposals. In total, we are recommending over \$2.4 million in adjustments to be effected through reduction of future years' indirect cost rates.

AUDITS OF CONTRACTS

OIG performed or arranged for audits of 38 pricing proposals, cost reimbursement contracts, and contractor claims. These audits resulted in questioned costs or potential savings of over \$20 million. Our reviews this period included the following:

- In the last semiannual report, we reported that airtanker operators under contract to the Forest Service (FS) could receive about \$3.5 million in profits above the benchmark established for the operators over the 3-year period of the contracts. Under the contracts, the operators provide airtanker services to the FS to combat forest fires. However, the FS felt they could not take any action to adjust the contract rates until they had cost information from each contractor, including the smaller firms and those not under contract currently but who had been in the past.

During this reporting period, we completed the collection and analysis of cost data for all contractors. We determined that 1984 payments exceeded the 20 percent profit level established by the FS by more than \$1 million. The total potential excess payout over the life of the contracts is about \$3.2 million.

Our report recommended that the FS: (1) adjust the 1984 payment rate retroactively to recover the excessive payments that have already been paid or that are due to be paid in 1984; and (2) revise the flight rates for the 1985-86 portion of the airtanker contracts.

- A Public Service District (PSD) received a \$1 million Community Facility Loan and Grant in April 1982 to construct a water plant and distribution lines. A local contractor was selected to perform the distribution line work at a cost of \$568,816. In March 1983, the contractor filed a request for arbitration and submitted a claim for \$18,337 because he encountered unusual soil conditions and was forced to adhere to State code specifications, as required by the contract. During arbitration in July 1983, the contractor amended the claim to \$367,695 and again in August 1983 to \$389,130. In September 1983, the assigned arbitrator awarded the full amount of the final amended claim to the contractor.

Our review disclosed that of the \$389,130 in costs claimed by the contractor, \$386,647 was not supported by the contractor's records. The PSD has filed a motion to overturn the arbitrator's award in the State courts.

- We reviewed a claim arising out of a FS contract that had been terminated for the convenience of the Government. We questioned \$101,624 of the total amount of \$134,865 because the contractor had claimed unallowable bid and proposal costs, as well as unsupported costs.
- Another FS contractor submitted an equitable adjustment claim for \$270,914, because the site conditions he encountered differed from those initially agreed upon. Our auditors found, however, that the contractor did not maintain auditable records. As a result, we questioned the entire amount of the claim.
- In an audit of a Soil Conservation Service (SCS) contractor claim of \$750,913, we questioned \$236,947 because we found that the contractor had improperly computed the value of its equipment. As a result, a contract modification was developed for the difference, or \$513,966.
- One contractor filed a cost claim of \$1,287,221 with SCS, claiming increased costs

due to differing site conditions. The contracting officer had denied the claim and the contractor then appealed to the Agriculture Board of Contract Appeals. Our audit, performed at the request of the Office of General Counsel, showed that the records did not support \$953,445 of the total reported costs of \$2,771,427. We therefore questioned the unsupported amount. This case is still pending a hearing before the Board of Contract Appeals.

AUDITS PERFORMED BY OTHERS UNDER CONTRACT OR AGREEMENT

During the reporting period, 112 audit reports were issued which were prepared by certified public accounting firms and the Defense Contract Audit Agency. At the time of issuance, these reports questioned costs of \$1.9 million in addition to savings expected of \$1.3 million. There were also 432 contracted audits resolved or closed. The resolution of these audits resulted in claims of more than \$1.3 million and reported savings of \$2.4 million.

INDICTMENTS AND CONVICTIONS

Between April 1, 1984, and September 30, 1984, we completed 772 investigations, 576 of which involved possible criminal violations. We referred 396 cases to the Department of Justice.

During the 6-month period, our investigations led to 595 indictments and 588 convictions. Fines,

recoveries, and collections resulting from our investigations during the same period totaled about \$8.8 million, claims were established for approximately \$7.3 million, and costs totaling \$302,060 were avoided.

The following is a breakdown by agency of indictments and convictions for the report period and the entire fiscal year.

Agency	April-September 1984		Total for FY 1984	
	Indictments	Convictions	Indictments	Convictions
Agricultural Marketing Service (AMS)	1	0	5	5
Agricultural Stabilization and Conservation Service (ASCS)	22	22	51	61
Animal and Plant Health Inspection Service (APHIS)	5	0	5	0
Farmers Home Administration (FmHA)	91	41	126	87
Federal Crop Insurance Corporation (FCIC)	0	1	1	1
Federal Grain Inspection Service (FGIS)	0	0	1	0
Food and Nutrition Service (FNS)	444	498	825	867
Food Safety Inspection Service (FSIS)	20	13	34	25
Forest Service (FS)	2	6	6	9
Rural Electrification Administration (REA)	0	2	1	3
Office of Inspector General (OIG)	0	1	1	1
Multiple Agency	10	4	13	4
TOTALS:	595	588	1069	1063

Note: Since the period of time to get court action on indictments varies widely, the convictions are not necessarily related directly to the indictments.

This period, OIG issued 43 Inspector General administrative subpoenas. One subpoena enforcement action was brought and was successful in the Federal District Court, Southern District of West Virginia. The compliance rate for the Inspector General subpoenas remains very high.

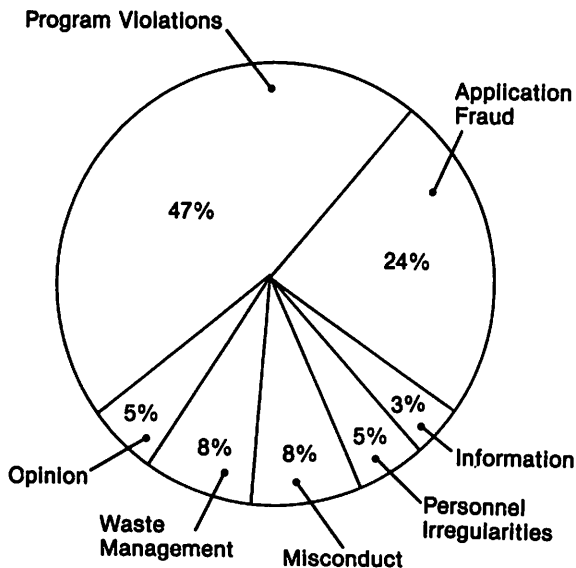
WHISTLEBLOWER COMPLAINTS

The Inspector General Act of 1978 provides for the establishment of a "hotline" by the Inspector General to receive complaints or information concerning possible cases of fraud, waste, and mismanagement.

The Complaints Analysis Staff has received 788 whistleblower complaints for the current 6-month period. The toll-free telephone number, operating on a 24-hour basis, continues to be our major source for receipt of whistleblower complaints (78 percent of the total calls). Of the 788 cases, 308 cases were closed; 63 of these were substantiated.

As indicated on the chart below, allegations of program violations--47 percent or about 367 calls--are the main type of complaints received.

Whistleblower Hotline Complaints



Complaints received this reporting period 788
Number of cases closed 308

FREEDOM OF INFORMATION AND PRIVACY ACT ACTIVITIES

OIG processed 267 requests under the Freedom of Information Act (FOIA) compared to 391 for the previous 6 months. The following schedule outlines FOIA data over the past two reporting periods.

	Last Period	This Period
Number of Requests	391	267
Number of Favorable Responses	340	210
Number of Unfavorable Responses	51	57

Unfavorable Responses Due to:

No Records Available	19	31
Requests Denied in Full	26	19
Requests Denied in Part	6	7
	51	57

Other Data Not Directly Affected by the Number of Requests:

Appeals Granted	3	4
Appeals Denied in Full	4	2
Appeals Denied in Part	0	1
Number of OIG Reports Released in Response to Requests	411	244

Note: A request can require more than one report in response.

PREVENTION ACTIVITIES

PROGRAM REVIEWS

New System May Prevent Payment-in-Kind (PIK) Storage Fraud

In order to prevent large dollar losses to the Government through false storage payment claims submitted by grain warehousemen, OIG has developed a monitoring system to "age" PIK entitlements for grain redeemed at warehouses with outstanding Commodity Credit Corporation (CCC) loading orders. The system is designed to isolate warehouses which may have intentionally altered or misdated PIK entitlements in order to fraudulently collect increased storage payments from CCC. Potential violators are targeted for investigation or claims reviews through computer listings for redeemed entitlements which show suspicious patterns of PIK redemptions. Preliminary inquiries are currently underway at 26 warehouses chosen from the listings because of their high rate of redemption late in the availability period.

Coordinated Financial Statements Need More Study

Recently, FmHA decided to replace its 4-page Farm and Home Plan with a 26-page set of complex financial statements, the Coordinated Financial Statements. Although FmHA's evaluation of a pilot project found that only 9 percent of FmHA borrowers could complete the forms correctly, FmHA still expects 200,000 Farmer Program borrowers to be using these forms by the end of 1987. Costs for nationwide implementation are now estimated at over \$12 million.

After studying the Statements, OIG identified a number of areas which require management attention in order to avoid future problems. Consequently, OIG recommended implementation of these forms proceed more slowly than previously planned. FmHA should use the additional time to evaluate the adequacy, appropriateness, and accuracy of the forms; the effectiveness of using the Statements as a basis for loan making and servicing; the ability of county office personnel to analyze and explain the forms to the borrowers; and the ability of the borrowers to complete the forms. At the same time OIG recommended that FmHA enforce recordkeeping requirements, provide information on the Statements to other local farm lenders, and develop computerized analyses of the information asked on the forms.

Statistical Techniques Help Predict Areas of Vulnerability

OIG has developed expertise in the area of error-

prone profiling by developing such profiles for the Food Stamp Program in the State of Michigan and several loan programs in FmHA. This work, in conjunction with implementation tests, will help isolate problems and establish corrective action. OIG is also designing sophisticated statistical samples which allow us to efficiently review complex USDA programs using limited staff and yet make valid estimates on the entire program universe.

OIG is researching different statistical methods to evaluate the management of USDA programs. Currently we are working on a multifaceted project to evaluate the management of timber sales by the Forest Service. To date, a sample has been designed to gather information in this area, and research is underway to find the best methods of analyzing this and other related data in large-scale program evaluations to determine if the program can be run more efficiently.

LEGISLATIVE/REGULATORY REVIEW ACTIVITIES

Legislative Change Should Strengthen Penalties Against Marijuana Growers

OIG reviewed the Agriculture-Environmental and Consumer Protection Appropriation Act, 1972, (PL 92-73), and recommended the Department sponsor legislation to modify one passage. The current language of this Act prohibits production payments or other payments (by USDA) to persons "who harvest or knowingly permit to be harvested for illegal use, marijuana, or other prohibited drug-producing plants on any lands owned or controlled by such persons." We believe this language is inadequate in that it makes no provisions for withholding USDA program payments from individuals engaged in planting, growing, cultivating, or producing marijuana. Thus, because the current law only specifies that no program payment will be made to persons who harvest marijuana, payments are made in some situations when a program participant is convicted of other criminal charges related to the production of marijuana.

We have proposed that the current language be changed to deny program payments to producers "who plant, grow, cultivate, store or produce for harvest, for illegal use, marijuana or other drug-producing plants on any land owned or controlled by such producers."

This legislative change would enable the Department to deny program payments and reduce the expenditure of taxpayer funds to any program participants convicted of illegally producing marijuana.

Regulatory Change Will Control Nondomestic Sugar

OIG assisted the Foreign Agricultural Service (FAS) in proposing a major change to Federal regulations governing an FAS program which licenses sugar refining companies to import, refine, and re-export foreign-produced sugar without regard to quotas. The proposed change strengthens certification and documentation procedures to insure that FAS license holders actually re-export all sugar imported under this program. In addition, the license holder would not be able to use a third party to re-export the sugar unless the third party is designated as the license holder's agent for purposes of re-exporting the sugar.

New Rule Weakens Milk Diversion Program

CCC published an Interim Rule in the Federal Register to change the regulations for the Milk Diversion Program so that program participants could transfer cows to 4-H or Future Farmers of America (FFA) projects and still be in compliance with their contract. OIG opposed this change in regulations because we believe allowing such

transfers would adversely affect the purpose and goals of the Milk Diversion Program. With less than 20 percent of dairy producers signed up for the Program, it appears 4-H'ers and FFA can obtain dairy cows for educational purposes from other sources. Further, it is possible at the end of the contract period, the cow previously transferred to a 4-H'er or FFA could revert back to the original owner and thus defeat the purpose of the diversion program. We believe that to change regulations after the first quarter of program operation also appears to provide a loophole for those participating producers, who may have experienced some difficulty reaching their projected quarterly reduction levels, and would circumvent the intent of the legislation.

We expressed our objection to this rule in a memorandum to the Administrator of ASCS, who indicated he would address our comments in the final rule. However, when the final rule was published, only six public comments were mentioned, and they were all in support of the provisions. No mention was made that any opposing views were received.

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. The budget request for fiscal year 1985 is about \$17.1 billion.

CASH AND DEBT MANAGEMENT

In fiscal year 1983, FNS was responsible for controlling the outlay of over \$5 billion (excluding food stamp issuances) to about 250 State agencies. These represent funds both for program and administrative functions. Prior to April 1982, the overall management of financial operations was centralized in FNS headquarters. In April 1982, FNS decentralized many of its financial operations to the seven Regional offices.

To ascertain the effectiveness of FNS's cash and debt management operations under a decentralized financial management program, we undertook a review of FNS's overall activities. Our work was coordinated with Department Financial Management officials and paralleled ongoing studies of cash management by the Joint Financial Management Improvement Program. We found that FNS had made a substantial effort to manage its financial operations effectively. Some commendable progress was noted in the reduction of outstanding receivables and in implementing the United States Department of Treasury's advanced cash delivery system. We believe, however, that more can be done to correct some material internal control weaknesses and to reduce the Federal cost of borrowing money.

Letters of Credit Activities: Our review of letter of credit operations disclosed that FNS needed to control more effectively the funds that State agencies withdrew from their letters of credit. State agencies withdrew more funds from their letters of credit than needed to pay current obligations, or they did not time the withdrawals to minimize the length of time the funds were deposited in State accounts.

These internal control problems resulted in the following conditions:

- In 18 of 33 State agencies in which we reviewed Federal cash balances, we found \$37.3 million in daily excessive cash balances. This cost the Federal Government over \$1.1 million in lost interest for the 3-month period we reviewed.

- Instead of determining the amounts improperly accounted for and collecting funds overdrawn, FNS carried the overdraws forward from one fiscal year to another, incurring unnecessary interest costs. In fiscal year 1982, FNS carried over \$20 million into the next fiscal year's letters of credit as overdraws.
- Six State agencies had made almost \$2.9 million in excessive advances to subrecipients, costing the Federal Government over \$300,000 in interest.

