



United States  
Department of  
Agriculture

Office of  
Inspector  
General

# Semiannual Report Office of Inspector General

April 1, 1985 - September 30, 1985

PLEASE RETURN TO: ROOM 13-E  
MANAGEMENT OPERATIONS STAFF



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

October 30 1985

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

In accordance with the requirements of the Inspector General Act of 1978 (Public Law 95-452), I am transmitting the Semiannual Report of the Inspector General covering the period April 1, 1985, through September 30, 1985.

During this 6-month period, the Office of Inspector General issued 311 audit reports, including 94 performed under contract to certified public accountants. At the time of report issuance, OIG questioned costs and loans totaling \$11.6 billion and resolved 377 audits resulting in total savings of \$154 million. This represented \$20.1 million in claims established for recovery, and \$133.9 million in agreed-upon savings and management improvements.

Also, during this period, the Office of Inspector General reported 572 investigations, 331 indictments, and 320 convictions, resulting in fines, recoveries and collections of \$9,290,819 and claims of \$12,245,981. These investigations should have a significant effect on reducing fraud.

As these figures indicate, the Office of Inspector General continues to be a primary resource in the Department to promote the integrity and effectiveness of its programs.

Sincerely,

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

John R. Block  
Secretary

Enclosure

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## INTRODUCTION AND SUMMARY

This is the fourteenth Semiannual Report issued by the Office of Inspector General (OIG), U.S. Department of Agriculture (USDA), for the period April 1, 1985 through September 30, 1985, pursuant to the provisions of the Inspector General Act of 1978 (P.L. 95-452).

### AUDIT ACTIVITIES

Total Reports Issued.....	311
Internal and Special Purpose Reports Issued.....	183
Single Audits Issued.....	34
Audits Issued Under Contract.....	94
Total Questioned Costs and Loans.....	\$11.6 Billion
Intended For Collection.....	\$ 57,580,000
Guaranteed Loans Canceled.....	\$3,579,000,000
Not Intended For Collection:	
Program Improvement 1/ .....	\$7,948,529,000
Improper Fund Allocation.....	\$ 14,891,000

1/ Includes \$1.8 billion, Rural Electrification Administration (REA) Audit, Telephone Loan Program; issued June 1985, discussed in previous Semiannual Report to Congress October 1, 1984 through March 31, 1985, page 21. Monetary statistics were not reported at that time; Monetary statistics are reported only after report issuance.

### IMPACT OF RESOLVED AUDIT ACTIVITIES 2/

Total Dollar Impact (April 1, 1985 - September 30, 1985).....	\$154 Million
Cost Efficiencies Identified.....	\$133.9 Million
Potential Recoveries.....	\$ 20.1 Million
Reports Closed and/or Resolved.....	377
Internal Audit Recommendations Made.....	1950
Internal Audit Recommendations Resolved.....	1950

2/ OIG resolved 377 audits, resulting in total savings of \$154 million. This represented \$20.1 million claims established for recovery, and \$133.9 million in agreed-upon savings and management improvements.

### INVESTIGATIVE ACTIVITIES

Total Reports Issued.....	572
Cases Opened.....	1042
Cases Closed.....	162
Cases Referred for Prosecution.....	289

### IMPACT OF INVESTIGATIVE ACTIVITIES

Indictments.....	331
Convictions.....	320
Recoveries/Collections.....	\$4,126,465
Cost Avoidance.....	\$ 677,312
Restitutions.....	\$4,361,542
Fines.....	\$ 802,812
Claims Established.....	\$6,193,693

In the current reporting period, we concentrated our audit and investigative strategies in the major dollar program areas with special emphasis on: (1) use made of management information to make decisions; (2) cost effectiveness of decisions; (3) monitoring of program performance; and (4) fraud schemes that adversely impacted the program performance.

During our next reporting period, we plan to concentrate our audit and investigative strategies in the farm program areas because of the current problems in the farm environment. We will continue to evaluate very closely the various automated information systems and equipment that will be going into about 8,000 Agriculture offices to modernize the entire farm loan and management systems.

A brief summary of the results of each special emphasis area follows. More details relating to the major audits and investigations are contained in the body of this report. Although our report contains several recommendations developed from our audit and investigative reports to improve controls to help prevent fraud, waste and mismanagement, we continue to be concerned about the number of people who continue to abuse the programs. Our concerns can best be expressed by a quote given by a judge at the sentencing of one of 19 people who fraudulently obtained \$25,000 in Child Care Feeding Program funds. The judge said, "Let the message go out that this kind of thing won't be tolerated. I can't let the general public and people who administer those programs for the poor get the impression they can take advantage of the program."

### Management Information

In many cases reviewed, controls were insufficient because personnel did not review available management information to make informed decisions. Many of these types of problems appear in the area of farm programs, where rapid growth in lending activity has placed a stress on the Department's ability to manage the programs effectively. We found, for example, that estimated disaster crop yields as established by County Emergency Boards, were significantly lower than actual yields later determined by the Statistical Reporting Service. Based on our low estimates, counties were approved as disaster areas, even though qualifying losses had not occurred. Based on our audit, the Farmers Home Administration (FmHA) agreed to collect more accurate yield data by requiring farm visits, farmer contacts and additional documentation for use in making disaster yield estimates.

FmHA county offices continue to have difficulty acquiring accurate data and updating existing data for Rural Housing (RH) loans and Farm Ownership loans. Inaccurate data resulted in excessive RH interest subsidies of \$32.2 million for the annual periods covered by the subsidy agreements. FmHA also needs to reformulate its method of calculating interest credit recapture to ensure the calculation includes all subsidies subject to recapture. When allocating pooled funds, FmHA should consider the review and approval capabilities of county office staffs. One county office received \$31.5 million in pooled funds and approved 799 RH loans within a 2-month period, processing loans so rapidly that it did not detect inaccuracies in applicant information. In this county, 99 percent of the loans we reviewed were approved without the essential information required by Agency instructions.

Because the Agricultural Stabilization and Conservation Service (ASCS) did not obtain sufficient information on farming operations, some producers were able to evade the \$50,000 payment limitation. ASCS approved numerous farm

"entities" as eligible for \$50,000 payments, even though the entities did not qualify as separate "persons" for payment limitation purposes. Payments to these entities totaled \$1.7 million in 1982 and 1983.

The REA approved \$3.1 billion in construction loans to five of eight borrowers we reviewed on-site whose power requirement studies were outdated or did not fully support the need for the loan. Review of records at REA Headquarters disclosed an additional four borrowers with loan guarantees of \$3.5 billion that should be rescinded because projects were canceled or delayed due to power demand decreases.

### Monitoring

Some Departmental control procedures lacked adequate monitoring of program participants to verify that program requirements were met and to maintain cost effectiveness over program operations. In this area, both loan programs and food programs need strengthening. FmHA's Debt Set-Aside Program, for example, contained inadequate monitoring systems. States were allowed to establish unit prices used to determine borrower eligibility, resulting in unequal treatment of applicants from State to State. Because cash flow projections and crop estimates were calculated inconsistently, the eligibility of 71 percent, or \$9.8 million in set-aside amounts, of the borrowers reviewed was not determined in accordance with instructions. In the Business and Industrial (B&I) loan program, FmHA's losses from liquidations increased from \$40 million in 1981 to \$118 million in 1984, largely because of inadequate collateral and liquidation planning by lenders. We recommend that FmHA refer large liquidation cases to OIG so that audit may determine the reasonableness of the lenders' actions and loss claims. FmHA Community Program costs could also decrease if FmHA improved controls over its graduation activities. FmHA currently permits State and District offices to conduct graduation reviews but does not follow up to determine how well the process is working. Twenty-four or about 40 percent of the borrowers we reviewed who were not requested to graduate, had sufficient assets and income to have been considered for graduation.

Loss payments of \$159,000 paid under the Federal Crop Insurance Corporation's (FCIC's) 1984 Raisin Crop Insurance Program were questionable because FCIC did not review loss claims handled by reinsured companies. We found that these companies treated losses inconsistently and, in some cases, ignored FCIC procedures.

In order to track grain inventory better, ASCS contracted for a grain inventory system, but it did not monitor the contractor's cost estimates after modifying the original contract. Cost estimates of the system doubled to \$8.7 million. ASCS plans to readvertise the contract.

Monitoring in food program areas has always received Departmental emphasis. Nevertheless, the Food and Nutrition Service's (FNS's) program for monitoring food retailers who redeem food stamps could be more effective. FNS has agreed to redesign its monitoring system to target retailers with a high probability of fraudulent operations. One such retailer pled guilty in court recently, after he was found to be in possession of stolen food stamps whose cancellation markings had been chemically erased.

In the Food Donations Program, better monitoring of sponsors is also needed to control inventory shortages and the reliability of claims for administrative costs. Concerning administrative costs in general, FNS should review States' cost allocation plans for Federal food programs. One State did not prorate costs for the Food Stamp Program and has received over \$800,000 based on inequitable allocations. FNS also needs to strengthen administrative controls over Special Projects provided under the Puerto Rico block grant. We found that most of these projects did not demonstrate a direct improvement to the nutritional status of the needy.

Forest Service (FS) monitoring of the sale of Federal timber has not been effective in preventing potential antitrust violations. Few cases of suspected collusion among purchasers bidding on Federal timber received the proper handling. We estimate that if all 18 cases of suspected collusion occurred, as the facts suggest, FS receipts from timber sales were decreased by approximately \$12 million.