Debt Management Activities: FNS had over \$290 million in accounts receivable as of September 30, 1983, of which about 89 percent represents food stamp recipient claims. Our review of FNS debt management activities disclosed that FNS was not promptly establishing receivables for all claims and assessing interest on all delinquent receivables. As a result, the Federal Government did not realize almost \$3.2 million in interest associated with the claims.

Other Activities: We also reported that FNS lost about \$2.7 million over an 18-month period because it was not collecting all food stamp shortages incurred by issuing agents. FNS has followed a policy of netting each of over 5,000 issuing agents' coupon overages for a 6-month period against coupon shortages before billing the responsible State agency. FNS also allowed issuing agents to net food coupon overages against shortages between tellers, days, and locations before the agents remitted reports to FNS. These procedures reduced State agency liabilities by over 80 percent at the three issuance locations we reviewed. Nationwide, issuance points reported over \$13.6 million in shortages, after netting them against their overages as shown above.

FNS officials disagreed with some of our assessments and thought the problems we were reporting were not balanced with examples of improvements FNS made in managing cash and debts. FNS also believed some of our recommendations were potentially not cost-beneficial and would create an excessive administrative burden upon FNS and the State agencies. We believe our findings are fairly presented and balanced, noting both FNS's accomplishments and examples of operational problems that need to be addressed. We also think our recommendations provide a viable means of improving internal controls as well as complementing other management improvements FNS has made in recent years. We will work with FNS to resolve the open issues.

FOOD STAMP PROGRAM

In fiscal year 1984 about 22 million persons will receive \$10.4 billion in food stamps to purchase food in retail stores. Benefit costs for fiscal year 1985 are estimated at \$10.2 billion.

Problems with State-Administered Programs Continue

We previously reported the problems one State encountered trying to reduce losses from duplicate issuances of Authorization to Purchase (ATP) cards. Our followup review indicated that needed controls were still not in place. We also audited the program in three other States during this period and found similar problems with ATP issuances and other internal controls.

Our followup audit revealed that the State agency changed the issuance file to agree with the redeemed ATP when the two did not reconcile. For the 6-month period reviewed, we identified 39,632 unmatched ATP cards valued at about \$6 million that were not reported to FNS. We reviewed a random sample of 100 of these unverified transactions and found an actual overissuance error rate of 10.9 percent. Since the State had been reconciling in this manner since February 1981, we estimated that actual overissuances of over \$3.1 million have not been detected through May 1984.

We also found that although the reconciliation procedures identified food stamp households that received duplicate benefits during a month, the overissuances were not always recovered or properly reported to FNS. The State agency assumed recipients were responsible for the duplicate issuance, but the State did not pursue claims against them. We estimated that there were approximately \$800,000 in duplicate ATP issuances that were not properly reviewed and resolved during the period February 1981 through May 1984.

The State has agreed to improve controls over its reconciliation process, to report all unmatched ATP cards to FNS, to follow up on out-of-balance conditions, and to initiate recipient claim actions in the future. However, the State has not agreed to correct past reconciliation reports because State officials attribute the errors to recipients and therefore do not believe a correction would increase the State's liability. Since the errors have not been researched, we continue to believe the reports should be corrected to identify all unmatched ATP transactions and that followup actions need to be initiated to establish State agency and recipient liabilities, and to recover the overissuances. We are working with FNS to resolve this issue.

The other three audits disclosed that the establishment and recovery of claims against recipients continue to be a common problem. There are lengthy delays and large backlogs in establishing claims against households, obtaining decisions against recipients suspected of fraud, and initiating collection action on established claims.

In two of the States we audited, we found internal control weaknesses. Specifically in need of improvement were: (1) security over accountable forms, returned food coupons, collections, and access to computer terminals; (2) separation of duties among data unit personnel; (3) computer edits to prevent duplicate issuances of ATP cards; and (4) timely reconciliation of redeemed ATP cards.

In one State, we concluded that effectiveness of the quality control (QC) process could be improved by (1) assuring that each participating household is given a chance to be selected as a sampling unit; (2) making greater use of wage matching by QC reviewers to detect unreported household income; (3) reducing the number of sample cases with known errors which are reported as not completed or eliminated from review; (4) having the State agency provide more assistance to project areas in establishing claims; and (5) promptly terminating participation of households that refuse to cooperate.

In another State, we found that control records on wage/benefit matches were not maintained and match data were not generated and furnished to eligibility workers in time for effective use during recertification actions.

County Corrective Action Is Slow On Food Stamp Matching Audit

A prior audit disclosed 574 cases with underreported income which we referred to one State's County Department of Social Services for claims determinations. The claims unit was to verify employment and income data and prepare claims for overissuances of food stamps resulting from unreported or underreported income.

Our followup disclosed that the 574 referrals had not been processed in a timely manner:

- Only 33 percent, or 191 referrals, were completed and claims determinations (of about \$104,000) were finalized.
- About 43 percent, or 246 referrals, were pending claims determinations (of about \$113,000) and still in process.
- About 24 percent, or 137 of the referrals (valued at about \$83,000), had been incorrectly dropped from further consideration.

County officials did not establish claims for the 137 cases they dropped because employers and recipients refused to provide detailed wage information. The county's action conflicted with the direction from a State agency official, who advised the County Food Stamp Coordinator to establish tentative claims based on OIG's estimated figures for all cases for which employers had not furnished wage verification. Further, some of these recipients continued to participate in the program despite Food Stamp Manual instructions and State agency reminders that recipients who failed to cooperate should be terminated.

As a result of our followup audit, claims determinations were made on the 137 cases where employers or recipients had not provided wage verification information. However, the action was not completed until about 20 months after the audit report was released.

Kansas-Missouri Wage Match Leads to Indictments

In the Kansas City, Kansas, and Kansas City, Missouri, areas six food stamp recipients have been indicted as a result of a wage match and investigation by OIG. This investigation is expected to involve more than 40 cases of illegally acquired food stamps ranging from about \$1,000 to as much as \$8,000 per case. Several of the recipients were receiving food stamps and other benefits in Kansas as well as in Missouri.

Some State Automated Food Stamp Systems Need Tighter Controls

We continue to monitor the development and implementation of the various State automated systems that support and are partly financed by FNS programs. Our objectives are to evaluate internal controls that are planned in the system design and to verify that claims submitted for development costs are accurate.

Our monitoring efforts continue to disclose inaccurate cost reporting and inadequate controls. For example, the audit of one State disclosed that:

- To avoid reporting development costs in excess of the amount approved by FNS, the State agency incorrectly reported food stamp system development costs of \$784,274 (50 percent shared and reimbursed by FNS) as operational costs.
- Additional edits and data elements were needed in computer programs to detect incorrect food stamp issuances.
- The State agency did not have an effective data and computer security program. Computer

passwords were not adequately protected, and security controls to prevent unauthorized access and changes to data were weak. In addition, physical security over the computer terminals needed to be strengthened to deter theft or misuse of the equipment.

Catalogue on Front-End Eligibility Verification Systems Available Soon

As a member of the Front-End Eligibility Verification Systems Work Group of the President's Council on Integrity and Efficiency (PCIE), OIG has participated in the development of a survey of States and territories to collect and analyze information on front-end or prepayment verification techniques used in administering the Aid to Families with Dependent Children, Food Stamp, Medicaid, and Unemployment Insurance programs. The Work Group is compiling a comprehensive catalogue of these techniques for broad distribution to Federal, State, and local officials. For those officials considering implementing a similar system or enhancing an existing system, the catalogue will serve as an important guide to the types of systems in place in other areas.

Improvements Seen In Enhanced Funding for Fraud Pursuit

In the last semiannual report to Congress, we reported that in spite of intensified efforts by the Administration to control fraud in the Food Stamp Program, there had not been a significant increase in prosecuting fraud, or in establishing and collecting fraud claims. Our review of the Enhanced Funding Program, which reimburses States for 75 percent of the administrative costs for investigations and prosecutions concerning food stamp fraud, determined that FNS needed to change its regulations to make the program work better.

Since our last report, FNS is recommending some amendments to the Food Stamp Act of 1977 which should promote a more vigorous antifraud program by creating a less burdensome system for the States to operate.

FNS has also clarified which activities are eligible for the enhanced funding and has initiated collection action for the overpayments identified by our audit report. Also, based on our recommendations, FNS has made "Fraud Prevention" activities eligible for the higher funding level. "Fraud Prevention" is a very successful program used by some counties in California to identify potential fraud or misrepresentation before the recipients are certified for benefits.

These proposed changes and positive actions taken by FNS should result in better detection and prosecution of fraud and collection of claims in the Food Stamp Program.

Major Developments in \$4.8 Million Food Stamp Theft Case

In our last semiannual report, we reported that 10 people were indicted for the theft of \$4.8 million in food stamps from the United States Bank Note Company, Philadelphia, Pennsylvania. To date, eight of the individuals have pled guilty or have been convicted, one person was acquitted, and one is still a fugitive.

Joint Investigations in Food Stamp Cases Show Results

Working jointly with the Department of Social Services Fraud Unit of Buncombe County, North Carolina, we conducted a 15-month investigation into food stamp recipient fraud and trafficking. The investigation, initiated at the request of the United States Attorney of the Western District of North Carolina, resulted in the indictment of 60 food stamp recipients for falsifying welfare applications to obtain approximately \$50,000 worth of food stamps. Twenty-seven persons were convicted for purchasing food stamps from OIG undercover agents for cash, drugs, automobiles, and other property.

The Buncombe County Fraud Unit conducted the recipient fraud investigations; OIG conducted the trafficking investigations and assisted the Fraud Unit with the arrest of fraud suspects and the preparation of case materials for prosecution in Federal court.

In a Maryland investigation, conducted jointly with the Federal Bureau of Investigation (FBI) and the Montgomery County Police Department, OIG found that a painter working in a bank located in Rockville stole \$39,000 worth of food stamps from the bank's vault. The painter pled guilty to the theft in Federal court and was sentenced to 6 years' imprisonment. Prior to his arrest, the painter had already used the food stamps as downpayment on the purchase of cocaine.

Through the cooperation of the New York City Human Resources' (HRA) Office of Inspector General and the Department of Investigation, we were able to identify an HRA employee and three of her associates who devised a scheme to defraud the Food Stamp Program. The HRA employee opened 93 fraudulent food stamp recipient addresses of fictitious names and the legitimate addresses of three of her relatives. The four individuals involved received ATP cards and redeemed them for food stamps. The food stamps were then used to buy food or were discounted for cash. The food stamp benefits paid in these fraudulent recipient cases totaled about \$140,000. The HRA employee and three other persons have pled guilty to their involvement in the scheme.

Food Stamp Trafficking Still a Problem

The unlawful exchange of food stamps for cash or other nonfood items persists as a problem. Following are examples of food stamp trafficking cases recently referred for prosecution:

- In San Antonio, Texas, 26 people were indicted and arrested for food stamp trafficking. Twelve of those arrested were retail grocery store owners, an inordinately high percentage for this type of Food Stamp Program violation. Among the items purchased from the merchants and others with food stamps were stereos, television sets, and pornographic literature. Several of the suspects have been convicted and sentenced; the other cases are pending final judicial action.
- In Los Angeles, California, a retail grocer, his wife, and an accomplice were arrested while transacting the purchase of \$50,000 in illegally acquired food stamps from an OIG undercover agent. They were subsequently indicted, tried, and convicted on all counts.

FOOD DONATIONS PROGRAM

Mismanagement Results in Food Losses

Public Law 98-8 enacted March 3, 1983, provides for the distribution of surplus agricultural commodities to schools, charitable institutions, temporary shelters, hunger centers, and food banks for the purpose of feeding needy persons. For each of the fiscal years 1983 through 1985, \$50 million was available to offset the cost of storage and distribution of the commodities.

OIG has closely monitored the implementation of this program. Previous semiannual reports outlined some of the problems with accountability, eligibility, and waste we have encountered. More recently, we audited the program in one large city in response to allegations of waste and mismanagement. Our review related, to the extent possible, upon the results of the city's audit of the losses. We adjusted the amount and value of spoiled food reported by the city, and we identified about 158,000 pounds of food which the city audit could not account for.

We also found that the city did not provide adequate warehousing for commodities and ordered commodities in excess of its needs. The city continued to store commodities in a cold-storage facility where known refrigeration problems were occurring. Dry goods commodities were stored at another warehouse after the city's own Department of Health identified it as inadequate. Although some actions were taken to correct known deficiencies before commodities were stored at

the warehouse, the actions were not sufficient to prevent spoilage and rodent and insect infestation. Because of these problems, the city discarded or could not account for over 568,195 pounds of food valued at about \$418,275.

Part of the city's problem stemmed from over-supply. The city's Mayor's Emergency Relief Food Program (MERFP) overestimated its operational needs and continued to order commodities based on the overstated estimates, rather than actual use. At the time of our audit, the MERFP had on hand approximately 1.5 million pounds of commodities, valued at \$1.3 million, which represented a 2.2 years' supply. To determine whether commodity losses similar to these existed at other locations, we performed limited reviews of the operations at six other recipient agencies. Our visits did not disclose any similar problems.

While the city is primarily responsible for the commodity losses, the State agency (SA) did not control inventory levels and did not act when it became aware of reported food losses. Following our review, the SA has taken actions to correct these problems.

Our audit also found that five of the seven recipient agencies we reviewed overclaimed \$379,543 for reimbursement of commodity storage and distribution costs. The reimbursement claims included costs that were funded by other Federal programs, overstated costs, or costs based on the maximum reimbursement rate rather than actual expenditures. In response to our audit, FNS has required the SA to collect \$418,275, representing the value of commodities lost through spoilage or inventory shortages, or replace the lost food in accordance with regulations. FNS also required the SA to recover the \$379,543 representing ineligible costs disbursed to recipient agencies.

WOMEN, INFANTS AND CHILDREN PROGRAM

Arrests, Indictments and Convictions in Three Food Voucher Cases

OIG investigated cases of theft, embezzlement, and forgery of food vouchers in the Special Supplemental Food Program for Women, Infants and Children (WIC):

- In Indianapolis, Indiana, as a result of a joint investigation by the Indiana State Police and OIG, two employees of a major non-profit organization and four coconspirators were arrested for theft and forgery of WIC vouchers. In excess of 100 of the vouchers were illegally obtained, signed, and cashed by the suspects. The vouchers ranged in amounts up to \$10 each. Other indictments are anticipated, including those of the persons connected with a retail grocery store through which the vouchers were processed.
- In Puerto Rico, five persons pled guilty to charges of fraud against the WIC Program. From January 1980 through May 1983, the Program Director and two issuing officers stole recipients' unclaimed WIC vouchers from the Department of Health. The vouchers were then redeemed through two stores with the assistance of the two owners and one employee. The fraudulent scheme netted approximately \$60,000 for those involved. Trial is pending.
- The office manager for the Cannon County Health Department, Woodbury, Tennessee, pled guilty and was sentenced to 5 years' imprisonment for embezzling \$3,500 worth of WIC vouchers. The manager was responsible for the control and issuance of WIC vouchers. The stolen WIC vouchers were redeemed by the office manager through an authorized grocery store which she owned.

SMALL COMMUNITY AND RURAL DEVELOPMENT

FARMERS HOME ADMINISTRATION

The Farmers Home Administration (FmHA) is the Department's credit agency for rural development and agriculture. As of December 31, 1983, FmHA had about 1.5 million active borrowers and a loan portfolio of about \$61.5 billion, \$3.2 billion of which was guaranteed loans.

COUNTY OFFICE OPERATIONS

Mismanagement and Favoritism Prove Costly For Federal Programs

One FmHA State Director requested audits of two county office operations where problems were suspected.

In one county, the County Supervisor (CS) had approved loans to ineligible borrowers, overstated appraisals, and generally disregarded FmHA instructions. We questioned over \$2 million in loans to seven borrowers who did not meet FmHA's eligibility requirements. We found five cases where loan funds were used for unauthorized purposes. In six cases, the CS's appraisals of farm properties were excessively high when compared to appraisals of the same properties by other FmHA appraisers. It appears FmHA will lose about \$1.5 million on these over-appraised properties. In addition, local escrow agents made errors in title opinions and maneuvered to give other lenders liens superior to those of FmHA. The Government will lose about \$300,000 because of these legal errors.

In another county, the personal relationships and dealings of the CS with Rural Housing construction contractors, a cattle dealer, and several borrowers had created the appearance of a conflict of interest and resulted in adverse criticism of FmHA. We found numerous deficiencies in Rural Housing loans: (1) dwellings exceeded the size limitation; (2) restrictions on lot size were not followed; (3) appraisal and inspection reports were inaccurate and misleading; (4) borrowers had occupied houses before final inspection; and (5) the CS had not taken appropriate measures to liquidate abandoned security.

OIG Investigates Employee Integrity

The issue of employee integrity is a matter of continuing concern to the FmHA Administrator and to OIG. Some of the investigations requested by FmHA officials concerned FmHA field offices which receive loan payments in cash from certain borrowers. Other investigations involved employee corruption. Although most such cases

involve relatively small amounts of money, usually under \$10,000, and although the vast majority of employees are honest, the Government cannot tolerate any dishonest conduct, and the adverse impact on the public's perception of the Department's employees and programs far outweighs any monetary loss. The FmHA employee investigations which can be reported revealed:

- A county office clerk in one United States Territory was indicted for embezzling over \$13,000 in cash and money orders received from borrowers as payment on their FmHA loans.
- A county office assistant in a Northern State pled guilty to embezzling borrower loan payments and was sentenced to serve 2 years' probation.
- A cash clerk in the FmHA Finance Center stole \$7,000 to \$8,000 worth of money orders and, with the assistance of two accomplices, altered and cashed the money orders. The clerk pled guilty and was sentenced to 6 months' imprisonment.
- A construction inspector in a Northern State, who pled guilty to embezzling Government funds, received a fine and resigned from FmHA. A county office clerk in the same office was indicted on 53 counts of embezzlement and is awaiting trial.
- Another construction inspector was indicted on 13 counts of filing a fraudulent claim against the Government in connection with false travel voucher claims and FmHA payments. Trial is pending.
- A county office clerk in a Southern State pled guilty to one of 38 counts of embezzlement of loan payments and was sentenced to 5 years' probation, fined \$1,500, and ordered to make \$8,600 restitution to FmHA.

COMMUNITY FACILITIES PROGRAM

Poor Controls Exercised Over Water System Development

We reviewed a complaint concerning a \$2.9 million water system, funded partly by an FmHA community program loan and grant. Allegations were made that the system contained design errors and that preferential treatment was used in determining whom the system would serve. The FmHA State office had twice reviewed the allegations, and concluded they had no merit. However, the State reviewers did not contact the complainants during their review.

Our audit reported the following:

- The water district violated State statutes in constructing over 5 miles of waterlines to serve persons outside the district. Further, water district officials did not properly survey all persons wishing to obtain water, did not require waterlines to be constructed within the legal boundaries of the district, and did not uniformly administer the stated criteria that 10 customers per mile of waterline must be served for a project to be considered feasible. Had the water district followed proper procedures, the complainant and other persons without an adequate water supply may have been able to obtain water from the system.
- Water district officials improperly traded a waterline extension for an easement to a water tank site. This exchange was made to a customer who resided outside the district and was currently being served by another district. The exchange was made without FmHA's approval and increased construction costs by about \$7,500.
- Engineers did not design the system to maintain the required chlorine residual levels. As a consequence, the district exceeded the maximum contaminant level for coliform bacteria.
- Engineers did not install a telemeter to monitor water storage tank levels. This oversight caused the district to lose as many as 100,000 gallons of water per day due to tank overflows and thus increased operating costs.
- FmHA personnel did not adequately reconcile payments made to engineers to assure that such payments did not exceed engineering agreement terms and limitations. Our review indicated the engineer was paid \$329,340 although the basic fees due (computed according to the complexity of the work performed) were only \$282,003. Also, invoices on file totaled only \$307,695.

Conviction in Water District Perjury Case

The manager of a public water district in Missouri was convicted of perjury and filing false income tax returns as the result of a joint OIG-IRS investigation. The manager had embezzled \$220,000 from the water district, which was the recipient of a \$2,365,000 FmHA Community Development loan. The manager was sentenced to 3 years' imprisonment, fined \$5,000, and placed on 5 years' probation.

BUSINESS AND INDUSTRIAL LOAN PROGRAM

FmHA Liability Limited in Cases of Lender Violations

Under FmHA's Business and Industrial (B&I) Program, private-sector lenders make loans to organizations or individuals, with FmHA guaranteeing up to 90 percent of the loan. We have continued to audit cases where lenders have made guarantee claims against FmHA. The following details some of our efforts during the past 6 months:

- We audited three B&I guaranteed loans made to one borrower. Our review concluded that the lender did not make and service the loans in accordance with the lender's agreement and FmHA instructions. The lender failed to monitor the borrower's collateral, made only minimal efforts to obtain audited financial statements which were critical in determining the solvency of the borrower, and failed to promptly inform FmHA of the borrower's delinquency. We concluded that FmHA should not be obligated to pay the lender the guaranteed portion of the unpaid principal and accrued interest on the three loans totaling almost \$500,000. FmHA concurred and has denied the lender's claim.
- We reviewed the guaranteed lender's liquidation of one borrower's assets. The lender's servicing of the three loans, totaling over \$1.3 million, was not in accordance with the Lender's Agreement or with the liquidation plan agreed to by the lender and FmHA. Lender actions, such as permitting business operations during liquidation and sales of assets at less than their appraised, forced-sale value to a related company, contributed to a current shortfall of \$403,437 on these loans, of which \$393,203 represents FmHA's guaranteed portion. We recommended that FmHA declare the loan guarantee unenforceable.

FARM LOAN PROGRAMS

Unauthorized Sale of Mortgaged Property Still a Problem

The unauthorized sale of property mortgaged to FmHA decreases the security of FmHA's loan and increases the risk that FmHA may not recover its loan principal should liquidation occur. Examples of cases of unauthorized disposition of mortgaged property and of property payment conversion which had significant impact on FmHA farm loan programs follow:

- A Montana farmer/borrower, who was the subject of a national television program dealing with his FmHA loans, was indicted on 16 counts of illegally disposing of property securing his FmHA loans. The farmer converted more than \$195,000 worth of security property without FmHA's authority or without accounting for the proceeds. Over a period of about 10 years, this borrower had obtained FmHA loans totaling more than \$1.25 million. Trial is pending.
- In December 1983, two North Carolina brothers pled guilty to converting property mortgaged to FmHA and were placed on 5 years' probation. They accomplished the conversions by forging FmHA endorsements on checks payable jointly to FmHA and the borrowers. In July 1984 one of the brothers was indicted on four counts of forgery for once again forging FmHA endorsements on joint checks. Trial is pending in this new case.
- A Mississippi farmer who had received over \$1 million in FmHA loans was indicted on three counts of unauthorized disposition of over \$200,000 worth of property securing those loans. A United States District Court subsequently rejected a plea bargain agreement and sentenced the farmer to 5 years' imprisonment, a \$5,000 fine, and restitution to FmHA of \$400,000. The court also required the defendant to submit a financial statement to demonstrate his repayment ability. Further OIG investigation disclosed the financial statement, which showed a positive net worth of \$700,000, was false and that the defendant's liabilities actually exceeded his equity by \$800,000. The farmer's prison term was later reduced to 3 years but the rest of the sentence was left intact.
- A North Carolina farmer pled guilty to illegally selling eight bulk tobacco barns valued at \$52,000 and was sentenced to 3 years' imprisonment. The tobacco barns were security for loans totaling over \$400,000 the farmer had received from FmHA.
- A South Dakota farmer was indicted on 15 counts of illegally disposing of property mortgaged to FmHA. The farmer sold over 425 cattle and horses for more than \$141,000 and attempted to conceal the sales by making them in the names of his son, daughter, and two sons-in-law, as well as in his own name. The property was securing FmHA loans totaling almost \$430,000.
- An Iowa farmer was indicted by a Federal Grand Jury in Iowa on 2 counts each of false statements and conversion. The farmer obtained emergency and operating loans from FmHA totaling \$206,770, while also receiving price support loans from ASCS totaling \$80,000. Collateral for these loans was

47,000 bushels of grain and 55 hogs. Without authorization, the farmer sold 20,000 bushels of grain and all the hogs and applied none of the sales proceeds to his loans. Trial is pending.

- A Colorado bank illegally converted checks made payable jointly to FmHA, FmHA borrowers, and the bank and applied the money to debts owed to the bank by the FmHA borrowers. The checks were the proceeds from the sale of property mortgaged to FmHA to secure loans. The bank agreed to a civil settlement of \$480,000 in lieu of criminal prosecution of the bank and bank officials.

Investigations Yield Results in Loan Fraud Cases

During fiscal year 1984, 21 OIG investigations resulted in Federal or State courts ordering defendants to pay restitution totaling over \$1 million to FmHA. In most cases the amount of restitution equaled the amount the agency had lost as a result of the defendant's criminal activity. Restitution to the agency is important because most or all of this money is returned to revolving loan funds and therefore becomes available for future loans to deserving farmers.

Fraudulent applications are a continuing problem in FmHA loan making:

- We previously reported the convictions of a former Illinois bank president, his former executive vice president, and a Missouri businessman on charges of conspiracy and making false statements to obtain \$900,000 in B&I loans guaranteed by FmHA. Since that report, each defendant was sentenced to 6 months' imprisonment, fined \$10,000, and placed on 3 years' probation. A special condition of probation is that none of the three participate as an officer or director in any financial institution which deals directly with the public.
- A former Montgomery County, Maryland, policeman and a female accomplice were indicted for conspiracy and false statements provided to FmHA in connection with a \$7,800 Emergency loan obtained by them. The former policeman was previously charged with armed robbery by local law enforcement authorities and was a fugitive when he obtained the FmHA loan. He was subsequently arrested and is awaiting trial on the armed robbery charges. The conspiracy and false statements charges will be tried later.
- Twenty-eight FmHA Rural Housing (RH) borrowers in Puerto Rico were indicted for providing false information to FmHA in order to qualify for interest credit subsidies on their RH loans. Low-income families are eligible for reduced interest rates, which

can be as low as 1 percent. Those indicted concealed one spouse's income or otherwise falsely reported lower income in order to receive the interest credit. The amount of fraudulently obtained interest credit varied from a low of about \$1,500 to a high of about \$16,000 for the various loans.

- Two Florida farmers were indicted for conspiracy, making false statements and conversion of mortgaged property in connection with a scheme to collect dual program benefits from Government and private agencies or lenders. The farmers operated as a partnership but represented themselves as separate operators to gain increased benefit payments and loans. The farmers had obtained loans or benefits from FmHA, Small Business Administration (SBA), ASCS, and the Production Credit Association. One farmer pled guilty to the charges and was sentenced to 4 months' imprisonment and 3 years' probation. The other farmer was found guilty of conspiracy and making false statements and was sentenced to 2 years' imprisonment, 5 years' probation, fined \$15,000, and ordered to make \$100,000 in restitution to FmHA.

FEDERAL CROP INSURANCE CORPORATION

The Federal Crop Insurance Corporation (FCIC) is a wholly owned Government corporation created to promote the economic stability of agriculture through a sound system of crop insurance. In 1983, FCIC protected \$4.9 billion of crops on 35 million insured acres, and had over \$288 million premium income as against over \$577 million in indemnity payments, for a loss ratio of about 2 to 1.

FCIC Moves to Correct High Soybean Loss Ratios

Soybean losses accounted for about 43 percent of total FCIC losses. For 1982, about \$74 million was collected in premiums and about \$172 million in indemnities was paid out, or about \$2.33 paid out for every \$1 collected.

Our audit of high loss ratios for soybeans in the Southwestern United States disclosed these weaknesses in soybean insurance:

- The wrong coding of soybean growing practices resulted in incorrect calculations for premiums and indemnities. Producers who planted soybeans in rows wide enough to permit cultivating were incorrectly charged the higher premium applicable to soybeans planted in narrow rows which did not permit cultivating.

Such producers were overcharged 13 to 19 percent per acre. This also resulted in excessive indemnity payments when producers planted more acres than originally declared, due to a premium adjustment factor used to update such indemnities. For example, five producers in one county were overcharged \$882 in premiums and overpaid \$2,713 in indemnities due to this coding error.

- Unrealistic production guarantees contributed to FCIC losses. In certain Texas counties, FCIC provided the same production guarantee for soybeans planted as a second crop as it did for soybeans planted as the first crop; whereas in adjacent counties with similar soils and growing conditions, production guarantees were reduced 39 to 53 percent for soybeans planted as a second crop.
- FCIC paid indemnities for uninsurable practices. In two Texas counties, we identified over \$160,000 in indemnities for soybeans planted by broadcasting, an uninsurable farming practice.
- Soybean price elections in all Texas counties we visited exceeded the market price. All producers in our sample elected to receive the maximum \$7 per bushel of guaranteed production, but those who sold harvested soybeans only received \$4.55 to \$5.55 per bushel. Thus it was more profitable to farm insurance than to work to obtain a successful soybean crop.
- FCIC regulations provide monetary relief for producers who, acting in good faith, joined the program as a result of misrepresentation by insurance agents. However, there is no provision for penalizing agents who are responsible for the misrepresentation. Our review at one Field Operations Office disclosed that about 76 percent of the claims for monetary relief were caused by agent errors, which consisted of incorrect classifications, incorrect coverage level and farming practice, incorrect unit determinations, and incorrect acreage reports.