#### Decisions Influencing Cost Effectiveness

In some cases we reviewed this period, management's decisions did not, in our opinion, result in the most cost effective operations. In these cases, we have urged a greater observance of those controls that increase cost effectiveness. In the area of administering farm loans, FmHA could improve its control over ineligible borrowers and unauthorized loans by publishing instructional changes quickly. FmHA is slow to react to changes in circumstances that make older policy obsolete.

As a result of OIG's audit, REA has proposed legislation to limit funds to distribution cooperatives servicing rural areas, but the proposal does not extend to generation and transmission (G&T) borrowers which provide energy to the cooperatives. We found that 15 G&T borrowers received about \$3.1 billion in REA funds from 1978 to 1983 which was used to provide service to nonrural customers. REA also proposed legislation to recover its administrative costs through user fees. Such costs were about \$28 million in 1983.

The FS should also restrict its methods of financing road construction to those authorized. In 1983, the FS improperly used \$1.5 million in purchaser road credits to finance excessive road designs and road maintenance. Such financing circumvents the budgetary process and may reduce timber sale receipts.

#### Collusion and Other Fraud

A major obstacle to fulfilling internal control objectives is collusion, which takes many forms. One form appeared this period in the Chicago area, where three Food Safety and Inspection Service (FSIS) meat inspectors were arrested for accepting gratuities from meat industry officials in exchange for ignoring defects in meat products. Other notable cases during this period have included insurance fraud, export fraud, and employee embezzlement:

- A California grape-grower was indicted for conspiring with two associates to overstate the value of his insured acreage and for selling grapes for which he filed indemnity claims totaling \$2.1 million.
- A Federal Grand Jury in New Orleans, Louisiana, indicted 14 individuals and 13 companies for defrauding the Sugar Re-Export Program and for making false claims to the U.S. Customs Service in connection with illegal diversions of over 88 million pounds of foreign sugar into the U.S. domestic sugar market. Eleven officers and 13 companies have been sentenced and fined, while three of the individuals indicted remain in a fugitive status. As a result of this investigation, the Foreign Agricultural Service (FAS), the Agency which administers the program, has implemented procedures to require verification of future sugar exports.
- An FmHA County Supervisor in Oklahoma set up fraudulent loan accounts in the names of fictitious borrowers and, in concert with two associates, stole over \$1 million from FmHA. The scheme was discovered and reported by alert FmHA employees.

The use of fictitious persons in schemes to defraud Government programs has also appeared widely in food stamp cases we investigated this period. In some cases, food stamp caseworkers in collusion with others established fictitious recipient files, often using real names and social security numbers. In other cases, individuals created their own aliases. One Virginia woman used 18 different aliases and even obtained authorization as a retail store owner so she could process the illegally acquired stamps. This same woman had engaged in a similar scheme in Florida, and was on probation at the time of her most recent criminal activity.

\* \* \*



S T A T I S T I C A L   D A T A

AUDIT REPORTS RESOLVED

OIG closed 81 reports and resolved 296 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 Intended for Collection.....	\$ 82,136,886
Questioned Loans Intended for Collection.....	22,694,577
Total Questioned Costs and Loans.....	\$104,831,463
Loan Guarantees Recommended for Cancellation.....	\$ 1,428,380

At Time of Report Resolution

Postaudit Justification Accepted by OIG * .....	\$ 86,293,512
Costs and Loans Referred for Collection.....	19,712,263
Loan Guarantees Canceled.....	428,380
Savings and Management Improvements ** .....	\$133,917,863

\* In the category "postaudit justifications accepted by OIG," are reported only those amounts in which the auditee, subsequent to the issuance of the audit report, has provided additional documentation, justification and/or support material to reconcile the monetary exception taken by OIG. Normally, this information was not available during the time of the audit. The information, once received, is evaluated and analyzed by OIG and appropriate adjustments to the reported amounts are made.

\*\* 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 174 new claims during the period covered by this report that arose from OIG activities. This amounted to more than \$5.4 million, with \$1.9 million collected against these and other prior claims; and \$3.1 million waived, compromised or reduced because of post resolution justification.

\* \* \*

IMPLEMENTATION OF THE SINGLE AUDIT ACT OF 1984

OIG has responsibility, through USDA cognizant grantor agencies, for 74 State agencies and two statewide single audits, Pennsylvania and Minnesota. During this reporting period, "Single Audit Reports" have been issued for 34 entities where USDA is cognizant. Also, we have received and distributed 204 reports furnished to us from other Federal cognizant audit agencies.

\* \* \*

AUDIT RESOLUTION AND FOLLOWUP

The following audits remain unresolved beyond the 6-month limit imposed by Congress:

Agency	Date Issued	Title of Report	Dollar Value Unresolved
FmHA	11-21-84	1. Assessment and Collection of User Fees (04099-52-Hy)	\$154,000,000
FmHA	2-27-85	2. Nationwide Statistical Review, Newton County Office, Iowa (04011-466-KC)	\$ 266,510
FmHA	2-07-85	3. Monitoring of Disaster Programs in Arkansas (04099-97-Te)	\$ 102,000

<u>Agency</u>	<u>Date Issued</u>	<u>Title of Report</u>	<u>Dollar Value Unresolved</u>
FNS	3-21-85	4. Evaluation of Food Processors and the National Commodity Processing System (27651-1-Ch)	\$ -0-
FNS	2-12-85	5. City of Baltimore Food Stamp Program (27017-4-Hy)	\$ -0-
FS	5-25-84	6. Payments to States From National Forest Receipts (08099-5-Hy)	\$ 12,000,000
FS	5-27-81	7. Audit of Concessionaire Fee Calculations in the Intermountain Region (08623-2-SF)	\$ 52,124
ARS	9-20-84	8. Audit of W.R.Moore Electric Company (40545-17-Hy)	\$ 66,566
ASCS	12-20-82	9. Indian Acute Distress Donation Program (03099-34-KC)	\$ 182,200
OIRM	10-19-84	10. Review of the Proposed Upgrade of the Washington Computer Center (58530-1-FM)	\$ 8,000,000
Total Associated with Unresolved Issues			<u>\$174,669,200</u>

1. Assessment and Collection of User Fees, Issued November 21, 1984

This audit recommended that FmHA assess user fees to recover its costs of making loans. In August, the Under Secretary agreed to seek fee exemptions from the Secretary for certain program activities and to implement fees in other program areas. FmHA provided a preliminary time schedule; however, it did not identify areas FmHA seeks exempted nor areas proposed for charging fees. This audit will be resolved upon receipt of a timetable identifying proposed exemptions and a timetable for implementation of user fees in identified nonexempted areas.

2. Nationwide Statistical Review, Newton County Office, Iowa, Issued February 27, 1985

FmHA did not responded to the audit report for over 120 days. The unresolved issues involve four rural housing borrowers who received excessive interest subsidies and two borrowers who were not eligible for rural housing loans. These issues will not be resolved until FmHA issues claim determination letters to recover the excessive subsidies and ineligible loans.

3. Monitoring of Disaster Programs in Arkansas, Issued February 7, 1985

Since issuance of this audit, we have revised our recommendations to accomodate issues peculiar to Arkansas. Progress has been made and only one issue remains unresolved.

The audit will be resolved upon FmHA's written agreement to limit pasture loss loans to the lesser of losses determined by the current loss formula or forage production normally used as pasture and pasture hay in prior years.

4. Evaluation of Food Processors and the National Commodity Processing System, Issued March 21, 1985

The unresolved issue involves the use by all processors of a uniform discount system that ensures that the recipient agencies promptly receive the value of the donated foods contained in the end products.

We are working with FNS to resolve this issue.

5. City of Baltimore Food Stamp Program, Issued February 12, 1985

The unresolved issue is that the existing city systems will not contain social security numbers for the heads of household and all household members, as required by program regulations effective January 1983.

FNS determined that the State had developed an interim procedure for checking duplicate participation by merging Food Stamp files with the Medicaid file. However, the Medicaid file does not have the ability to cross-check approximately 70,000 Food Stamp recipients who receive active nonpublic assistance (NPA). To resolve this issue, FNS should require the State to develop an effective interim procedure for checking NPA cases for duplicate participation, or sanction the State for noncompliance with program regulations, effective 3 years ago.

6. Payments to States from National Forest Receipts, Issued May 25, 1984

Annual payments to States have included advance desoposits by timber purchasers pending removal of timber. The law requires that 25 percent of all monies received from each National Forest be



paid to the appropriate State each fiscal year. However, OIG believes that since the deposits have not yet been earned by the Federal Government, the amounts should not be included in the payments to the States. OIG recommended that these deposits be excluded from future payments.

The FS declined to accept the recommendation and said the current process is not inconsistent with the law. The Assistant Secretary supports the FS position. Since we believe that our recommendation is correct, we are continuing to pursue this issue. A legal opinion may be necessary to resolve it.

7. Audit of Concessionaire Fee Calculations in The Intermountain Region, Issued May 27, 1981

The remaining action to be completed is the revision of the Snowbird Ski Area permit to increase the fee by about \$52,000 annually. At this point: (1) the FS and OIG agree on the action to be taken, (2) the FS notified the permittee of the action, (3) the permittee appealed, and (4) the appeal was denied by the Regional Forester and was being reviewed by the Chief. Because of the history of this case, however (it has already been "resolved" twice), the audit will remain unresolved until corrective action has been completed. The matter is currently in the appeal process.

8. Audit of W.R. Moore Electric Company, Issued September 20, 1984

This audit resulted in a claim against the contractor who appealed to the Agriculture Board of Contract Appeals. We are awaiting the judge's decision to resolve the audit.

9. Indian Acute Distress Donation Program, Issued December 20, 1982

The unresolved issue is the establishment of claims for excessive animal feed distributions valued at about \$182,000. Since the excess distributions were a result of action by the Bureau of Indian Affairs (BIA), the Secretary of Agriculture wrote to the Secretary of Interior asking his aid in resolving the claims. In May, the Secretary of Interior advised that he had directed a review of existing records to obtain determinations on questioned contracts. He also advised that bills of collections will be issued if contract terms were not completed. The Secretary of Agriculture wrote another letter to BIA in July to determine the status of actions, but the BIA has not responded.

10. Review of The Proposed Upgrade of The Washington Computer Center (WCC), Issued October 19, 1984

We recommended that the Department establish a policy that computer upgrades should not be enacted if the basis of the procurement is to meet outside needs. However, the Department noted

that the Office of Management and Budget (OMB) has currently emphasized the cross-servicing concept at the National Finance Center (NFC). We have requested clarification from OMB on the impact of cross-servicing arrangements as related to hiring limitations imposed by OMB Circular A-121. (The Circular encourages making excess capacity available to outside agencies, but provides that staffing cannot be increased to supply this service.) The audit remains unresolved pending OMB's response.

\* \* \*

AUDITS OF CONTRACTS

OIG performed or arranged for audits of 29 pricing proposals, cost reimbursement contracts, or contractor claims. These audits resulted in questioned costs or potential savings of more than \$1.8 million.

Also, during this period, 21 contract audits were resolved or closed, resulting in disallowances of about \$16,000 and savings of more than \$246,000.

OIG contract auditing is performed to assist USDA procurement offices in the negotiation, administration and settlement of USDA contracts and subcontracts.

In prior Semiannual Reports, we reported that air tanker operators under contract to the FS could receive profits substantially above the benchmark established for the 3-year period of the contracts, beginning with the 1984 fire season. At the request of the FS, we reviewed the actual revenues and incurred costs during 1984 for all air tanker contractors. Based upon our review, we found that the air tanker operators' profits totaled about \$650,000 over the benchmark; this would come to nearly \$2 million over the life of the contracts. The overall profit percentage for all tankers was 30 percent, excluding fuel costs which were reimbursed directly by the FS. While we haven't received any official notification, preliminary indications are that the FS will exercise the contract options for 1986.

We audited a claim levied against the Soil Conservation Service (SCS) by a contractor for equitable adjustment, based on subsurface conditions at the job site which differed substantially from those specified in the fixed price contract. Our audit questioned about \$305,000 of \$512,000 claimed. SCS concurred with our conclusions and will use the audit as the basis for negotiating a final settlement. Another SCS prime contractor had been compensated for work resulting from site conditions which differed from those described in the basic fixed price contract. However, the contractor submitted another claim for about \$690,000 alleging that equipment and personnel had to be idled for 49 days because of the cold weather encountered during the additional work. Our audit, which questioned about \$500,000 based on actual costs to the contractor, will be used in conjunction with SCS engineering data as a basis for negotiating final payment to the contractor.

In another instance auditors identified \$128,000 in unsupported or unallowable costs associated with a claim submitted for payment by a SCS contractor. After reviewing the claim and discussion with the auditors, SCS deducted \$128,000 from the \$512,000 claim.

In a previous Semiannual Report, we reported that

\* \* \*

an SCS contractor's claim for \$2.1 million was overstated by almost \$1.8 million. The case was submitted to the USDA Board of Contract Appeals. Recently, the legal proceedings concluded, and we were informed by the Office of General Counsel (OGC) that the contractor and SCS settled for \$700,000. The audit resulted in a \$1.1 million savings to SCS.

**INDICTMENTS AND CONVICTIONS**

Between April 1, 1985 and September 30, 1985 we completed 572 investigations, 501 of which involved possible criminal violations. We referred 289 cases to the Department of Justice.

During the 6-month period, our investigations led to 331 indictments and 320 convictions. Fines, recoveries/collections, and restitutions resulting from our investigations during the same period totaled about \$9,290,819. Claims were established for approximately \$6,193,693 and costs totaling \$677,312 were avoided.

The following is a breakdown by Agency of indictments and convictions for the reporting period.

<u>Agency</u>	<u>April-September 1985</u> <u>Indictment - Convictions</u>		<u>Total for FY 1985</u> <u>Indictment - Convictions</u>	
Agricultural Marketing Service (AMS)	2	1	2	2
Agricultural Stabilization and Conservation Service (ASCS)	20	20	40	36
Animal and Plant Health Inspection Service (APHIS)	1	0	4	6
Farmers Home Administration (FmHA)	77	69	109	97
Federal Crop Insurance Corporation (FCIC)	0	0	2	1
Food and Nutrition Service (FNS)	175	188	340	425
Food Safety and Inspection Service (FSIS)	13	8	21	17
Forest Service (FS)	2	3	7	6
Multiple Agency	<u>41</u>	<u>31</u>	<u>45</u>	<u>36</u>
TOTALS:	<u>331</u>	<u>320</u>	<u>570</u>	<u>626</u>

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

\* \* \*

**AUDITS PERFORMED BY OTHERS UNDER CONTRACT OR AGREEMENT**

Ninety-four audit reports were issued which were prepared by certified public accountants under contract with OIG and/or the Defense Contract Audit Agency. These reports questioned costs of approximately \$3.7 million in addition to expected savings of over \$1.2 million. Also, 173 reports were resolved or closed resulting in disallowance of \$524,000 and savings of \$162,000.

\* \* \*

**WHISTLEBLOWER COMPLAINTS**

The Inspector General Act of 1978 provided 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 received 568 whistleblower complaints for the current 6-month period. The toll-free telephone number, operating on a 24-hour basis, continues to be the major source for receipt of complaints (78 percent of the calls).

During this period, 318 cases were closed, and 76 cases were substantiated.

As indicated in the schedule below, allegations of program violations--49 percent, or 277 calls--are the main type of complaint received.

PROGRAM VIOLATIONS	277	49%
APPLICATION FRAUD	136	24%
WASTE/MISMANAGEMENT	44	8%
MISCONDUCT	43	8%
PERSONNEL IRREGULARITIES	25	4%
INFORMATION	23	4%
OPINION OF COMPLAINANT	13	2%
HEALTH/SAFETY	5	1%
ABUSE OF AUTHORITY	2	0%

FREEDOM OF INFORMATION AND PRIVACY ACT ACTIVITIES

OIG processed 294 requests under the Freedom of Information Act (FOIA), compared to 233 for the previous 6 months. The following schedule outlines FOIA data over the past two reporting periods.

	<u>Last Period</u>	<u>This Period</u>
Number of Requests	233	294
Number of Favorable Responses	160	138
Number of Unfavorable Responses	<u>73</u>	<u>156</u>

Unfavorable Responses Due to:

No Records Available	46	40
Requests Denied in Full	17	18
Requests Denied in Part	10	98
	<u>73</u>	<u>156</u>

Other Data Not Directly Affected by the Number of Requests:

Appeals Granted	0	1
Appeals Denied in Full	3	2
Appeals Denied in Part	0	1
Number of OIG Reports Released in Response to Requests	256	397

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

\* \* \*

## DEPARTMENTAL ADMINISTRATION

### AUTOMATED DATA PROCESSING CENTERS

#### Computer Center Security, Accountability, and Capacity Management Need Strengthening

In the prior Semiannual Report, we discussed the initial results of our review of the Kansas City Computer Center (KCCC). We stated that critical files had not been adequately protected against unauthorized access; security software had not been made available to user agencies; and users were allowed the capability to access datasets without password validation. We have now completed our review at the KCCC and initiated audits at the Fort Collins Computer Center (FCCC) and at the USDA NFC in New Orleans.

**Security.** Data access controls at NFC and FCCC need to be strengthened. NFC had not changed Honeywell identification codes (IDs) and passwords for the Honeywell computer system since 1978, even though a number of employees provided these passwords had left NFC for outside employment. (The Honeywell is not used to generate payments, but it is used for internal and external financial management reporting.) FCCC users had not changed some of the original Sperry/UNIVAC IDs and passwords that were established upon initial software installations. The passwords used were generic, not unique. Unless individualized passwords are associated with each user identification and the passwords changed on a routine basis, the computer facilities are vulnerable to unauthorized access.

We also found that the KCCC was not in compliance with Departmental Regulations pertaining to access controls, input/output controls, security training, key card issuance, security plans, security inspections, facility entrances, and physical risk weaknesses.

**Accountability.** Accountability weaknesses resulted when KCCC's user agencies allowed multiple use of their IDs. It was difficult, if not impossible, to monitor and control computer usage to ensure that only authorized users were performing authorized functions.

**Capacity Management.** KCCC's process of determining the need to upgrade equipment is impaired by an unreliable capacity management program. The Center's current process consists of canvassing users for their estimates of their needs for future central processing unit hours. As a result, KCCC has continually had to acquire additional computer capacity ahead of scheduled timeframes. The Center also cannot identify workload characteristics processed by specific hardware or software components. Without this ability, user workload estimates cannot be properly analyzed to determine whether equipment upgrades are actually needed and, if needed, what the type and extent of the upgrade should be. To meet the needs estimated by the users, KCCC has enacted several emergencies, or sole source pro-

cesses, thus precluding maximum practicable competition and potentially increasing acquisition costs.