FCIC has modified its regulations to lower the guarantee and increase the premium rate for soybeans planted as a second crop. Also, as part of its continuing evaluation and establishment of price elections, as required by the FCIC Act of 1980, FCIC has reduced the maximum soybean price election in the cited counties as well as all other counties. Agent training has been increased in order to hold agents accountable and to provide improved service to insured farmers.

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 promotes agricultural exports through sales, payments, guarantee of credit, and other operations. Fiscal year 1984 net outlays for ASCS are estimated at \$282 million and for CCC at \$6.2 billion. A summary of OIG major audits in the past 6 months' follows:

ACREAGE REDUCTION AND PIK PROGRAMS

The 1983 PIK Program provides that farmers who took land out of production would receive from Government reserves a percentage of the commodity they would normally have produced. Also, producers participating in the acreage reduction program were eligible for deficiency payments, with advance payments available for one-half of the estimated amount. When these programs were announced, OIG initiated a series of special audits to monitor and test compliance with program requirements on a nationwide basis.

The fourth phase of OIG's efforts to evaluate the PIK Program concentrated on the review of delivery of PIK commodities.

One Cooperative Returns \$3.7 Million in Excess Storage Payments

Commodities purchased by the Government for PIK are stored at private facilities at Government expense. One cotton cooperative overstated its storage expense for each bale of cotton because of a computer programming error in determining the number of storage days. The cooperative claimed storage of \$14,653,243.41, whereas our audit determined the correct amount to be \$10,896,822.31. The cooperative returned the difference to the Government, \$3,756,421.10, during the audit.

Some Actions Taken to Collect Unearned Advance Deficiency Payments

This period, OIG reviewed payment operations, including the collection of unearned amounts. In March 1984, ASCS announced that the demand for unearned 1983 advance deficiency payments on corn and grain sorghum could be deferred if producers participated in the 1984 program. We estimate

that deferral of collections until April 1985 or until an offset can be made, could increase CCC interest expense by up to \$5 million. ASCS has not agreed to charge any interest to 1984 participating producers until the advances are offset or repaid.

In a related issue, wheat producers who received advance deficiency payments and later enrolled in the whole base option for PIK, were to be notified in December 1983 that the advance deficiency payments were to be refunded. We analyzed the adequacy and effectiveness of ASCS State and county office collection actions. As of May 1, 1984, county offices had not collected or established claims for about \$3.7 million of the \$17 million disbursed under this program option. Our review disclosed that State and county offices were not taking prompt and aggressive action to collect or establish claims or make offsets from other program payments.

As a result of our report, ASCS directed the State and county offices to take prompt and aggressive action to collect the unearned wheat deficiency payments.

Program Operations for 1981 and 1982 Contained Some Deficiencies

Using statistical sampling techniques, we analyzed the adequacy and effectiveness of ASCS county office internal controls with respect to the Feed Grain, Wheat, Upland Cotton, and Rice Programs; Commodity Loan Program; debt and sight draft management activities; and the maintenance of Agricultural Conservation Program practices. Our universe consisted of the 16 States with the largest dollar value of program activity.

We estimate that from this 16-State universe of 136,679 farm-stored reserve loans:

- Collateral shortages for 8,588 loans resulted in unsecured principal of \$28.5 million and recoverable storage payments of \$4 million.
- Required reinspections for 17,499 loans were not performed or were not properly completed to reconcile discrepancies.
- Grain for 6,788 loans was moved, rotated, or commingled by producers without proper authorization from ASCS.
- Thirty-eight million bushels of stored grain was threatened by excess moisture, insects, and other harmful conditions.

We believe the loan problems existed because of unclear procedures and because county employees did not always understand and comply with loan servicing techniques. To address these problems,

ASCS issued changes in procedures. One such change requires State office representatives to verify that loan spot-checks were made and to provide for liquidated damages for unauthorized disposition.

We also estimate that the producers on 19,258 of the farms participating in the reduced acreage program did not fully comply with program requirements because their crop and/or conservation use acres were reported outside of allowable program acreage tolerances. The producers involved could be assessed standard payment reductions of \$5.9 million if ASCS identified all of these farms and determined the producers in each case made a good faith effort to comply with the program. If ASCS determined the efforts were not in good faith, producers would be subject to the loss of their deficiency payments.

Counties did not always take prompt and aggressive action to collect debts owed the Government. We estimate that \$3.7 million in ASCS payments should have been offset and applied against the past-due principal and accrued interest on 3,154 farm storage facility loans.

PRICE SUPPORT PROGRAMS

Warehouse Owner Charged With 72 Counts of Criminal Activity

We joined in an FBI investigation of a cotton warehouse owner in Georgia. Sufficient evidence was obtained to result in the following actions by a Federal Grand Jury in Georgia:

- On June 18, 1984, the grand jury returned an indictment charging the warehouse owner with 17 counts of telephone and mail fraud for alleged violations pertaining to his company and certain financial institutions financing his cotton warehouse inventory and accounts receivable. (This portion of the case was investigated by the FBI.)
- On August 1, 1984, based upon our investigation, the grand jury returned a 39-count indictment charging the warehouse owner with disposing of and converting to his own use, approximately 745 bales of cotton. The cotton was either owned by CCC or had been pledged to CCC as collateral for cotton loans. Two of these counts charged the warehouse owner with falsely claiming storage fees and charges for cotton which had been removed from the warehouses and, therefore, was not in storage for the periods covered by the claims.
- On August 1, 1984, the grand jury also returned a 16-count indictment against this same person for FmHA loan violations. Four counts charge that he made false statements

to obtain approximately \$893,040 in farm loans between 1979 and 1982, and then used substantial portions of each loan for unauthorized purposes (cash flow and expenses for his cotton businesses). Twelve other counts charge that he sold and converted timber and other agricultural produce, including peanuts and apples, which had been mortgaged and pledged to FmHA as security for some of the loans.

On September 11, 1984, the warehouse owner pled guilty to one count each of mail fraud, making false statements, and conversion of mortgaged property.

State Fraud Statute Used in Federal Case

An Indiana county circuit court charged an attorney/farmer under State fraud statutes with three counts of fraud stemming from his conversion of 55,000 bushels of corn mortgaged to ASCS for price support loans of approximately \$152,000. The attorney pled guilty to one of three counts. The individual was also indicted by a Federal Grand Jury on multiple counts of embezzlement in a matter unrelated to his conversion of the mortgaged corn. On September 26, 1984, the attorney was sentenced by an Indiana State Court to 4 years' incarceration, fined \$5,000, and ordered to make restitution of \$44,000 to CCC. Additionally, the attorney was sentenced to another 8 years' imprisonment, ordered to pay a \$10,000 fine, and to make restitution of \$74,000 on a conviction relating to theft from a private individual. He had previously been sentenced in a Federal court to 8 years' imprisonment and ordered to pay restitution of \$500,000 for another fraud and conversion in a matter unrelated to the CCC conversion.

This is the first instance that an Indiana State fraud statute was used in a USDA conversion case, setting a precedent that may greatly increase our opportunities to pursue illegal conversion cases in State courts.

Farmer Falsifies Tobacco Source

A North Carolina Federal Grand Jury returned a five-count indictment against a farmer, charging him with false identification of tobacco, obstruction of justice, and influencing a witness. During the period from 1980 to 1982, the farmer falsely identified a total of 17,250 pounds of tobacco which he sold on the tobacco marketing card issued for his farm. Two knowledgeable witnesses identified the tobacco as not being produced on the individual's farm. In an effort to avoid prosecution for the false statements, the farmer attempted to bribe the witnesses to influence them to give misleading and false information about the sale of the tobacco. He promised them \$400 to do so. These witnesses cooperated with OIG during the course of the investigation.

FOREIGN AGRICULTURAL SERVICE

The magnitude of agricultural exports makes the programs of the Foreign Agricultural Service (FAS) important to farm prosperity and the national economy. FAS maintains a worldwide agricultural intelligence and reporting service, analyzes agricultural information on foreign supply and demand, develops foreign markets for United States farm products, directs and coordinates USDA participation in trade programs and agreements, and formulates and administers commodity export programs.

Agencies Must Monitor the Foreign Dairy Donations Program

In September 1982, legislation authorized the CCC to donate dairy products to foreign nonprofit cooperating sponsors. We evaluated the program delivery cycle and the interrelationships among domestic and foreign governmental entities, nonprofit cooperating sponsors, warehousemen, and transportation systems. Special emphasis was given to product accountability in Chile, Mexico, and Peru. During fiscal years 1983 and 1984, the value of donations to the three countries totaled \$135 million.

We found that the donated dairy products were generally provided to eligible individuals in the foreign countries. However, additional monitoring efforts are needed by FAS, the Agency for International Development (AID), and the cooperating sponsors, to assure that the terms of the agreement are fulfilled. For example, six of the seven cooperating sponsors had not notified CCC of products lost or damaged while in transit to

a foreign country. Without notification, CCC could not initiate action to settle losses on 2.1 million pounds of product valued at \$612,000 (world market price). CCC must issue instructions on how the losses are to be handled (claims against shippers or insurance firms, write-offs, etc.).

FAS Can Increase Exports of Value-Added Products

We reviewed FAS activities to promote the export of "value-added" U. S. products. These are agricultural commodities which have been enhanced by additional labor and processing prior to export. We identified ways in which FAS could expand such exports. Additional emphasis by FAS is needed in financing value-added products and in providing more visibility to the value-added export effort.

FAS recognizes the need to expand value-added exports and has increased its efforts in this area. Higher visibility of value-added products could be achieved by documenting duties, responsibilities, and guidelines for carrying out value-added promotional activities within FAS. Cooperators fulfill the majority of FAS's role in foreign market development, and FAS can place greater emphasis on value-added products by gradually redirecting a portion of the funding from bulk commodity promotions to value-added promotions.

Export opportunities for both value-added and bulk commodities should be pursued, but we believe increased emphasis and attention should be given to gaining a larger share of the world market for value-added products.

SCIENCE AND EDUCATION

COOPERATIVE STATE RESEARCH SERVICE AND EXTENSION SERVICE

The Cooperative State Research Service (CSRS) administers grants and payments to States for agricultural research carried on by a nationwide system of agriculture experiment stations and 1890 land-grant institutions (LGIs). CSRS's budget for fiscal year 1984 is \$248 million. The Extension Service (ES) uses research to identify farm and community problems, and conducts extension and educational programs to reach farm and rural residents to correct these problems. Federal funds are used, in conjunction with State and local funding, to finance activities by county agents as well as State and area specialists. The ES budget for fiscal year 1984 is \$335 million.

Audits of 1890 Land-Grant Institutions Continue

We completed audits of both CSRS and ES at one 1890 LGI during this period, and questioned costs of over \$1 million. The questioned costs stemmed from fiscal management problems, which included overall management of the research and

extension programs, improper obligation of research funds, retention of excess program funds after grant expiration, and overclaims for salaries, fringe benefits, indirect costs, and retirement costs.

We also followed up on prior audits of 1890 LGIs. CSRS responded to our recommendations that it evaluate the research program at one 1890 LGI to determine if the method of allocating funds resulted in a scientifically sound research program. The Administrator of CSRS headed a team to make the evaluation, and the team concluded that OIG had raised a "genuine issue." An interim Research Director has been appointed, and a 5-year plan has been developed to redirect the research program.

At another 1890 LGI, where we questioned the interest earned on premature drawdowns of Federal funds and the failure to deobligate funds, the State Government has agreed to return approximately \$430,000 (or whatever amount is ultimately determined to have been earned) in earned interest and to deobligate over \$190,000 in terminated grants.

MARKETING AND INSPECTION SERVICES

AGRICULTURAL MARKETING SERVICE

The Agricultural Marketing Service (AMS) administers the Department's various marketing orders that regulate the marketing of fruits, vegetables, and milk. It also administers various market protection and promotion activities, including programs that provide for the collection of an industry assessment to carry out research and promotion activities for cotton, wool, and other commodities. The budget request for fiscal year 1985 is about \$117.1 million, of which 25 percent will come from appropriated funds and 75 percent from user fees.

GRADING SERVICES

Two Indicted in Tobacco Misgrading Bribe

On July 31, 1984, two AMS Inspectors were indicted by a North Carolina Federal Grand Jury on 13 counts of conspiracy and false statements for falsely dating, initialing, and entering grades on approximately 530 tobacco inspection certificates and accepting payment from a tobacco

warehouseman for doing so. There were approximately 100,000 pounds of tobacco valued at over \$200,000 involved in this scheme. During the latter part of the 1983 flue-cured tobacco marketing season in North Carolina, a tobacco warehouseman was surreptitiously shipping tobacco to a tobacco company, even though the tobacco had not been sold at auction, but was reported sold. The two USDA inspectors were entering false information concerning this tobacco on tobacco inspection certificates long after the tobacco was shipped to the tobacco company.

Corporation Guilty of Misgrading Beef Sold to the Military

A meat packing corporation in Ohio pled guilty to one felony count of altering official grading marks on beef carcasses which were sold to the Defense Department. Company employees removed the grading marks so that the carcasses could be represented as being of a higher quality. Sentencing is pending. The corporation and its president pled guilty to similar charges in 1976 and were sentenced to fines and probation.

DAIRY PRICE SUPPORT PROGRAM

Few Problems Implementing Dairy Assessment Plan

The Omnibus Budget Reconciliation Act of 1982 (PL 97-253) provided for several changes in the Dairy Price Support Program to include a dairy assessment plan for collecting certain amounts of money from the proceeds of all milk that is marketed commercially by dairy farmers.

The Act provided for CCC collections in two phases. Under the first phase, a deduction of 50 cents per hundredweight is required through September 30, 1985, if the Government expects its annual purchase of dairy products to be at least 5 billion pounds milk equivalent. Under the second phase, an additional deduction of 50 cents per hundredweight may be required beginning April 1, 1983, if the Government expects its annual purchase of dairy products to be at least 7.5 billion pounds milk equivalent. The latter deduction must be coupled with a program for making refunds to dairy farmers who decrease their milk production.

The Act designates CCC as the collection agency. Under an agreement with CCC, AMS has been collecting all monies due CCC and receiving related reports.