The Centers and NFC have generally agreed with our findings and have initiated corrective action.

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### AUTOMATED DATA PROCESSING - SYSTEMS

#### Design/Development and Implementation

OIG monitors the design and development of automated systems to determine if they will be auditable and adequately controlled. In addition, we conduct audits of existing systems to ascertain if they are functioning in an economic and efficient manner, adhering to management plans, and providing reasonable assurance that internal control objectives are met.

#### Improvements Needed in the Milk Diversion Program

The ASCS established controls in their automated Milk Diversion Program system to identify certain types of overpayments. However, these controls were not working because State and county offices were not providing information needed to correct the records in the system. As of November 29, 1984, the system contained:

- Potential overpayments and unearned payments totaling \$47 million. These payments were made to producers who were not eligible for full benefits because the reduced production appeared to be at variance with the established program tolerances.
- Payments totaling in excess of \$4.9 million that had been made to 608 contracts that had not been recorded in the system.

Although ASCS routinely provided State and county offices with lists containing the potential discrepancies, the lists were generally not used, and the Kansas City Management Office (KCMO) did not follow up to ensure corrections were made.

Recommendations were made that KCMO provide State and county offices with lists of: (1) all producers with unrecorded contracts; (2) all producers in the system that were not shown as being a party to the contract; (3) producers who received payments in excess of program tolerances; and (4) producers who will be subject to penalties for not fulfilling contract obligations. We also recommended that payments made for each contract be reconciled to the contracted amount at the end of the program.

ASCS agreed with our recommendations and has developed an adequate corrective plan.

Incomplete Testing of ASCS's State and County Office Automation Project (SCOAP) May Lead to Increased Costs

We continued our review of the implementation of SCOAP. SCOAP plans call for the installation of minicomputers at each of ASCS's 50 State offices, Puerto Rico, and approximately 2,800 county offices at a cost of about \$200 million over the 8-year life of the system. The primary objectives of the project, as outlined by ASCS, are to streamline information flow, reduce the burden placed on the public in responding to Government, reduce the paperwork generated within ASCS, and achieve a higher degree of information-sharing.

We reported to ASCS our concerns over the limited amount of testing ASCS performed before they began implementing SCOAP nationwide. Our major concerns were that:

- Full scale use of electronic communications had not been demonstrated during the tests. Only the alternate method of moving programs and data, by mailing diskettes, was employed.
- Application programs capable of demonstrating the system's capability to handle day-to-day county office transactions in an entire agency program area (e.g., commodity loans) were not delivered. As a result, the system as a whole, including county office operations, summary transmissions to the State offices, and resulting use by State office personnel, could not be evaluated.
- Questions concerning capacity requirements remained unresolved, which could result in potentially inaccurate equipment orders.

In our opinion, unless testing of both the software and hardware is expanded, ASCS may incur costs significantly in excess of plans, and the overall efficiency and effectiveness of the system will be reduced. We recommended that ASCS postpone nationwide implementation of SCOAP and extend the project validation period.

ASCS acknowledged in their final report on the validation phase that telecommunications were not operative, applications programs had not been completely developed, and equipment needs were not yet resolved. Nonetheless, the agency did not consider the problems as a threat to the success of the project. They believe the "system" in its broadest sense is ready, and they are proceeding with the nationwide implementation of SCOAP.

As implementation proceeds, the conversion of county office manual records and existing centralized automated systems at the KCMO will require a detailed system of internal controls and extensive organizational coordination. When ASCS provided the county offices with an automated system for handling and transmitting daily cash receipts, the manual process was dropped, but the software needed at KCMO to record the automated receipts to the proper accounts had not been

developed. As a result, no accounting control was in place to provide reasonable assurance that subsidiary financial records were reliable.

We recommended that ASCS ensure full integration of their automated systems before discontinuing existing manual controls. The agency replied that the cash system modification to support cash receipts from automated counties is now in production. Further, ASCS will ensure that State and county applications compatible with the centralized accounting systems at KCMO will be in place and tested before systems are released for use. We will continue to monitor the system's implementation.

NFC's Personal Property System Does Not Fully Account for All USDA Inventory

We reviewed the Departmental Personal Property System at NFC to determine if it contained sufficient data to assist agencies in managing their property, and whether sufficient controls existed to ensure that property accountability was adequate. We found that the system is currently maintaining approximately 7,800 non-capitalized items (i.e., assets whose usefulness expires within 1 year) as capitalized property (i.e., equipment that is expected to provide long-term use). Consequently, the general ledger accounts for capitalized property were overstated by about \$3.4 million.

In addition, approximately 1,200 personal property items purchased prior to October 1982 were being held in suspense status and were thus not properly recorded in the system's inventory records. As a result, the property system did not reflect all personal property items, and these items had not been properly capitalized.

NFC officials agreed with our recommendations to correct the cited deficiencies and strengthen internal controls and implemented corrective action.

State's Food Stamp System Is Vulnerable to Unauthorized Access and Inaccurate Input

One State implemented a State-County Integrated Data Base for its Certification, Issuance, and Recoupment Computer System (SCID III) in mid-1985. SCID III controls the statewide issuance of food stamps valued at about \$202 million per year with a caseload of about 134,000 households.

Our review disclosed that security procedures over computer equipment, application systems, and data files had not been developed. Also, effective internal control procedures were not in place to: (1) assure replacement food stamps did not exceed the original authorized amount; (2) provide periodic tests of system master file records; (3) adequately account for direct mail issuances of food stamps; and (4) restrict to

authorized personnel any modifications to computer records. In addition, the FNS Regional office approved the development of SCID III at 75 percent Federal participation in the development costs solely on the basis of a general statement in the State's advance planning document that regulatory provisions would be met. Approval should have been withheld pending concurrence with specific planned actions to meet the requirements. Since the system did not integrate with the State Aid to Dependent Families and Children computer system, this rate of Federal participation was not allowable, resulting in overclaims by the State of \$214,000 for the first half of Fiscal Year (FY) 1985.

We recommended that FNS and the State Agency: (1) appoint a System Security Officer to develop and implement security procedures; (2) correct specific security and internal control weaknesses identified by our review; and (3) withdraw enhanced Federal funding of the system and recover the \$214,000 in unallowable costs.

FNS and the State Agency agreed with the recommendations on the operating issues and have initiated corrective action. FNS did not address the matter of withdrawal of funds in its response. We will continue to pursue this issue.

#### Design of FmHA's New Automated Program Delivery System Needs Additional Controls Over Data Elements

We have monitored the general and detail design of the FmHA's Automated Program Delivery System (APDS), the agency's proposed new accounting system, to provide assurance that the system will include adequate internal controls. We found enhancements were needed to bring the system into full compliance with regulatory requirements, to ensure processing efficiencies, and to more effectively meet some user needs. Our major areas of concern involved the following:

- The design of APDS's internal accounting and processing controls was not always adequate to provide reasonable assurance of the accuracy of data elements and of compliance with FmHA program regulations. We also found additional data elements would enhance auditability of the system.
- Additional management reports were needed to assist FmHA managers in more effective cash and debt management.
- The detail design contained incorrect formulas for computing Rural Housing Loan amortizations, interest credit subsidies, and gross income percentages.
- The capability to report erroneously processed transactions was not designed into APDS.

FmHA has generally agreed with OIG findings and has taken necessary corrective action.

## PROCUREMENT

### Controls Over Yearend Spending Need Strengthening

The FS Southern Region had not enforced internal control policies established to ensure prudent yearend procurement actions. Our review of \$8.2 million of FY 1983 and 1984 fourth quarters procurements disclosed over \$2 million in yearend purchases that appeared to violate the Anti-deficiency Act. These questionable purchases occurred because FS personnel obligated expiring appropriations when the items or services to be procured did not serve a bona fide need in the year of fund obligation. Further, FS personnel either had not prepared or had not adequately prepared procurement plans to document the need for many yearend expenditures and obligations. As a result, the FS did not properly ensure that prudent yearend procurement occurred.

We recommended that the FS ensure internal controls are functioning as prescribed in FY 1985 to preclude improper purchasing activity this year. In addition, we recommended that the FS analyze each of the cited cases in our report and determine, in concert with OGC, whether violations of the Act had occurred. All violations identified should then be reported, as required by the Act.

In response to the audit, the FS issued additional instructions to its field offices reemphasizing the need to closely monitor yearend procurement activity. The FS disagreed that Anti-deficiency Act violations had occurred. They stated that what had transpired were accounting errors, in that contracts appear to have been charged to an incorrect appropriation account. We will refer this issue to OGC for their determination.

### Departmental Use of Purchase Orders May Not Be Cost Effective

Because the Department has not established the cost incurred in processing purchase orders, nor prescribed a minimum dollar value before purchase orders can be transacted without specific authority, purchase orders have been used to acquire goods and services regardless of dollar value.

In FY 1984, USDA executed 22,041 purchase orders under \$50; the average dollar value of these procurements was \$26.89. Estimating the cost incurred to process each purchase order at \$50 (FS conducted an internal study in FY 1982 and arrived at this cost figure which we consider a conservative estimate), we calculate that the Department incurred over \$509,000 more in operating expense than the value of the items purchased.

We recommended that the Office of Finance and Management (OFM): (1) conduct a study to ascertain the cost of processing purchase order forms; and (2) prescribe the appropriate minimum level of purchases in the Department Regulations. Agencies should be required to take actions, like aggregating small purchases or using imprest funds where applicable, rather than execute purchase orders.

OFM agreed to conduct a study Departmentwide of the cost effectiveness of purchase orders.

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## CIVIL RIGHTS ACTIVITIES

### Weak Oversight of Civil Rights Activities Resulted in Decentralized Controls

The Office of Advocacy and Enterprise (OAE) was the USDA agency charged with administering the Department's Civil Rights activities, to include overseeing the provisions of Title VI of the Civil Rights Act of 1964. Title VI contains provisions which prohibit discrimination based on race, color, or national origin. Several sources, including Congressional Representatives, farmers, and others, have raised questions during Congressional Hearings about OAE's effectiveness in administering these Title VI provisions. In response to these concerns, the Director of OAE requested that OIG review its operations.

Our review concluded that OAE had not adequately administered the Title VI provisions. In our opinion, several conditions contributed to a breakdown in administrative controls, which adversely affected OAE program operations. These conditions include:

- OAE had not rewritten the obsolete Administrative Regulation into the new Departmental directive system; as a result, several agencies established their own procedures that bypassed OAE.
- OAE had conducted only four compliance reviews of USDA programs since June 1983, and none of these review reports had been issued.
- Controls were inadequate over the complaint investigation process because agencies had routinely been allowed to conduct preliminary inquiries before forwarding complaints to OAE. As a result, assurance was decreased that the matters would be examined objectively.
- OAE had not established standards for the preparation and retention of documentation for its work performed in compliance reviews and compliant investigations.

Subsequent to our audit, OAE was subsumed into the Office of Advocacy and Enterprise and a new manager assigned as Associate Director, Equal Opportunity. The Assistant Secretary for Administration stated that our report would be used to identify and document areas requiring management reform. The issues raised in the report will assist the new agency in establishing improved operational controls, procedures, and organizational structure.

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## DEBT MANAGEMENT

### Debt Management and Collection Procedures Are Inefficient

We reviewed the debt management and collection procedures of the Animal and Plant Health Inspection Service (APHIS), Statistical Reporting Service (SRS), Economics Management Staff (EMS), Rural Electrification Administration (REA), Food and Safety Inspection Service (FSIS), Office of International Cooperation and Development (OICD), and Soil Conservation Service (SCS). We placed special emphasis on the management of delinquent accounts and resultant bad debts.

Followup collection activities at NFC for delinquent accounts submitted to the Claims Unit were inconsistent, and accounts that were recommended for write-off were not processed in a timely manner. As a result, accounts totaling \$31,450 which had been previously recommended for collection followup or write-off had not been pursued from 9 months to several years after the recommendations were made. In addition, administrative bills (salary and travel overpayments and unused airline tickets) that were determined uncollectable were being filed, with no further actions taken. Administrative bills dating back to 1978, which totaled approximately \$544,000, were forwarded to the Claims Unit for collection followup during the course of our review. Further, accounts receivables totaling approximately \$344,660 as of September 30, 1984, were improperly classified by OICD as non-Government accounts rather than Government accounts.

We recommended that the internal controls at NFC be strengthened over the collection and followup of delinquent accounts and administrative bills. OFM concurred with our recommendations and replied that over \$514,000 of the administrative bills have now been collected, the OICD receivable has been reclassified, and the \$31,450 has been written off.

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## FORMS PROGRAMS

### Centralized Control Over Departmental Forms Programs Needed

The Department has not fully centralized its forms management program. Although the Department maintains and operates a central forms warehouse, some agencies are allowed to operate their own independent warehousing and distributions systems at an annual cost exceeding \$550,000. In addition, we found that these agency warehouses had excessive inventories of both current and outdated forms.

The methods used by the agencies to distribute forms from warehouses to their field offices



were inefficient. For example, agency distribution procedures required multiple handling of forms, and the agencies themselves did not take advantage of collocated field offices in forms distribution.

The management of the central forms warehouse was also in need of improvement. We noted that: (1) agencies were incorrectly billed for services provided by the central warehouse; (2) storage space in the central warehouse was being used to store unneeded or slow moving forms; (3) the central warehouse was out of needed forms; (4) the warehouse had inadequate inventory records and management reports; and (5) reports were not properly designed to aid management.

We recommended that all agencies be required to participate in the central forms warehouse.

Further, inventory controls should be improved, to include determining the most cost-effective approach to designing, ordering, stocking, and distributing Departmental and agency forms.

The Department responded that a USDA-wide survey and analysis of all warehouses and warehouse applications has been established. The purpose of the survey and analysis is to: (1) identify present warehouse locations and their functions; (2) identify warehousing staffing; (3) eliminate, centralize, or decentralize, as appropriate; and (4) implement state-of-the-art management and control procedures. The survey and analysis effort is also considering centralization and/or collocation with the Department of Commerce for possible additional economy in warehouse management and control.

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FARMERS HOME ADMINISTRATION

The Farmers Home Administration (FmHA) is the Department's credit agency for rural development and agriculture. As of April 1, 1985, FmHA had about 1.25 million active borrowers and a loan portfolio of about \$65 billion, of which \$3.2 billion was in guaranteed loans.

Over the past decade Congressional hearings, GAO reports, and OIG audits have pointed out weaknesses in FmHA's management of programs and operations. Some of the more persistent problems have been found in the Farm, Rural Rental Housing, and Business and Industrial (B&I) loan programs. We frequently expressed concern about the rapid growth in the number of loans and the dollar volume, and the stress this growth has placed on FmHA's ability to manage the outlay of loan funds and service existing loans. Current OIG audits continue to disclose material deficiencies which stem from insufficient management controls. The recurrence of findings over time points up the need for FmHA to not only implement corrective actions, but follow up to determine whether corrective actions are effective.

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FARM PROGRAMSEligibility for Debt Set-Aside Based on Inconsistent Use of Financial Data

On September 18, 1984, the President directed the Secretary of Agriculture to modify existing farm lending programs to provide additional assistance to financially distressed farmers and ranchers. The Debt Set-Aside program implemented this directive, allowing postponement for 5 years of payments on up to 25 percent of the total principal and interest owed per borrower, or of \$200,000, whichever is less. The extent of assistance provided by FmHA is based upon a projection of each borrower's cash flow. A positive cash flow (after operating and living expenses) equal to 110 percent of annual debt payments due, including tax liabilities, must be achieved through regular servicing actions and set-aside. We have monitored this program from its inception and reported in our previous Semiannual Report problems which FmHA should address. Our reviews continued and culminated in an overall report addressing issues on a nationwide basis.

Administrative controls were insufficient to ensure that special debt set-aside benefits were provided only to eligible borrowers in correct amounts and that equal treatment was provided to all borrowers. The extensive calculations necessary to establish a borrower's eligibility and the amount of debt to be set aside were complicated and subject to various interpretations.

However, the FmHA National office did not participate in State training meetings or require special assessment or other similar reviews to help ensure that procedures were applied correctly and uniformly. As a result, field office personnel applied debt set-aside procedures inconsistently from State to State, and in some instances, within the same State. In the 13 States visited during this review, we questioned the eligibility of \$9,863,677, or about 71 percent, of the \$13,952,620 set-aside amounts granted to cases reviewed.

One extensive problem was that farm plans prepared and used to project borrowers' cash flow positions did not reflect a typical year's operations. In many cases the operating plans for crop year 1985 were considered typical by FmHA field office personnel; however, such plans often contained nonrecurring items such as cash carryovers, planned income from expired agricultural programs, or annual payments on debts scheduled to be repaid before the end of the set-aside period. In many instances yields used to project crop production and income were not properly established according to FmHA procedures.

For special debt set-aside purposes, State Directors were responsible for establishing and publishing unit prices to be used for projecting income from the various agricultural commodities. Even though State Directors were required to consult with adjoining States prior to publication of the prices, the prices used varied significantly by State. Soon after the audit began, we expressed concern over the unit price differences which resulted in unequal and inconsistent treatment of borrowers. However, FmHA did not take corrective action on the matter because they believed States should be permitted flexibility in dealing with varying local conditions.

Some Instructional Problems Result in Unequal Treatment of Borrowers

One of FmHA's persistent problems has been the tardiness with which it makes instructional changes; it is slow to address new circumstances or to correct identified problems in issued instructions. During recent audits, we noted these areas in which a timely issuance of instructions was needed to assure equitable and efficient program administration:

- Servicing of Loan Accounts

FmHA's administrative controls are not sufficient to ensure proper servicing of borrower cases involving unauthorized or excessive loans or other financial assistance. FmHA currently has no implementing instructions for correcting such loans with errors and

collecting any monetary differences. The latest instructions in this area expired in 1983, and a new instruction is being held until other regulations required by a court order are issued. In the meantime, many cases of overdisbursement identified by OIG, FmHA, and others have not been addressed consistently. Some States had corrected loans, while others had serviced the loans as they would a correct loan.