We found that AMS had effectively implemented the dairy assessment plan. However, we noted some areas where improvements could be made:

- AMS did not take prompt and aggressive action to establish and collect about \$3.1 million in billings for underpayments, late charges, and interest. Billings for an 8 1/2-month period in 1983 were issued by the date of our audit in May 1984. As of May 7, 1984, only \$89,975 of the \$3.1 million had been collected.
- More timely compliance coverage was needed over dairy assessments in the State of California. AMS had not promptly established the responsibility to audit CCC collections remitted by producers/handlers in California. The 94 producers/handlers in California are not regulated under the Federal Milk Marketing Order system. Although the California producers/handlers remit about \$72 million annually in CCC assessments, these payments have not been confirmed since milk assessments were implemented in April 1983. AMS has entered into an agreement with the California Department of Agriculture and compliance reviews are now being conducted.
- AMS claims and collection procedures did not provide prompt and aggressive followup on producers/handlers who have failed to remit milk assessments, or were otherwise not com-

plying with CCC requirements. As a result of our audit, AMS has assigned additional personnel to assist in this area. Also, all producers/handlers have been contacted and their obligations have been established.

COTTON RESEARCH AND PROMOTION PROGRAM

Increased Producer Support May Relieve Financial Problems

The Cotton Research and Promotion Program is administered by the Cotton Board, a quasi-governmental administrative body. The Board issues administrative rules and regulations to provide a mandatory assessment on each bale of upland cotton produced and marketed in the United States. Currently, the assessment rate is \$1 per bale plus 0.4 percent of the value of the cotton. After refunds have been made to producers who elect to withhold financial support from the program, remaining program funds finance approved research and promotion activities.

We found that nonsupport by over 30 percent of the cotton producers during the years 1981-83 caused cash flow and overall financial problems which threatened the viability of the program. Because of this lack of support, the anticipated increase in net program revenues did not occur over these years, and reserve funds had been depleted. Some producers viewed the assessments as duplicating those made under the 1983 PIK Program.

The results of the audit were discussed with officials of AMS and the Cotton Board. They advised that the cash flow problems encountered in 1983 are being alleviated by increased producer support in 1984. AMS officials believe the increase in support is attributable to the producer information program, which disseminates news about the program and its accomplishments to producers throughout the Cotton Belt. About 3.4 percent of the 1984 Cotton Research and Promotion budget will be expended on producer information activities, a percentage in line with funds expended for this purpose by other commodity boards.

Our audit also noted that the Board needed to change certain accounting practices, follow administrative procedures more closely, strengthen controls over the handling of producer refunds, discontinue the policy of honoring late-filed refund applications, or revise the regulations, and resolve the situation whereby lien-holders' interests result in a contingent liability. These findings were also discussed with officials of AMS and the Cotton Board, who mutually agreed with our recommendations and have taken corrective action.

AMERICAN SHEEP PRODUCERS COUNCIL

Council's Activities Exceeded its Authority

The American Sheep Producers Council (ASPC) operates under an agreement with AMS to conduct sales promotion programs and to disseminate information for wool, sheep, and their products. Activities are financed by deductions from USDA incentive payments to producers. The organization had an annual budget of over \$3.5 million for the year ended June 30, 1983.

An audit of ASPC activities disclosed the ASPC may have inadvertently exceeded its authority granted under the National Wool Act of 1954, as amended, by funding a related organization and becoming involved in international affairs. Because ASPC's international promotional activities were inconsistent with the National Wool Act, we questioned costs in excess of \$575,000 which were incurred by these activities. Also, the ASPC expended funds for membership in an organization involved in international activities, and as a member, purchased lamb products for shipment to Japan for a special promotion. The National Wool Act restricts activities for wool and sheep products to a national basis.

In addition, the ASPC contracted with a consulting service which, as a part of its activities, attempted to increase the import tax on foreign wool sweaters, thus making American products more competitively priced. We questioned the \$18,900 in consulting fees, because the ASPC is not allowed to become involved in any political issues. The audit also emphasized the need for improved methods of allocating indirect costs and for improved financial management policies and procedures.

AMS officials generally agreed with the findings and recommendations in the report. AMS stated that the Department will provide more specific policy guidance with respect to industry-funded activities and will make every effort to assure that future ASPC expenditures in the questionable areas are consistent with that policy.

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 budget request for fiscal year 1985 is about \$356.8 million.

MEAT AND POULTRY INSPECTION PROGRAM

Reporting Systems Need to be Strengthened

We performed an audit of selected internal controls within the Meat and Poultry Inspection

Program (MPIP) to determine if the inplant performance system in federally inspected plants was operating uniformly and effectively. We conducted our review at FSIS headquarters, selected field offices, and at 51 plants.

Although FSIS has internal control systems in place for the MPIP, we found the following weaknesses in the systems:

- Sixteen percent of the required indepth reviews, the one comprehensive review conducted by Circuit Supervisors for each plant, were not conducted because of staffing vacancies, restrictions on the use of intermittent employees, and travel restrictions.
- Appropriate written criteria did not exist for determining unacceptable ratings at plants.
- Regional and area office staff inplant reviews were not conducted as frequently as required by FSIS procedures.
- Criteria for identifying plants that require additional inspection efforts lacked definitive guidelines. Historically, when specific criteria had existed, the number of plants designated as "problem plants" was much greater.
- Contrary to FSIS requirements, sanitation reports were not being prepared on a daily basis at slaughter and combination slaughter/processing plants. About 10 percent of these reports were not completed at 31 percent of the slaughter plants we visited.
- Destruction of condemned meat at slaughter plants was not properly documented. Of the 24 plants reviewed, 17 had no system to accurately determine if proper disposition was made of all condemned meat.
- Followup on Evaluation Incident reports (EIs) prepared by the Compliance Division needs to be improved. The Regions delegated responsibility for EIs to the area offices and did not, in most cases, follow up to determine if action was taken.

During our audit, FSIS issued a five-point program to strengthen the inspection system and deal more effectively with problem plants. As part of the five-point program, FSIS implemented a more intensive regulatory enforcement system in plants either with a history of compliance problems or with marginal operating practices. With respect to our audit, FSIS generally agreed that the reporting systems needed improvement, but did not agree with all our findings and recommendations. Officials believe some findings, although correct, showed practices that management considered within the range of acceptable. FSIS plans to consider options other than those recommended. We are working with FSIS to resolve these issues.

Twelve Guilty in Colorado Meat Packing Fraud

As reported in the previous semiannual report, a corporation, two USDA graders, two other individuals, and nine principal officers and management personnel of a meat packing plant in Colorado owned by the corporation were indicted in connection with schemes to defraud the Federal Child Nutrition Programs and violate the Federal Meat Inspection Act. The corporation, two other individuals, and eight of the principal officers and management personnel have since pled guilty or have been found guilty. The USDA graders have been acquitted and the last defendant was handled through pretrial diversion.

Officials at the packing plant had directed plant employees to drag dead cattle into the plant while inspectors were absent and process the animals for human consumption. The plant officials also caused gas-filled packages of meat products, which had been rejected and returned by customers, to be mislabeled, reboxed, and sold. Plant officials provided their inferior meat products to the National School Lunch Program, knowing the products did not meet contract specifications, and committed other criminal acts involving the processing, handling, and sale of adulterated and misbranded meat food products.

Thus far, 9 of the 12 defendants have been sentenced. The owner of the plant was sentenced to 6 years in prison and fined \$70,000. The general sales manager of the plant was sentenced to 15 months' in prison on each of seven counts to run concurrently. The plant administrator received 1 year in prison and a \$1,000 fine, and the corporation was fined \$70,000. The other defendants received probation, fines, and/or suspended sentences.

Pennsylvania Company Executive Indicted

As the result of another OIG investigation, the president of a meat packing company in Pennsyl-

vania was indicted on 32 counts of adulteration and misbranding of meat food products, misuse of USDA grading certificates, and mail fraud. The individual was charged with adding fillers to ground beef which was sold to State and county institutions. The individual also allegedly prepared and sent fraudulent USDA grading certificates with the shipments of meat. Trial is pending.

FEDERAL GRAIN INSPECTION SERVICE

Grain Inspectors Fired in Gratuity Case

A 6-month investigation at a Texas port led to charges that 14 Federal grain inspectors had solicited or accepted cash and liquor from captains and first mates of ships they were inspecting. One inspector admitted he solicited and received gratuities totaling \$4,500 from ship captains and a ship cleaning company. Although the United States Attorney declined to prosecute, one inspector has resigned, three have been fired, and three have been suspended. Charges against the seven other inspectors were dismissed because of insufficient evidence.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

Texas Corporation Charged With Violations of the Sherman Act

As a result of an OIG/DOJ Anti-trust Division investigation in Texas, a corporation and two corporate officers pled guilty to a felony charge of restraint of trade, a violation of the Sherman Act. The defendants conspired to submit collusive, false, fraudulent, and rigged bids in connection with a USDA-funded contract for the Fire Anti-Control Program. Sentencing is pending. The investigation is continuing and being coordinated with the Anti-Trust Division, United States Department of Justice.

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 March 31, 1984			As of June 30, 1984		Estimate As of September 30, 1984		
	Owed	Overdue	Written Off 10/1/83 - 3/31/84	Owed	Overdue	Owed	Overdue	Written Off 4/1/84 - 9/30/84
Farmers Home Administration	60,810,163	5,962,000	28,175	65,825,232	5,532,485	63,977,202	5,307,204	37,161
Rural Electrification Administration	1/ 35,010,469	284	-0-	35,126,236	575	36,220,254	658	-0-
Agricultural Stabilization & Conservation Service/Commodity Credit Corporation	24,390,057	239,257	1,138	21,330,141	573,363	23,758,223	513,967	2,822
Federal Crop Insurance Corporation	53,193	23,681	841	58,224	22,223	133,474	26,791	1,478
Food & Nutrition Service	261,666	254,974	-0-	279,016	272,129	287,060	281,949	262
Forest Service	106,866	84,311	1,456	120,011	95,654	120,011	95,654	2,081
Soil Conservation Service	6,600	1,800	3	6,485	1,791	7,500	1,700	27
Agricultural Marketing Service	8,423	109	-0-	4,694	899	4,750	827	-0-
Federal Grain Inspection Service	3,225	385	(1)	3,044	720	4,055	818	-0-
Food Safety & Inspection Service	4,666	1,147	(23)	4,464	1,393	6,016	1,768	42
Office of International Cooperation & Development	7,482	7,482	-0-	5,927	5,927	418	359	-0-
Animal & Plant Health Inspection Service	1,240	554	-0-	1,411	871	1,445	947	-0-
Science & Education	511	315	-0-	976	924	934	840	-0-
Departmental Administration & Office of the Secretary	98	98	-0-	98	98	99	98	-0-
Foreign Agriculture Service	1,087	59	-0-	62	52	69	54	-0-
Statistical Reporting Service	2	2	-0-	56	37	55	37	-0-
Working Capital Fund	191	179	-0-	230	222	272	240	-0-
Office of General Counsel	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Economics Management Staff	21	21	-0-	20	19	20	19	-0-
Office of Inspector General	9	5	-0-	5	5	7	6	-0-
Other (ACS, CRDP, UT, PRSA, WAUB)	13	3	-0-	14	3	2	1	-0-
TOTAL	120,665,982	6,576,666	31,588	123,766,345	6,509,391	124,521,866	6,233,937	43,873

1/ Includes FFB Loans of \$20,185,801. Also includes Certificate of Beneficial Ownership of \$3,467,507.

APPENDIX

LISTING OF AUDIT REPORTS ISSUED
APRIL 1, 1984 THROUGH SEPTEMBER 30, 1984

During the 6-month period from April 1984 through September 1984, the Office of Inspector General issued 313 audit reports, including 112 performed under contract by certified public accountants.

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

The following is a listing of those audits:

	<u>AGENCY</u>	<u>AUDITS RELEASED</u>
AMS	Agricultural Marketing Service	7
ARS	Agricultural Research Service	4
ASCS	Agricultural Stabilization and Conservation Service	39
APHIS	Animal and Plant Health Inspection Service	6
CSRS	Cooperative State Research Service	1
ESCS	Economics, Statistics and Cooperatives Service	1
FmHA	Farmers Home Administration	69
FCIC	Federal Crop Insurance Corporation	2
FNS	Food and Nutrition Service	122
FSIS	Food Safety and Inspection Service	1
FAS	Foreign Agricultural Service	3
FS	Forest Service	11
SEA	Science and Education Administration	8
SCS	Soil Conservation Service	6
OIG	Office of Inspector General	2
MULTI	Multi-Agency/Division Code	31
	Total Completed:	
	- Single Agency Audit	282
	- Multi-Agency/Division	31
		<hr/>
	TOTAL RELEASED NATIONWIDE	313
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	TOTAL COMPLETED UNDER CONTRACT*	112
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* Indicates audits completed under Certified Public Accountant contracts.

UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF INSPECTOR GENERAL -- AUDITING
AUDIT REPORTS RELEASED
BETWEEN APRIL 1, 1984 AND SEPTEMBER 30, 1984

AGENCY - AMS AGRICULTURAL MARKETING SERVICE

AUDIT NUMBER	REGION	RELEASE DATE	TITLE
01-001-0001	NER	08-31-84	AUDIT OF AMS BUDGET AND PROGRAM ANALYSIS BRANCH
* 01-041-0002	NAR	04-28-84	AMS-FEDERAL MILK MARKETING ORDER NO. 2, NEW YORK
01-041-0025	WR	05-22-84	AMS-MILK MARKETING ORDERS-NOS. 131, 139-CENTRAL ARIZ/NEVADA
01-045-0002	SER	05-08-84	AMS-COTTON RESEARCH & PROMOTION PROG COTTON BOARD, MEMPHIS, TN
* 01-099-0008	GPR	06-21-84	AMS-AMERICAN SHEEP PRODUCERS COUNCIL, DENVER, CO
01-099-0011	SWR	04-17-84	AMS-AUDIT OF IMPREST FUNDS, DALLAS, TX
01-099-0020	NER	06-19-84	AMS-ASSESSMENT AND COLLECTION OF USER FEES
TOTAL	AMS	AGRICULTURAL MARKETING SERVICE	- 07

AGENCY - ARS AGRICULTURAL RESEARCH SERVICE

AUDIT NUMBER	REGION	RELEASE DATE	TITLE
02-545-0001	MWR	04-05-84	AUDIT OF CONTRACT PRICING PROPOSAL SIMTRAC INC, SKOKIE, IL
02-545-0001	SWR	08-29-84	ARS-PRICING PROPOSAL FOR A&E SERVICES, HOUSTON, TEXAS
* 02-545-0001	GPR	08-28-84	ARS-PREAWARD AUDIT, LIGHTOWLER JOHNSON ASSN., FARGO, ND
02-555-0001	SER	08-24-84	ARS PROCUREMENT AND USE OF COMPUTERS, RUSSELL REA CN, GA
TOTAL	ARS	AGRICULTURAL RESEARCH SERVICE	- 04

AGENCY - ASCS AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

AUDIT NUMBER	REGION	RELEASE DATE	TITLE
03-001-0043	NER	04-01-84	PENNSYLVANIA STATE ASCS OFFICE AUDIT SAVE
03-011-0001	NAR	04-01-84	ASCS NEW YORK STATE COORDINATED COUNTY AUDIT PIK PROGRAM
03-011-1120	MWR	07-06-84	REQUEST AUDIT OF SAUK CO ASCS, BARABOO, WI
03-097-0001	SER	05-24-84	ASCS REVIEW, WASHINGTON COUNTY, GEORGIA
03-099-0027	NER	07-10-84	ASCS-ASSESSING AND COLLECTING USER FEES
03-099-0041	WR	08-24-84	ASCS-PAYMENT IN KIND PHASE IV, PHOENIX
03-099-0042	WR	06-08-84	ASCS-DAIRY DIVERSION AUDIT IN WASHINGTON
03-099-0048	MWR	04-18-84	AUDIT OF MILK DIVERSION PROGRAM, DELAWARE COUNTY, IOWA
03-099-0049	MWR	04-13-84	AUDIT OF MILK DIVERSION PROGRAM, FAYETTE COUNTY, IOWA
03-099-0050	MWR	07-31-84	AUDIT OF MILK DIVERSION PROGRAM, DUNN COUNTY, WISCONSIN
03-099-0052	MWR	06-07-84	AUDIT-MILK DIVERSION PROGRAM PAYMENTS, CLAY-BRADFORD CTY., FL
03-099-0064	GPR	04-23-84	PAYMENT IN KIND PROGRAM IN NEBRASKA - PHASE III
03-099-0065	SWR	06-20-84	ASCS PIK PROGRAM COMPLIANCE OPERATIONS IN TEXAS
03-099-0065	GPR	04-18-84	PAYMENT IN KIND PROGRAM IN KANSAS - PHASE III

UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF INSPECTOR GENERAL -- AUDITING
AUDIT REPORTS RELEASED
BETWEEN APRIL 1, 1984 AND SEPTEMBER 30, 1984

AGENCY - ASCS AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE (continued)

AUDIT NUMBER	REGION	RELEASE DATE	TITLE
03-099-0066	GPR	04-18-84	PAYMENT IN KIND PROGRAM IN COLORADO - PHASE III
03-099-0067	GPR	08-21-84	AUDIT OF PIK, MONTANA
03-099-0068	GPR	07-11-84	AUDIT OF PIK, NORTH DAKOTA
03-099-0069	SWR	05-21-84	ASCS-FARM RECONSTITUTIONS IN LAMB COUNTY, TEXAS
03-099-0069	GPR	08-21-84	AUDIT OF PIK, SOUTH DAKOTA
03-099-0070	GPR	04-04-84	PAYMENT-IN-KIND PROGRAM IN SELECTED COUNTIES IN MO
03-099-0071	GPR	04-04-84	PIK PROGRAM IN SELECTED COUNTIES IN IOWA
03-099-0072	GPR	07-18-84	SUMMER FALLOW ROTATION LAND PIK, SOUTH DAKOTA
03-099-0073	GPR	05-22-84	ASCS-PIK PROGRAM COMPLIANCE OPERATIONS IN IOWA
03-099-0075	GPR	04-24-84	APPL OF SPECIAL PIK PROVISIONS IN NEB
03-099-0076	GPR	05-13-84	APPL OF SPECIAL PIK PROVISIONS IN KS
03-099-0077	GPR	05-02-84	PIK INELIGIBLE APPLICANTS, MCLEAN COUNTY, NORTH DAKOTA
03-099-0080	SER	08-29-84	ASCS-1983 PIK PROGRAM IN MISSISSIPPI
03-621-0008	GPR	05-18-84	ASCS-PIK PROGRAM - USDA/ASCS OFFICIALS PARTICIPATING IN PIK
03-621-0009	GPR	05-10-84	UNEARNED STORAGE/EXCESS HAUL CHARGES ON CCC ACQUIRED LOANS
03-623-0001	SWR	09-12-84	ASCS-1982 AND 1983 PAYMENT LIMITATION AND 1983 SPECIAL PIK
03-624-0001	SWR	04-24-84	ASCS-EMERGENCY FEED ASSISTANCE PROGRAM
03-624-0001	GPR	05-11-84	ASCS-EMERGENCY FEED PROGRAM, KNOX COUNTY, MO
03-624-0002	SWR	05-22-84	ASCS-EMERGENCY FEED ASSISTANCE PROGRAM IN TEXAS
03-624-0002	GPR	04-27-84	ASCS-EMERGENCY FEED PROGRAM, LUCAS & VAN BUREN COUNTYS, IA
03-625-0002	WR	09-17-84	ASCS-MAX PMT LIM 1982 & 1983 FG R UPC&WH & 1983 SP PIK, DAVIS
03-625-0003	SER	08-20-84	ASCS-PAYMENT LIMITATION AND SPECIAL PIK AUDIT, JACKSON, MS
03-625-0004	SWR	09-13-84	ASCS-MAX PMT LIM 1982 & 1983 FG R UPC&WH & 1983 SP PIK, AR
03-625-0005	SWR	09-12-84	ASCS-1982 1983 FG R CN WH PAYMENT LIM & SP PIK, TX
03-625-0006	WR	07-25-84	ASCS-MAX PMT LIM 1982 & 1983 FG R UPC&WH & 1983 SP PIK, PHOENIX
TOTAL	ASCS		AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE - 39

AGENCY - APHIS ANIMAL AND PLANT HEALTH INSPECTION SERVICE

AUDIT NUMBER	REGION	RELEASE DATE	TITLE
33-002-0001	SWR	07-06-84	APHIS-REVIEW OF THE TEXAS BRUCELLOSIS PAYMENT SYSTEM
33-099-0004	NER	04-01-84	SURVEY OF AVIAN FLU IN PA
33-530-0003	GPR	07-31-84	APHIS-COMPUTER USAGE PROJECTIONS FOR FORT COLLINS UPGRADE
33-545-0003	NER	04-01-84	PREAWARD AUDIT, LANCHESTER CORP, HONEY BROOK, PA
33-545-0005	SWR	05-01-84	APHIS-CONTRACT WITH AMERICAN SCHOOL FOUNDATION
* 33-545-0006	GPR	04-03-84	APHIS-PREAWARD AUDIT OF SEAL RIGHT INC, KC, MO
TOTAL	APHIS		ANIMAL AND PLANT HEALTH INSPECTION SERVICE - 06

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AGENCY - CSRS COOPERATIVE STATE RESEARCH SERVICE

AUDIT NUMBER	REGION	RELEASE DATE	TITLE	
* 13-545-0001	NER	08-20-84	POSTAWARD INCURRED COST AUDIT, SMITHSONIAN INST., WASH, DC	
TOTAL	CSRS	COOPERATIVE STATE RESEARCH SERVICE		- 01

AGENCY - ESCS ECONOMICS, STATISTICS AND COOPERATIVES SERVICE

AUDIT NUMBER	REGION	RELEASE DATE	TITLE	
41-099-0001	NER	04-05-84	EMS WHISTLEBLOWER COMPLAINT-SRS VIOLATIONS OF TRAVEL REGS.	
TOTAL	ESCS	ECONOMICS, STATISTICS AND COOPERATIVES SERVICE		- 01

AGENCY - FMHA FARMERS HOME ADMINISTRATION

AUDIT NUMBER	REGION	RELEASE DATE	TITLE	
04-001-0050	WR	08-31-84	FMHA-OVERVIEW OF PROGRAMS IN IDAHO	
04-003-0005	NER	06-26-84	VA FMHA ACQUIRED PROPERTY, RICHMOND, VA	
04-003-0011	MWR	05-08-84	RRH BORROWER CONTRIBUTIONS, INDIANA	
04-004-0001	NER	06-20-84	SURVEY OF FMHA MANAGEMENT INFORMATION SYSTEM	
04-011-0021	NAR	08-15-84	NATIONWIDE STATISTICAL REVIEW OF FMHA CAGUAS CO., PR	
04-011-0404	WR	08-31-84	FMHA-ADA COUNTY	
04-011-0405	WR	08-31-84	FMHA-GEM COUNTY	
04-011-0406	WR	08-31-84	FMHA-REXBURG COUNTY OFFICE, IDAHO	
04-011-0407	WR	08-31-84	FMHA-SODA SPRINGS COUNTY OFFICE, IDAHO	
04-011-0408	WR	08-31-84	FMHA-WEISER COUNTY OFFICE, IDAHO	
04-011-0409	WR	08-31-84	FMHA-MARSING COUNTY OFFICE, IDAHO	
04-011-0410	WR	08-31-84	FMHA-MOUNTAIN HOME COUNTY OFFICE, IDAHO	
04-011-0411	WR	08-31-84	FMHA-IDAHO FALLS COUNTY OFFICE, IDAHO	
04-011-0550	SWR	09-13-84	FMHA-DALLAM/HARTLEY COUNTY OFFICE, DALHART, TEXAS	
04-011-0551	SWR	07-20-84	FMHA-LUNA COUNTY OFFICE, DEMING, NEW MEXICO	
04-011-0552	SWR	08-03-84	FMHA-SAN SABA/LAMPASAS COUNTY OFFICE, SAN SABA, TEXAS	
04-011-0553	SWR	08-07-84	FMHA-CRAWFORD COUNTY, VAN BUREN, ARK	
04-011-0556	SWR	06-12-84	FMHA-HIDALGO COUNTY OFFICE, EDINBURG, TEXAS	
04-011-0644	SER	08-27-84	FMHA-ASSESSMENT OF SUBSIDIZED LOANS, MORGANTOWN, KY	
04-011-0645	SER	09-06-84	FMHA-ASSESSMENT OF SUBSIDIZED LOANS, GREENVILLE, SC	
04-011-0646	SER	08-21-84	FMHA-ASSESSMENT OF SUBSIDIZED LOANS, WARRENTON, GA	
04-011-0647	SER	08-20-84	FMHA-ASSESSMENT OF SUBSIDIZED LOANS, COLQUITT, GA	
04-011-0648	SER	07-24-84	FMHA-ASSESSMENT OF SUBSIDIZED LOANS, WEST PALM BEACH, FL	
04-011-0649	SER	08-03-84	FMHA-ASSESSMENT OF SUBSIDIZED LOANS, TUSKEGEE, AL	
04-011-0650	SER	07-24-84	FMHA-ASSESSMENT OF SUBSIDIZED LOANS, SANFORD, FL	
04-011-0651	SER	07-20-84	FMHA-ASSESSMENT OF SUBSIDIZED LOANS, ZEPHYRHILLS, FL	

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AGENCY - FMHA FARMERS HOME ADMINISTRATION (continued)

AUDIT NUMBER	REGION	RELEASE DATE	TITLE
04-012-0650	SWR	06-29-84	FMHA-PAYNE COUNTY OFFICE, STILLWATER, OK
04-012-0651	SWR	05-15-84	FMHA-PITTSBURG COUNTY OFFICE, MCALESTER, OK
04-012-0652	SWR	05-16-84	FMHA-GARFIELD-GRANT COUNTY OFFICE, ENID, OK
04-091-0115	GPR	06-25-84	FMHA-FINANCE OFFICE - SUSPENDED CASH RECEIPTS
04-097-0001	SER	08-21-84	FMHA-LAWRENCE COUNTY, MONTICELLO, MS
04-099-0010	NAR	04-01-84	PR FMHA RURAL HOUSING PROGRAM
04-099-0012	NAR	04-17-84	RURAL HOUSING GRADUATION AUDIT
04-099-0015	NAR	08-10-84	SURVEY OF FMHA CENSUS MAP UPDATE, NEW YORK STATE
04-099-0038	WR	04-02-84	FMHA-RURAL HOUSING GRADUATION IN OREGON
04-099-0039	MWR	08-09-84	FMHA-REQUEST AUD B&I LOAN LIQUID-DEYS, INC., SHAWANO, WI
04-099-0039	WR	06-12-84	FMHA-COUNTY OFFICE LOAN QUESTIONNAIRES, WA, AZ, CA, OR, WI
04-099-0040	MWR	08-23-84	SPECIAL REQUEST-AUGLAIZE COUNTY FMHA, WAPAKONETA, OHIO
04-099-0041	WR	07-23-84	FMHA-SPECIAL REQUEST MOUNTAIN HOME, IDAHO
04-099-0053	NER	07-13-84	MAHANAY CITY PA COMMUNITY FACILITY LOAN
04-099-0054	NER	07-13-84	AUDIT OF EMERGENCY LOANS IN PA
04-099-0056	NER	07-10-84	FMHA-FP LOAN-BONHAM BROTHERS INC., VA
04-099-0070	GPR	06-22-84	FOLLOWUP AUDIT MISSOURI FMHA RH GRADUATION
04-099-0071	GPR	06-22-84	RURAL HOUSING GRADUATION AUDIT FMHA IN MONTANA
04-099-0090	SWR	04-25-84	FMHA-COMP BORR IMPROPRIETIES, SHARP COUNTY, AR
04-099-0125	SER	07-16-84	GEORGE COUNTY FMHA OFFICE, LUCEDALE, MS
04-099-0132	SER	06-14-84	FMHA-CONCENTRATION BANKING METHOD, ATHENS, GA
04-099-0133	SER	07-19-84	FMHA-TISHOMINGO COUNTY, IUKA, MS
04-099-0134	SER	05-02-84	FMHA-EM AND FARM PROGRAM LOANS, PALM BEACH COUNTY
04-099-0144	SER	07-16-84	MISSISSIPPI FMHA LABOR HOUSING SURVEY, JACKSON
04-099-0147	SER	08-22-84	FMHA-BOYD COUNTY, KENTUCKY
04-099-0148	SER	04-12-84	LOAN COLLECTIONS FMHA COUNTY OFFICE, STATESVILLE, NC
04-099-0150	SER	06-15-84	FMHA-EMERGENCY LOANS IN ALABAMA
04-099-0151	SER	06-22-84	FMHA-EMERGENCY LOANS IN GEORGIA
04-099-0152	SER	06-15-84	FMHA-EMERGENCY LOANS IN KENTUCKY
04-099-0153	SER	06-01-84	FMHA-EMERGENCY LOANS IN MISSISSIPPI
04-099-0154	SER	06-22-84	FMHA-EMERGENCY LOANS IN NORTH CAROLINA
04-099-0155	SER	05-09-84	FMHA-EMERGENCY LOANS IN SOUTH CAROLINA
04-099-0156	SER	06-21-84	FMHA-EMERGENCY LOANS IN TENNESSEE
04-099-0158	SER	04-05-84	FMHA-RURAL HOUSING LOAN, MCMINN COUNTY, TN
04-530-0013	GPR	05-22-84	FMHA-SYSTEM DEVELOPMENT-IBM CONVERSION PROJECT
04-530-0017	GPR	09-12-84	MONITORING - FMHA'S STATE OFFICE TERMINAL IMPLEMENTATION
04-545-0005	MWR	04-18-84	SPECIAL REQUEST - AEC CONTRACT AUDIT
04-545-0006	MWR	04-20-84	SPECIAL REQUEST - AEC CONTRACT DEFECTIVE PRICING FOLLOWUP
04-545-0011	NER	08-28-84	FMHA-CONTRACT CLAIM, CLAY COUNTY, PROCIOS, WVA
04-639-0001	GPR	04-01-84	FOLLOWUP ON PRIOR FMHA AUDIT ISSUES
04-640-0004	GPR	04-17-84	FMHA-REAMORTIZATION OF FMHA LOANS
04-641-0001	SWR	08-13-84	FMHA-RH NATIONWIDE GRADUATION, TEXAS
04-641-0002	SWR	08-23-84	FMHA-RH NATIONWIDE GRADUATION, ARKANSAS

TOTAL FMHA FARMERS HOME ADMINISTRATION

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AGENCY - FCIC FEDERAL CROP INSURANCE CORP

AUDIT NUMBER	REGION	RELEASE DATE	TITLE
05-099-0005	SWR	04-17-84	FCIC SURVEY OF INDEMNITY PAYMENTS FOR LOSSES IN SOUTHWEST
05-099-0008	SER	08-29-84	SURVEY OF FCIC REINSURANCE PROGRAM
TOTAL	FCIC	FEDERAL CROP INSURANCE CORP	- 02

AGENCY - FNS FOOD AND NUTRITION SERVICE

AUDIT NUMBER	REGION	RELEASE DATE	TITLE
27-001-0002	SER	04-26-84	SURVEY SPECIAL DONATED COMMODITY PROGRAM, SOUTHEAST REGION
27-002-0009	MWR	04-18-84	FNS-EMERGENCY FOOD ASSISTANCE PROGRAM IN MICHIGAN & DETROIT
27-013-0035	SWR	09-10-84	FNS-FOOD STAMP PROGRAM, ATP RECONCILIATION TDHR, AUSTIN, TX
27-013-0053	SER	08-29-84	SURVEY OF NORTH CAROLINA FOOD STAMP PROGRAM
27-013-0055	SER	07-18-84	FNS-FOOD STAMP PROGRAM, STATE AGENCY, NASHVILLE, TN
27-019-0024	SER	04-05-84	FNS-FOOD STAMP PROGRAM, WAGE MATCH, FRANKFORT, KY
27-019-0025	SER	05-18-84	FNS-FOLLOW-UP ON WAGE MATCH, WAKE COUNTY, NC
27-019-0026	WR	05-09-84	FNS-FOOD STAMP PROGRAM, CASE DATA SYSTEM REVIEW
27-021-0001	NAR	08-20-84	SUMMER FOOD SERVICE PROGRAM FNSRO, NEW YORK, NEW YORK
27-023-0323	WR	04-09-84	FNS-SPECIAL IMPACT AUDIT-NATIONAL SCHOOL LUNCH PROGRAM
27-023-0324	WR	04-30-84	FNS-NSLP SPECIAL IMPACT AUDIT, LOS ANGELES UNIFIED SCHOOLS
* 27-025-0004	MWR	06-22-84	FNS-CCFP BLACK UNITY, CLEVELAND, OH
* 27-025-0005	MWR	06-21-84	FNS-CCFP MT. PLEASANT YOUTH ACTION, CLEVELAND, OH
* 27-025-0006	MWR	06-22-84	FNS-CCFP WINDERMERE CHILD CARE CENTER, CLEVELAND, OH
* 27-025-0007	MWR	06-22-84	FNS-CCFP MEADOWLAWN DAY CARE CENTER, MIDDLETOWN, OH
* 27-025-0008	MWR	06-22-84	FNS-CCFP EMMANUEL COMMUNITY CENTER, CINCINNATI, OH
* 27-025-0009	MWR	06-22-84	FNS-CCFP MIZPAH CHILD DEVELOPMENT, LIMA, OH
* 27-025-0010	MWR	06-22-84	FNS-CCFP PRAISE TEMPLE PRESCHOOL, STEUBENVILLE, OH
* 27-025-0011	MWR	06-25-84	FNS-CCFP PASHA SCHOOL INC., DAYTON, OH
* 27-025-0012	MWR	06-27-84	FNS-CCFP NEW HOPE MISSIONARY BAPTIST CHURCH, DAYTON, OH
* 27-025-0013	MWR	06-27-84	FNS-CCFP DAYTON CHRISTIAN CHURCH, DAYTON, OH
* 27-025-0024	SWR	04-02-84	FNS-CCFP ASSOCIATION FOR CHILDREN'S NUTRITIONAL GROWTH
* 27-025-0026	SWR	08-15-84	FNS-CCFP DALLAS COUNTY COMMUNITY ACTION COMMITTEE INC.
* 27-029-0043	NAR	05-03-84	FNS-CHILD CARE PROGRAM MUTUAL AID PROJECT INC.
* 27-029-0044	NAR	05-03-84	FNS-CHILD CARE PROGRAM VIRGINIA DAY NURSERY
* 27-029-0107	NAR	05-03-84	FNS-CHILD CARE PROGRAM UNITED COMMUNITY OF WILLIAMSBURG
* 27-029-0112	NAR	06-15-84	FNS-CHILD CARE PROGRAM UNITED INTERFAITH ACTION
* 27-029-0121	NAR	05-04-84	FNS-CHILD CARE PROGRAM LENOX HILL NEIGHBORHOOD ASSN. 56859
* 27-029-0126	NAR	07-25-84	FNS-CHILD CARE PROGRAM JEWISH BD JEWISH CHILDREN SERV.
* 27-029-0131	NAR	05-04-84	FNS-CHILD CARE PROGRAM ST MATTHEWS-ST TIMOTHYS CTR.
* 27-029-0132	NAR	05-04-84	FNS-CHILD CARE PROGRAM GODDARD RIVERSIDE COMM. CTR. 57471
* 27-029-0148	NAR	04-01-84	FNS-CHILD CARE PROGRAM UNITED BX PARENTS
* 27-029-0152	NAR	05-04-84	FNS-CHILD CARE PROGRAM LOUIS A FICKLING CHILD DEV.
* 27-029-0155	NAR	05-04-84	FNS-CHILD CARE PROGRAM FRIENDSHIP COMMUNITY CHURCH
* 27-029-0157	NAR	05-04-84	FNS-CHILD CARE PROGRAM WASHINGTON AVE DAY CARE CTR.

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AGENCY - FNS FOOD AND NUTRITION SERVICE (continued)

AUDIT NUMBER	REGION	RELEASE DATE	TITLE
* 27-029-0160	NAR	05-04-84	FNS-CHILD CARE PROGRAM AS THE TWIG IS BENT CHILDRENS CTR.
* 27-029-0164	NAR	05-03-84	FNS-CHILD CARE PROGRAM COMMUNITY LIFE CENTER
* 27-029-0175	NAR	05-04-84	FNS-CHILD CARE PROGRAM EAST HARLEM NURSERY
* 27-029-0176	GPR	08-21-84	FNS-CCFP MERRY MANOR DCC, LINCOLN, NE
* 27-029-0177	GPR	07-24-84	FNS-CCFP UNIV. CHILD CARE CENTER, LINCOLN, NE
* 27-029-0178	GPR	07-25-84	FNS-CCFP LAFERN WILLIAMS ASSOC. INC., OMAHA, NE
* 27-029-0179	GPR	09-17-84	FNS-CCFP MAGIC DOOR CCC INC., OMAHA, NE
* 27-029-0180	GPR	07-19-84	FNS-CCFP COMMUNITY CHURCH DAY CARE, KC, MO
* 27-029-0181	GPR	06-07-84	FNS-CCFP CHILD CARE ADVOCACY SERVICES CENTER, KC, MO
* 27-029-0182	GPR	07-19-84	FNS-CCFP CHRIST CHILD SOCIETY OF OMAHA, (57020), OMAHA, NE
* 27-029-0208	NAR	05-04-84	FNS-CHILD CARE PROGRAM THE CHILDRENS AID SOCIETY HEAD START
* 27-029-0211	NAR	04-09-84	FNS-CHILD CARE PROGRAM CORNERSTONE DAY CARE
* 27-029-0212	NAR	05-04-84	FNS-CHILD CARE PROGRAM FREWILL CHURCH OF GOD IN CHRIST
* 27-029-0214	NAR	05-04-84	FNS-CHILD CARE PROGRAM GRACE REFORMED CHURCH
* 27-029-0215	NAR	05-04-84	FNS-CHILD CARE PROGRAM MOSDOTH DCC
* 27-029-0216	NAR	05-04-84	FNS-CHILD CARE PROGRAM EMANUEL PROGRESSIVE CHILD DEV. CTR.
* 27-029-0217	NAR	05-04-84	FNS-CHILD CARE PROGRAM WILLO HAVEN DCC
* 27-029-0218	NAR	05-04-84	FNS-CHILD CARE PROGRAM COMMUNITY ROUNDTABLE OF BUSHWICK
* 27-029-0220	NAR	05-04-84	FNS-CHILD CARE PROGRAM PUTNAM DCC
* 27-029-0221	NAR	05-04-84	FNS-CHILD CARE PROGRAM BUSHWICK UNITED HOUSING HEAD START
* 27-029-0223	NAR	05-04-84	FNS-CHILD CARE PROGRAM WHITE PLAINS CHILD DAY CARE ASSN.
* 27-029-0225	NAR	05-04-84	FNS-CHILD CARE PROGRAM ST MATTHEWS UNITED METH. DAY CARE NURS.
* 27-029-0226	NAR	05-04-84	FNS-CHILD CARE PROGRAM PORT CHESTER CARVER CENTER
* 27-029-0227	NAR	05-04-84	FNS-CHILD CARE PROGRAM INTERCOMMUNITY RELATIONS COUNCIL
* 27-029-0235	NAR	05-04-84	FNS-CHILD CARE PROGRAM POUGHKEEPSIE FAMILY DEV. AND DCC
* 27-029-0243	NAR	05-03-84	FNS-CHILD CARE PROGRAM TINY TOTS CHILD CARE CENTER
* 27-029-0245	NAR	05-04-84	FNS-CHILD CARE PROGRAM NIAGARA COUNTY SOUTH BUREAU
* 27-029-0248	NAR	05-07-84	FNS-CHILD CARE PROGRAM QUEENS DAUGHTERS DCC
* 27-029-0249	NAR	05-07-84	FNS-CHILD CARE PROGRAM YONKERS COMMUNITY ACTION HEAD START
* 27-029-0250	NAR	05-07-84	FNS-CHILD CARE PROGRAM MARTIN LUTHER KING JR. CHILD DEV. CTR.
* 27-029-0253	NAR	05-07-84	FNS-CHILD CARE PROGRAM BETHEL BAPTIST CHURCH
* 27-029-0255	NAR	05-07-84	FNS-CHILD CARE PROGRAM AMER. IT AL COALITION OF ORG.
* 27-029-0256	NAR	05-07-84	FNS-CHILD CARE PROGRAM ACTION FOR A BETTER COMMUNITY 57699
* 27-029-0260	NAR	05-07-84	FNS-CHILD CARE PROGRAM HEBREW KGDN. AND INFANTS HOME
* 27-029-0266	NAR	05-07-84	FNS-CHILD CARE PROGRAM OREGON LEOPOLD DCC ASSN.
* 27-029-0269	NAR	04-01-84	FNS-CHILD CARE PROGRAM TRINITY EMANUEL PRES. CHURCH JEFF AVE.
* 27-029-0271	NAR	04-01-84	FNS-CHILD CARE PROGRAM ACTION FOR A BETTER COMMUNITY
* 27-029-0273	NAR	05-07-84	FNS-CHILD CARE PROGRAM HAMMELS ARVERNE DCC
* 27-029-0283	NAR	05-07-84	FNS-CHILD CARE PROGRAM SILVER LAKE TEACHERS, MOTHERS, ORG
* 27-029-0287	NAR	05-07-84	FNS-CHILD CARE PROGRAM CHRIST CHURCH DCC
* 27-029-0290	NAR	04-01-84	FNS-CHILD CARE PROGRAM ONEIDA COUNTY COMMUNITY ACTION AGENCY
* 27-029-0296	NAR	05-07-84	FNS-CHILD CARE PROGRAM WILLOUGHBY HOUSE SETTLEMENT 58179
* 27-029-0300	NAR	05-07-84	FNS-CHILD CARE PROGRAM BLANCHE COMMUNITY PROGRESS DCC 57983
* 27-029-0302	NAR	04-01-84	FNS-CHILD CARE PROGRAM LADIES OF PR. CULTURE
* 27-029-0304	NAR	05-03-84	FNS-CHILD CARE PROGRAM ST MATTHEWS AND ST TIMOTHYS CENTER
* 27-029-0305	NAR	05-07-84	FNS-CHILD CARE PROGRAM WASHINGTON HTS. CHILD CARE CENTER
* 27-029-0306	NAR	05-07-84	FNS-CHILD CARE PROGRAM HOPE DAY NURSERY
* 27-029-0307	NAR	05-07-84	FNS-CHILD CARE PROGRAM SHELTERING ARMS CHILDRENS SERV. DCC
* 27-029-0308	NAR	05-07-84	FNS-CHILD CARE PROGRAM TALBOT PERKINS CHILDRENS SERV. FAMILY
* 27-029-0309	NAR	05-07-84	FNS-CHILD CARE PROGRAM HARTLEY HOUSE
* 27-029-0310	NAR	05-07-84	FNS-CHILD CARE PROGRAM CHILDRENS DAY CARE
* 27-029-0311	NAR	05-07-84	FNS-CHILD CARE PROGRAM COMM. FOR EARLY CHILDHOOD DEV. DCC
* 27-029-0312	NAR	05-07-84	FNS-CHILD CARE PROGRAM CHILDRENS CIRCLE
* 27-029-0313	NAR	05-07-84	FNS-CHILD CARE PROGRAM CHAMA SOC. FAM. DC CLUSTER 58166
* 27-029-0314	NAR	05-07-84	FNS-CHILD CARE PROGRAM HAMILTON MADISON HOUSE HEADSTART