FmHA agreed that it had not addressed the issue of previously identified unauthorized or excessive loans and that corrective action was needed. We recommended that FmHA prioritize the publication of the Agency's servicing policy for unauthorized or excessive farmer program loans in the Federal Register and issue the related instruction to field office personnel as soon as possible. We also recommended that the regulation address the issue of servicing actions needed for previously identified unauthorized or excessive loans and that FmHA establish needed internal accounting and administrative controls over unauthorized and excessive existing loans.

● Requiring the Best Liens Obtainable

In 1984 OIG reported that FmHA made many subsidized loans without having the borrowers mortgage and/or assign their interest in all assets to FmHA, as required. FmHA acknowledged the problem and cited a poorly worded regulation and misunderstanding as the causes.

Followup work in 1985 indicated that the problem still existed. While the National office had taken an official position on lien policy, the policy had not been disseminated to field offices. Followup continues with FmHA to get the policy disseminated.

Ineligible Farm Borrower Gets 10 years for Million-Dollar Scheme

A Federal District Court Judge sentenced an FmHA loan borrower to 10 years in Federal prison for selling unregistered securities, making illegal use of the U.S. Mail, overvaluing security, and making false statements. The borrower fraudulently obtained a \$190,000 Farm Ownership loan by overstating his annual income and understating his debts. With the FmHA loan, he took over a 200-acre farm from FmHA inventory and planted evergreen seedlings. He then issued stock certificates on the seedlings which were sold to the public. The certificates vastly overstated the amount of planted seedlings or the capacity of the land to produce such trees. The borrower is estimated to have realized between \$1 and \$3 million from the fraudulent sale of the stock certificates. The subject's 10-year prison term is one of the longest white collar crime sentences in the history of the Western District of Virginia and in the career of the Federal judge who imposed sentence.

Understated Crop Estimates Qualify Counties for Emergency Loans

The 1983 disaster yields used by FmHA to designate counties as disaster areas eligible to offer low interest Emergency Disaster Loans in 1984 were inaccurate and usually understated.

The estimated disaster year crop yields reflected on county Damage Assessment Reports (DARs) were significantly lower than the actual yields reported by the Statistical Reporting Service (SRS). Because of these low estimates, counties were approved as disaster areas even though there had not been a countywide reduction of at least 30 percent of the normal year's dollar value of all crops or a 30 percent loss countywide in the normal year's dollar value of a single enterprise. The disaster year crop yields reflected on DARs were less than the actual crop yields reported by SRS for 381 of the 486 crop yields included in our 10-State review.

Most of the yield differences were substantial. For example, in one county the DAR reflected a corn yield of 15 bushels, while the SRS actual was 75, and in another county the DAR reflected 2 bushels, while the actual was 24 bushels. In 7 of 10 counties in Georgia, the DAR estimated yields were less than the SRS actual yields for all crops. Similar examples were found in all nine other States we reviewed.

In view of the substantial differences found in the DAR estimated yields and the SRS actual yields, we recommended that all USDA Emergency Board members be notified of these results and consider them when preparing future DARs.

In response to the audit, members of the FmHA Emergency Division staff met with representatives of ASCS, and it was agreed that the instructions to the County Emergency Boards concerning preparation of DARs would be revised to require farm visits, contacts with farmers, and additional documentation.

Rancher Indicted for Defrauding Emergency Loan Program

A 15-count indictment was returned by a Federal grand jury against an Oklahoma rancher, his company, and a business associate for conspiring to defraud the Government, converting Government property, and making false statements. FmHA loaned the company \$2.1 million in Emergency loans which were secured by cattle, equipment, and land. The rancher sold more than a thousand head of cattle under lien to FmHA without the knowledge or approval of FmHA officials. The proceeds of all sales, approximately \$500,000, were applied by the rancher to outside business ventures and to company operations. Trial is pending.

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## OTHER INTERNAL CONTROL WEAKNESSES

### Nationwide County Office Audits Find Problems in Interest Subsidies, Collections, and Graduations

Our nationwide audit of FmHA county office operations found that administrative controls over those operations did not provide reasonable assurance that Rural Housing borrowers received proper interest credits, that Farm Ownership borrowers graduated to private credit when they were eligible, and that collection-only accounts were classified correctly and serviced properly. Further, FmHA's internal review process, a major administrative control, did not adequately cover collection-only accounts, interest credit recapture provisions, interest credit approvals, and graduation activities.

An estimated 30 percent of interest credit agreements (ICAs) executed in FY 1983 contained understatements of income and other errors which caused excessive interest subsidies of about \$32.2 million for the 1-year periods covered by the ICAs. These errors are attributable to insufficient administrative controls to disclose unreported applicant income, elicit accurate income data from employers, and assure the accuracy of ICA computations. Prior audits in 1976 and 1980 reported similar conditions. Instructions were changed requiring a yearly review, but material differences continue. As a new approach, we recommended that FmHA seek cooperation with State agencies that administer unemployment compensation programs to verify wages for all adult household members before executing initial and renewal ICAs.

An estimated 13,019 borrowers with Farm Ownership loan balances of about \$310 million had a high potential for refinancing their loans with private credit sources. By continuing to finance borrowers who could meet the terms and conditions of commercial lenders, FmHA incurred unnecessary interest costs of about \$20.1 million during FY 1983.

FmHA's servicing of \$403 million worth of collection-only accounts that no longer have collateral was not adequate to ensure timely collection or prompt debt settlement. The Finance office does not have the capability to generate management reports on collection activity and aging of accounts for use in monitoring and following up on collection and debt settlement efforts. An estimated 2,750 accounts, valued at \$209.5 million, have been incorrectly recorded on Finance office records. Two major accounting problems were that the Finance office continued to carry accounts that had been settled, and it carried accounts as collection-only with borrowers still having other active FmHA loans. Accounts may not be classified as "collection only" if the borrower has active loans.

Review of interest credit recapture provisions disclosed serious weaknesses in this rapidly expanding activity. Under these provisions, when a borrower with interest subsidy sells his FmHA-financed property, the Government recovers some

or all of the subsidies granted from the sale proceeds. Changes are needed in the method of calculating recapture because the present method does not recover all excess loan principal reductions caused by subsidy; and it allows borrowers to receive equity (not subject to recapture) in excess of the borrower's actual equity contribution. The accounting system at the Finance office contributed to problems we found with interest credit recapture. The current system will not ensure complete accountability for funds subject to interest credit recapture and will not provide reasonable assurance that proper amounts have been collected from borrowers when loans are paid in full. FmHA has put a high priority on altering their computer system in order to automate monitoring of interest credit recapture.

### County Office Embezzlements Still a Priority Issue

Our review of the integrity of FmHA county office employees is continuing. This reporting period we uncovered several cases of embezzlement, some involving people as responsible as escrow attorneys and FmHA County Supervisors. The following cases are representative:

- An Oklahoma FmHA County Office Assistant pled guilty to forgery and embezzlement. The former employee first made fictitious entries in county office records, then forged the names of borrowers to checks which she subsequently negotiated. A total of 15 checks were forged by this woman over a period of 3 months. After the checks had been illegally negotiated, the employee attempted to conceal the embezzlement by destroying the canceled checks and monthly banking statements. She also attempted to avoid responsibility for the embezzlement by falsely accusing her husband of signing the borrowers' names and negotiating the fraudulent checks.
- An Oklahoma FmHA County Supervisor was sentenced to 7 years in prison for embezzling more than \$1 million in FmHA loan funds. He set up fraudulent loan accounts in the name of fictitious borrowers, and was joined in the scheme by two business associates. These associates were also indicted and convicted in Federal Court for their part in the conspiracy. FmHA stands to recover approximately \$700,000 from the sale of assets including a farm, helicopter, cars, trucks, guns, and farm equipment.
- A FmHA employee and an associate were indicted by a Federal grand jury in Puerto Rico for embezzling FmHA loan funds. Between 1980 and 1983, while employed as an FmHA County Office Assistant, the individual created five fictitious FmHA loan docketts and conspired with her associate to create a sixth. The amount embezzled was in excess of \$200,000. Arrest warrants have been issued for the former employee and the associate, both of whom have fled to avoid prosecution.

- An Illinois Escrow Attorney for FmHA was charged with two counts of embezzling \$37,856.14. The court allowed the attorney to enter a voluntary plea of guilty to both counts.

#### Government Losses Increase Under B&I Loan Liquidations

Our followup audit on B&I loan liquidations found that FmHA's corrective efforts have not solved material internal control deficiencies reported in our October 1982 audit. The major deficiencies stem from insufficient administrative controls over: (1) servicing of problem and delinquent loans by the guaranteed lenders to ensure that adequate collateral is maintained; (2) liquidation planning to control expenses, account for collateral, and maximize liquidation proceeds; and (3) loss claim audits to ensure that lenders are held accountable for guarantee violations, and negligent servicing. Liquidation losses have increased from \$40 million as of June 30, 1981, to about \$118 million as of August 31, 1984. Loans in liquidation increased from \$215 million to \$338 million and delinquent loans increased from \$197 million to \$348 million over the June 1981 to August 1984 period. Based upon average loss rates, we estimate FmHA could lose 50 to 60 percent on \$338 million in B&I loans being liquidated as of August 1984. In order to help reduce FmHA losses, we recommended that liquidations over a specified threshold be audited by OIG to provide an independent assessment of the lenders' actions and assure the reasonableness of the amounts asked to be paid under the guarantee.

#### Nongraduation of Community Program Borrowers Is Costly

Currently, the Department incurs annual outlays of about \$500 million to fund the interest subsidy costs on Community Program loans, and about \$11.2 billion more will be included in forthcoming budgets over the next 25 years (average life of the outstanding loans) for the current loans. A significant amount of these costs can be avoided if FmHA takes positive steps to graduate borrowers. For example, if 20 percent of the current loans were graduated, \$1.5 billion could be returned to the Treasury and \$2.2 billion in interest costs would be avoided over the next 25 years. Savings in FmHA servicing costs would total about \$23 million.

Our audit of Community Program loan graduation activities disclosed inadequate use of controls at all levels of FmHA management. The FmHA National office had not implemented a system of internal controls over the graduation process and considered the issuance of a revised instruction to be sufficient to ensure that borrowers would be graduated to other credit when they were able to do so. The responsibilities of conducting the graduation reviews were left to State and District offices. As a result, potential graduation candidates were not identified and

placed in the graduation process cycle, and thus continued to receive interest subsidies. In the 14 States we visited, FmHA had requested only 21 borrowers to graduate. Our overall reviews found that 24 of 59 borrowers not requested to graduate by District offices had sufficient assets and income to be considered for graduation. These 24 borrowers had outstanding loan balances exceeding \$16 million. Generally, FmHA State offices responded that graduation processing for these borrowers would be initiated.

For borrowers who cannot graduate, we recommend the National office establish a pilot project to sell Community Program bonds and notes to the private sector. If 70 percent of the outstanding bonds were sold, between \$3.2 and \$3.5 billion would be realized, and the present value benefit of these returns in interest savings would amount to between \$448 and \$748 million. Additional savings in FmHA servicing costs would total about \$80 million.

FmHA did not agree there was inadequate administrative controls over the graduation of Community Program borrowers. They replied that the inconsistencies OIG noted were completely natural to any revised program, particularly in its implementation stage and certainly when major adjustments were required at all levels of management. We believe that adequate administrative controls would have disclosed many of the findings reported and would have resulted in additional borrowers graduating to other credit. Also, the graduation requirement has been a policy from the time the program began and the updated instructions, issued in August 1983, had been in effect over a year prior to our audit.

#### Control Deficiencies Over Pooled Funds Lead to Improper Loan Approvals

FmHA requested OIG to review loan processing in one county because 799 Rural Housing loans totaling \$31.5 million were obligated in the last 60 days of FY 1984. While audit at this one location disclosed material deficiencies, it also raised a national issue regarding FmHA's policy of allocating pool funds to States. Funds are allocated on a first-come, first-serve basis without regard for the ability of the local FmHA office to process large numbers of loans in a short time, or without adequate consideration for where the greatest needs for housing exist. We alerted FmHA to our concerns and they agreed to review their policy. Beyond policy considerations, however, problems in the county we reviewed centered on loan approval; 94 of the 96 loans randomly selected were improperly approved for one or more reasons. In an effort to obligate all available funds by September 30, 1984, the county office used accelerated procedures which were not consistent with the objectives of the Rural Housing program. Other factors contributing to the problem included: (1) insufficient staffing and preparation at the county office to process the large number of loans; (2) excessive involvement by loan packagers and contractors in loan processing

without effective FmHA controls; and (3) the large number of applicants who submitted inaccurate and questionable information. In seven instances, FmHA employees, loan packagers, and/or loan applicants circumvented loan eligibility requirements by improperly changing loan processing documents.

Additionally, the FmHA State office approved a subdivision containing about 1,300 lots for the Section 502 Rural Housing loan program without properly determining that the area met FmHA's definition of an eligible rural area. We believe that, according to FmHA instructions, the subdivision should have been classified as an ineligible urban area.

We recommended that FmHA reexamine all of the approved loans before loan closure. As of July 1985, FmHA had determined 45 loans to be ineligible and had deobligated about \$1.8 million in loan funds.

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#### FEDERAL CROP INSURANCE CORPORATION

The Federal Crop Insurance Corporation (FCIC) is a wholly owned Governmental corporation created to promote the economic stability of agriculture through a sound system of crop insurance. In 1984, FCIC protected \$6.6 billion of crops on 44 million insured acres; and had over \$441 million in premium income, compared to \$638 million in indemnity payments, for a loss ratio of about 1.45.

#### Grape Grower Indicted on \$2.1 Million Insurance Fraud

A Federal grand jury in California returned a 121-count indictment against a grape grower for conspiracy to defraud the government in a \$2.1 million insurance fraud. The indictment charged that the subject, in concert with two business associates, submitted false insurance claims to FCIC by overstating the value of insured acreage and tonnages of grapes for prior years and understating the actual production of grapes for claim years. Approximately one half of the actual production of grapes on insured units was unreported to FCIC on the subject's insurance claims. The grower received \$1.1 million from FCIC for the 1982 claim year and filed claims for another \$1 million for 1983. As a result of an OIG preliminary report, FCIC has suspended payment on the 1983 claims and initiated action to recover all monies paid to the subject in 1982.

#### 1984 Raisin Losses Given Inconsistent Treatment

Controls over the handling of 1984 loss claims were not adequate to ensure the accuracy, reasonableness, and validity of payments made. Neither FCIC nor reinsured company management performed systematic reviews of loss claims, and there were significant inconsistencies in how

claims were handled both between different companies and within a given company. In addition, private company loss adjusters either applied a liberal interpretation to, or ignored, FCIC loss adjustment procedures and certain provisions of the Raisin Crop Insurance Policy. Of the 48 claims reviewed, totaling \$1.6 million, we questioned over \$159,000 in loss payments made.

The audit recommended that FCIC conduct sufficient monitoring of private companies to ensure that adjusters interpret and apply insurance policy provisions consistently and correctly. It also recommended changes to the Raisin Crop Insurance Policy to clarify procedures. The raisin policy for the 1985 and succeeding crop years has been revised through an interim rule. In addition, FCIC formed a task force to design a program for quality assurance review of private insurance companies whose crop insurance business is reinsured by FCIC.

In response to our recommendations FCIC has: included changes in the 1985 Raisin Crop Insurance Policy; clarified and updated loss adjustment procedures; coordinated loss adjustment training for FCIC and private insurance company personnel; and upgraded monitoring ability through creation of the Multi-Peril Crop Insurance Compliance Division.

#### Data Needed on Late Planting Agreement Option

FCIC developed the Late Planting Agreement Option (LPAO) to provide for insuring acreage when planting is delayed due to prolonged wet weather. The LPAO provides insurance coverage for producers who have not completed planting by the normal planting date, but stipulates that the per-acre yield guarantee will be reduced 2 percent per day after the final planting date up to a maximum of 20 days, or 40 percent. After 20 days, a producer may not qualify for insurance.

FCIC did not analyze the impact of the LPAO on the 1983 program or the feasibility of offering this option in future crop years. The percentage of insureds filing losses on late plantings for 1983 exceeded the percentage of insureds filing losses on timely plantings by about 13 percent. However, we were not able to perform a meaningful assessment of the associated loss ratios because FCIC did not determine the actual production from each tract of land in cases where a unit consisted of both early and late planted acreage. Also, because of the small number of producers participating in the LPAO in 1983 and the drought conditions that existed over much of the Midwest, we recommended that FCIC make further analysis of the LPAO in future years to determine its effect on the crop insurance program.

The audit also disclosed that FCIC did not determine whether excessively wet weather existed where insureds requested approval of LPAOs for 1983. Insureds who planted after the planting date may have received insurance coverage on crops even though the late planting was not caused by adverse weather conditions.

FCIC developed guidelines in June 1985 that will be used to monitor the LPAO for the 1985 crop year. FCIC has also issued procedures which assigned the responsibility for determining whether adverse weather conditions did, in fact, prevent the acreage from being planted in a timely manner.

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## RURAL ELECTRIFICATION ADMINISTRATION

The Rural Electrification Administration (REA) makes or guarantees loans to rural electric and telephone utilities. The Rural Electrification Act authorizes the REA Administrator to make loans to persons, public bodies, and to cooperative, nonprofit, limited dividend, or mutual associations that provide electric and telephone service in rural areas. As of September 30, 1984, REA had about 2,100 active telephone and electric borrowers with outstanding revolving fund loans of about \$13.7 billion, Telephone Bank loans of about \$1.3 billion, and guarantees of about \$22.0 billion.

### Loan-Making Policies for Electrical Generation and Transmission Cooperatives

Our previous semiannual reports reported on the results of REA's loan-making policies for electric distribution borrowers. We recently completed an audit of REA's loan-making policies for electric generation and transmission (G&T) borrowers. REA made loans to 63 G&T borrowers who had cumulative guaranteed loans of approximately \$32.5 billion and insured loans of about \$3.8 billion. We performed our reviews at REA Headquarters and at eight G&T borrowers.

### Loans Based on Outdated Needs

Our audit noted several areas with internal control weaknesses. In its loan approval process, REA needed more effective controls to ensure that loans were approved based on current growth forecasts. REA approved construction loans totaling over \$3.1 billion to five of the eight borrowers we reviewed on-site based on power requirement studies which were either outdated, or did not fully support the need for the loan. During the audit, REA formulated proposed changes to its power requirement studies which would require borrowers to prepare annual updates using newer, more accurate forecasting methods. Our analysis of records only at REA Headquarters disclosed four additional borrowers which have either canceled their projects, or placed them on extended delay because of decreases in expected

power demand. REA did not have adequate controls established to evaluate and rescind, as necessary, approximately \$3.5 billion in loan guarantees approved for these projects. During the audit, REA began a review of these projects to determine whether the guarantees should be rescinded.