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* 27-029-0315	NAR	05-07-84	FNS-CHILD CARE PROGRAM HAMILTON MADISON HOUSE 57661
* 27-029-0316	NAR	05-07-84	FNS-CHILD CARE PROGRAM HAMILTON MADISON HOUSE 58114
* 27-029-0317	NAR	05-07-84	FNS-CHILD CARE PROGRAM CHAMA SOC. CHAMA CHILD DEV. CTR. 57831
* 27-029-0319	NAR	05-08-84	FNS-CHILD CARE PROGRAM RENA DC CENTER 57622
* 27-029-0320	NAR	05-03-84	FNS-CHILD CARE PROGRAM PRINCE HALL SERVICE FUND
* 27-029-0322	NAR	05-03-84	FNS-CHILD CARE PROGRAM PARKCHESTER BRONXDALE DC ASSN.
* 27-029-0323	NAR	05-08-84	FNS-CHILD CARE PROGRAM CONCERNED CITIZENS OF SUNSET PARK
* 27-029-0324	NAR	05-08-84	FNS-CHILD CARE PROGRAM OLD SOUTH PCT. COMM. COUN., ST MARKS DCC
* 27-029-0325	NAR	05-03-84	FNS-CHILD CARE PROGRAM BAY RIDGE DAY NURSERY
* 27-029-0326	NAR	05-08-84	FNS-CHILD CARE PROGRAM IRVING PLACE CHILD DEV. CENTER
* 27-029-0328	NAR	05-08-84	FNS-CHILD CARE PROGRAM NATL. COUNCIL OF NEGRO WOMEN
* 27-029-0329	NAR	05-08-84	FNS-CHILD CARE PROGRAM CHURCH OF THE OPEN DOOR, AME
* 27-029-0330	NAR	05-03-84	FNS-CHILD CARE PROGRAM COLONY HOUSE INTEGRATED LEARNING
* 27-032-0005	GPR	06-22-84	FNS-WIC, NE INDIAN INTERTRIBAL DEV. CORP., WINNEBAGO, NE
27-092-0002	NAR	06-26-84	REVIEW OF FNS 1976 CCFP OVERPAYMENTS
27-099-0068	MWR	08-10-84	FNS-FOOD DISTRIBUTION PROGRAM TWO FOOD PROCESSOR CONTRACTS
27-540-0004	SER	09-18-84	FNS-ANALYSIS AND EVAL. OF REGIONAL OFFICE COMPUTER SYSTEMS
27-541-0001	NAR	08-09-84	AUDIT OF THE EPFT - DELIVERY SYSTEM IN THE NYC FSP
27-541-0015	SER	09-05-84	FNS-FSP KY AUTOMATED CERT. & ISSUANCE SYS (KACIS)-PROCUREMENT
27-541-0020	SER	08-24-84	FNS-FSP NC COMPUTER SYSTEM SURVEY PHASE II
27-545-0018	NAR	06-01-84	FNS-CONTRACT AUDIT FOOD STAMP PROGRAM UNITED STATES BANKNOTE
27-545-0019	NAR	06-01-84	FNS-CONTRACT AUDIT FOOD STAMP PROGRAM AMERICAN BANKNOTE, NY
27-545-0020	NAR	06-14-84	FNS-CONTRACT AUDIT FOOD STAMP PROGRAM US BANKNOTE CORP., NY
27-545-0020	NER	05-21-84	POSTAWARD AUDIT, SOCIAL 8 SCIENTIFIC SYSTEMS, INC., DC
27-545-0021	NAR	06-14-84	FNS-CONTRACT AUDIT FOOD STAMP PROGRAM AMERICAN BANKNOTE, CO
* 27-545-0024	NER	04-04-84	INCURRED COST AUDIT-COOPERS & LYBRAND, ARLINGTON, VA
* 27-545-0026	NER	07-02-84	PREAWARD AUDIT-NATIONAL ANALYSIS, PHILADELPHIA, PA
* 27-545-0027	NER	08-20-84	PREAWARD AUDIT-CLAPP AND MAYNE, INC. SANTURCE, PR
* 27-545-0029	NER	09-07-84	PREAWARD AUDIT-WILSON-HILL ASSOCIATES, INC., DC
27-639-0003	MWR	08-24-84	FOLLOWUP REQUEST AT QCCI, MOUND, MINNESOTA
27-651-0001	NAR	07-26-84	FNS-FOOD DISTRIBUTION PROGRAM FNSRO, ROBBINSVILLE, NJ
27-651-0002	NAR	08-31-84	FNS-FOOD DISTRIBUTION PROGRAM FNSRO, BURLINGTON, MASS.
TOTAL	FNS		FOOD AND NUTRITION SERVICE - 122

AGENCY - FSIS FOOD SAFETY AND INSPECTION SERVICE

AUDIT NUMBER	REGION	RELEASE DATE	TITLE
38-606-0001	NAR	07-27-84	FSIS-MEAT AND POULTRY INSPECTION PROGRAM NATIONWIDE REVIEW
TOTAL	FSIS		FOOD SAFETY AND INSPECTION SERVICE - 01

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AGENCY - FAS FOREIGN AGRICULTURAL SERVICE

AUDIT NUMBER	REGION	RELEASE DATE	TITLE	
07-099-0001	NER	08-29-84	FAS-SECTION 416 FOREIGN DAIRY DONATION PROGRAM	
07-099-0002	NER	08-20-84	FAS-ASSESSING & COLLECTING USER FEES	
07-099-0003	NER	08-15-84	FAS-MARKET DEVELOPMENT, WASHINGTON, DC	
TOTAL	FAS	FOREIGN AGRICULTURAL SERVICE		- 03

AGENCY - FS FOREST SERVICE

AUDIT NUMBER	REGION	RELEASE DATE	TITLE	
08-021-0222	WR	05-15-84	FOREST SERVICE SUSTAINED YIELD UNIT OLYMPIC NATIONAL FOREST	
08-097-0001	MWR	06-22-84	FS-RESEARCH AGREEMENTS FOREST PRODUCTS LABORATORY, MADISON, WI	
08-097-0007	WR	08-17-84	FS-ROAD CONSTRUCTION ACTIVITIES, SOLEDUCK RANGER DISTRICT, WA	
08-099-0005	NER	05-25-84	FS-PAYMENTS TO STATES FROM NATIONAL FOREST RECEIPTS	
08-099-0058	WR	08-29-84	FOREST SERVICE - FINANCIAL CONTROLS IN REGION 5	
08-099-0059	WR	08-30-84	FOREST SERVICE - FINANCIAL CONTROLS IN REGION 6	
08-530-0002	SER	08-24-84	FOREST SERVICE - SOUTHERN REGION - SURVEY OF ADP SYSTEMS	
* 08-545-0012	NER	08-17-84	POSTAWARD INCURRED COST AUDIT LABAT-ANDERSON, ARLINGTON, VA	
* 08-545-0012	WR	06-28-84	FS-CONTRACT TERM WISNER CONSTRUCT INC, PRINEVILLE, OREGON	
* 08-545-0013	WR	06-28-84	FS-EQUIT. ADJUST CLAIM, WESTERN ROADS INC., LAKEVIEW, OREGON	
08-545-0014	WR	06-26-84	FS-AUDIT OF THE 1984 AIR TANKER CONTRACT REIMBURSEMENT RATES	
TOTAL	FS	FOREST SERVICE		- 11

AGENCY - SEA SCIENCE AND EDUCATION ADMINISTRATION

AUDIT NUMBER	REGION	RELEASE DATE	TITLE	
40-002-0006	SER	04-06-84	CSRS-FORT VALLEY STATE COLLEGE, FORT VALLEY, GA	
40-003-0008	SER	06-22-84	ES-FORT VALLEY STATE COLLEGE, FORT VALLEY, GA	
40-099-0002	NER	04-13-84	AGRICULTURAL RESEARCH LAND SALE, GREENBELT, MD	
40-545-0006	NAR	08-20-84	TUFTS UNIVERSITY NUTRITION RESEARCH PROGRAM	
40-545-0007	NAR	06-06-84	SEA-CONTRACT AUDIT NUTRITION RESEARCH CENTER, BOSTON, MASS	
40-545-0019	NER	04-13-84	POSTAWARD AUDIT, RESOURCE CONSULTANTS, INC., MCLEAN, VIRGINIA	
* 40-545-0026	NER	08-20-84	POSTAWARD AUDIT, RESOURCES FOR THE FUTURE, DC	
* 40-545-0027	NER	08-20-84	POSTAWARD INCURRED COST AUDIT, SMITHSONIAN INST., WASH., DC	
TOTAL	SEA	SCIENCE AND EDUCATION ADMINISTRATION		- 08

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AGENCY - SCS SOIL CONSERVATION SERVICE

AUDIT NUMBER	REGION	RELEASE DATE	TITLE
10-097-0001	SER	08-06-84	SCS-WHISTLEBLOWER COMPLAINT, DECATUR COUNTY, GEORGIA
* 10-545-0003	SER	04-16-84	SCS-DCAA CLAIM PROPOSAL AUDIT, WADSWORTH CONTRACTORS, INC.
* 10-545-0005	GPR	09-05-84	SCS-AUDIT OF CLAIM, ROCKY MY CONSTRUCTORS, ENGLEWOOD COUNTY
* 10-545-0011	SWR	05-18-84	SCS-ADDITIONAL CONTRACTOR CLAIM FOR DIFFERING SITE CONDITION
10-545-0012	NER	06-28-84	SCS-CONTRACT CLAIM, CHARTWELL ASSOC., RIPLEY, WVA
* 10-545-0013	NER	08-20-84	PREAWARD AUDIT BENATEC ASSOC., CAMP HILL, PA
TOTAL	SCS	SOIL CONSERVATION SERVICE	- 06

AGENCY - OIG OFFICE OF INSPECTOR GENERAL

AUDIT NUMBER	REGION	RELEASE DATE	TITLE
42-099-0003	NER	06-07-84	AUDIT ASSIST OF INVESTIGATIONS
42-099-0009	SER	05-07-84	AUDIT ASSIST OF INVESTIGATIONS
TOTAL	OIG	OFFICE OF INSPECTOR GENERAL	- 02

AGENCY - MULT MULTI-AGENCY/DIVISION CODE

AUDIT NUMBER	REGION	RELEASE DATE	TITLE
50-099-0023	NER	05-02-84	CLAIMS FOLLOWUP
50-560-0004	SER	04-05-84	A-102, ATT. P-AUDIT OF FLORIDA DEPT OF AGRICULTURE
50-560-0006	NER	05-23-84	A-102 AUDIT OF KENT COUNTY MD. FOR YEAR ENDED 6/30/83
50-560-0006	MWR	08-13-84	A-102, ATT. P-AUDIT-WIS. DEPT. OF AG., TRADE, & CONSUMER PR
50-560-0007	MWR	08-20-84	A-102, ATT. P-AUDIT-MICHIGAN DEPT. OF AGRICULTURE
50-560-0008	NER	04-02-84	A-102, ATT. P-CO. OF ISLE, WIGHT PUBLIC REC. FAC. AS OF 6/30/83
50-560-0008	MWR	06-14-84	A-102, ATT. P-AUDIT-ILLINOIS DEPT. OF AGRICULTURE
50-560-0009	SWR	06-27-84	A-102, ATT. P-CITY OF LUBBOCK
50-560-0010	SER	04-16-84	A-102, ATT. P-GEORGIA DEPT. OF EDUCATION
50-560-0010	SWR	06-14-84	A-102, ATT. P-NATURAL FIBERS AND FOOD PROTEIN COMMISSION
50-560-0010	GPR	08-31-84	A-102, CITY OF LOUISBURG, KS
50-560-0011	SER	08-16-84	A-102, ATT. P-AUDIT OF KENTUCKY DEPT. OF NATURAL RESOURCES
50-560-0011	SWR	09-11-84	ARKANSAS DIVISION OF FORESTRY FOR YEAR ENDING JUNE 30 1983
50-560-0012	SER	08-01-84	A-102, ATT. P-AUDIT OF ALABAMA FORESTRY COMMISSION
50-560-0012	SWR	09-07-84	ARKANSAS DEPT. OF HUMAN SERVICES DIV. OF REHABILITATION SERV.
50-560-0022	WR	07-25-84	A-102 STATE-WIDE AUDIT FY82-83, SACRAMENTO
50-560-0025	WR	04-09-84	AUDIT REPORT IDAHO DEPARTMENT OF AGRICULTURE FY 80, 81 AND 82
50-560-0030	WR	04-06-84	A-102 AUDIT OF CITY OF SAN JOSE YR ENDED 6-83, SAN JOSE CALIF
50-560-0031	WR	07-16-84	A-102 DEPARTMENT OF AGRICULTURE, SALEM, OREGON
50-560-0032	WR	05-07-84	A-102 AUDIT REPORT-SPECIAL PURPOSE DISTRICTS, FERRY COUNTY, WA
50-560-0033	WR	05-08-84	A-102 AUDIT REPORT ON THE TOWN OF LIND, WA
50-560-0034	WR	05-07-84	A-102 AUDIT OF ELMER CITY, WA

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AGENCY - MULT MULTI-AGENCY/DIVISION CODE (continued)

AUDIT NUMBER	REGION	RELEASE DATE	TITLE
50-560-0035	WR	08-17-84	A-102 REPORT ON THE CITY OF KAHLOTUS, WASHINGTON
50-560-0036	WR	08-30-84	A-102 AUDIT REPORT ON THE WASHINGTON DEPT. OF NATURAL RES.
50-615-0173	NER	07-20-84	AUDIT OF AG. EXPERIMENT STATION PA. STATE UNIV., FY 1982
50-615-0174	NER	08-30-84	A-88 RPT. OF MATCHING HATCH ACT FUNDS, PENN STATE, FY 1982
50-650-0002	SER	06-01-84	NATIONWIDE AUDIT OF COMMODITY PROCESSORS-SPECIAL DIST. PROG.
50-650-0003	SER	05-25-84	ASCS CONTROLS OVER PROCESSORS OF CCC OWNED COMMODITIES
50-651-0001	MWR	05-14-84	SURVEY OF SECURITY OVER NONFEDERAL ADP SYSTEMS
* 50-652-0001	WR	07-23-84	ASCS-MILK DIVERSION PROGRAM ALTA DENA DAIRIES INDUSTRY, CA
50-652-0004	MWR	08-30-84	IMPLEMENTATION OF THE DAIRY ASSESSMENT PLAN
TOTAL	MULT	MULTI-AGENCY/DIVISION CODE	- 31