### Power Provided to Some Predominantly Nonrural Areas

During FY 1983, G&T borrowers provided energy to 772 REA distribution cooperatives. From an analysis of the rural characteristics of individual cooperatives' service areas, we determined that 15 G&T borrowers generated and transmitted power to 32 distribution cooperatives which no longer served predominately rural areas. Current legislation does not restrict service to only rural areas; however, REA has proposed legislation to limit funds to only rural areas by using consumer density as an eligibility criteria. The proposal would eliminate loans to distribution cooperatives having a density of 10 or more consumers per mile of line. However, the legislative proposal does not include this provision for G&T borrowers. The 15 borrowers we cited received guaranteed and insured loans totaling about \$3.1 billion, for the period 1978 through 1983, to provide power to the 32 distribution cooperatives which we believe fit the criteria set forth in the proposed legislation.

### Few Cases of Premature Drawdowns

The eight borrowers in our sample operated generally in compliance with REA regulations and procedures. However, one borrower prematurely drewdown approximately \$22.8 million without sufficient need, primarily to avoid expiration of the 7-year drawdown period, and two borrowers drewdown loan funds totaling approximately \$1.6 million for costs which were covered by previous drawdowns. REA is developing additional controls to prevent drawdowns in excess of borrowers' actual needs.

### User Fees Could Recover Administrative Costs

The Rural Electrification Act prohibits establishment of user fees for guaranteed and insured loans. In FY 1983, REA incurred costs of about \$28 million to administer its loan programs for electric and telephone borrowers. If authority had existed, REA could have recovered these costs in user fees. During our audit, REA proposed legislation to amend the Act to allow the establishment of user fees for REA loan programs.

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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 1985 net outlays for ASCS are estimated at \$299 million and for CCC at \$15 billion.

Some Producers Evade Payment Limitations

During the 1982 and 1983 acreage reduction programs, the total payments to any one individual or entity were not to exceed \$50,000 per year. Thus, while a large one-man farming operation was limited to \$50,000 per year, partners in a similar operation could each receive up to \$50,000 a year. State and County Committees were responsible for reviewing farm operating units and assuring that maximum payment limitations provisions were not evaded or abused. An OIG review performed in 8 States found that 51 of 118 entities reviewed did not qualify as separate "persons" for purposes of the \$50,000 payment limitation. These producers were scheduled to receive 1982 and 1983 payments totaling \$1.7 million, all in excess of the payment limitation. These entities were originally considered separate persons because ASCS officials did not obtain sufficient information concerning farming operations and financing; actual operations differed from those shown on operating plans submitted by the entities; computer edits had not been established to prevent excessive payments from being issued; and required reviews of producer or entity determinations were not made by higher management levels.

The audit recommended that ASCS: require additional information from producers on how the new businesses will be financed and operated; obtain profit and loss statements and other partnership or corporate information; and, provide computer-generated exception listings showing recipients of payments exceeding the maximum limitation by address. ASCS has implemented most of these suggestions.

Debt Management Activities: Claims Still Not Established on Overpayments

During 1982, OIG made a number of recommendations to ASCS to improve debt collection activities at State and county office levels. During 1983, ASCS issued new debt collection procedures which, if

adhered to by State and county offices, would have resolved most of the debt management problems identified. However, State and county offices are not adhering to these procedures. Claims had not been established on about \$4.5 million in unearned 1984 advance wheat and cotton deficiency payments, or producers had not refunded the amounts in a timely manner, and county offices were not aggressively reviewing certain exception listings to identify potential overpayments to producers who exceeded their 1983 payment limitations.

ASCS officials believe that State and county office automation and a centralized debt collection office will resolve the identified problems. While the office automation will enhance debt management, many of the problems cited will continue if the State and county offices do not adhere to established procedures.

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ACREAGE REDUCTION AND PAYMENT-IN-KIND PROGRAMS

The 1983 Payment-in-Kind (PIK) Program provided 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 audits to monitor and test compliance with program requirements on a nationwide basis. The final phase of reviewing the 1983 PIK Program was delayed to coincide with ASCS closing its accounting records for the program. Although all data has not been entered and reconciled, we proceeded with our reviews using the data that was available.

Producers Usually Received Correct PIK Entitlement

Previous work had looked at whether producers had complied with program requirements in return for PIK benefits. This audit concentrated on the accuracy of county office computations of the benefits due. We estimated that counties in the 14 States reviewed correctly determined benefits due producers in 98 percent of the sampled farms.

PIK Violations in California

We examined the PIK participation of 30 participants in one California county. Our investigation disclosed that 13 of these participants harvested lettuce from their Conservation Use Acreage (CUA) prior to January, 1, 1984, in violation of PIK regulations and their signed PIK contracts. The 13 participants received over \$3 million in PIK payments and entitlements, and were found to have harvested lettuce from CUA worth about \$2.5 million.

The Deputy Administrator, State and County Operations (DASCO), ASCS, concurred with the State and County Committee determinations that 11 of the producers should be penalized by the repayment of the value of the harvested lettuce not to exceed the amount of their PIK benefits, for a total of about \$1.8 million. DASCO did not assess a payment reduction against one producer (because he could still fulfill CUA requirements), and he took no action against another producer pending the resolution of his appeal to the County Committee. That producer lost his appeal and DASCO assessed a penalty of about \$157,000 using the same formula he had prescribed for the 11 producers.

Two of twelve PIK participants have paid assessed penalties totaling \$37,868. The 10 remaining participants have exercised their right to appeal their penalties to DASCO. One of the appeals has been heard and DASCO reduced the assessed penalty from \$251,211, the value of the harvested lettuce, to about \$51,000. The other nine appeals are pending.

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#### COMMODITY PROGRAMS

##### Manager Sentenced For Mortgaging Clients' Crops

The operator of an Iowa farm management service was sentenced in Federal court to 4 years in prison and in State court to two concurrent 10-year sentences after he pled guilty to a Federal charge of conversion and State charges of fraudulent practices and theft. He obtained two CCC loans totaling about \$69,000 by pledging soybeans owned by two of his clients. He then sold the soybeans and received about \$103,000 in proceeds. The owners were not aware that their soybeans had been mortgaged or sold, and they had not received any money from the sale or loan proceeds.

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#### MILK DIVERSION PROGRAM

##### Illegal Production of Milk Brings 3-Year Sentence

An Oklahoma dairy farmer sold milk which he had agreed not to produce under the Milk Diversion Program. On one occasion during the investigation, when the farmer went to the ASCS office to receive a program payment of \$86,717, he was confronted by OIG special agents. The farmer declined the payment and departed the office. In addition to the farmer, who was sentenced and fined, the investigation resulted in a conviction of the owner of the dairy who purchased the

illegally produced milk.

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#### FOREIGN AGRICULTURAL SERVICE

The Foreign Agricultural Service (FAS) maintains a worldwide agricultural intelligence and reporting service, analyzes agricultural information on foreign supply and demand, develops foreign markets for U.S. farm products, directs and coordinates USDA participation in trade programs and agreements, and formulates and administers commodity export programs.

##### Brokers Indicted For Diverting Foreign Sugar Into U.S. Market

In our last Semiannual Report, we advised that since July 1984, OIG has been conducting a joint investigation with the U.S. Customs Service into allegations that certain FAS-licensed sugar refiners and export brokers were illegally diverting large quantities of nonquota sugar into the U.S. domestic market. The investigation also disclosed false drawback claims for refunds of customs duties paid on foreign sugar. Under the Customs Drawback Program sugar importers could claim a 99 percent refund of import duties which were paid on raw sugar entering the United States when they showed they exported a like amount of refined sugar.

In June 1985, our investigation resulted in the indictment in New Orleans of 14 individuals and 13 companies for defrauding the USDA sugar re-export program and for making false claims to the U.S. Customs Service in connection with illegal diversions of over 88 million pounds of foreign sugar into the U.S. domestic sugar market. Those indicted were brokers and their affiliates who falsely stated the sugar was exported. Three of the individuals indicted failed to appear for arraignment and are classified as fugitives. In July 1985, the remaining 11 individuals indicted and 12 of the companies pled guilty. In August 1985, five of the companies were fined \$10,000 and three companies were fined \$5,000 each.

We have worked with the FAS to strengthen their regulations by requiring additional documentation showing proof of export, including third party export agents, and by increasing the civil penalties for violations.

Our investigation is continuing and we expect to report on this matter in future Semiannual Reports.

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## FOOD AND CONSUMER SERVICES

### FOOD AND NUTRITION SERVICE

The Food and Nutrition Service (FNS) administers five major programs with 1985 budgeted amounts as follows: Food Stamps, including the Puerto Rico Block Grant (\$12.568 billion), Child Nutrition (\$4.16 billion), Special Supplemental Food for Women, Infants and Children (WIC) (\$1.49 billion), Food Donation (\$223.6 million), and Special Milk (\$17.3 million). The total budget for FY 1985 is about \$18.5 billion.

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### FOOD STAMP PROGRAM

#### Courts Act on Cases of Fictitious Persons

One method of perpetrating recipient fraud against the Food Stamp Program is the creation of fictitious persons. Schemes of this sort may be elaborate and conspiratorial, with the creation of multiple, fictitious cases, or they may be simple, individual acts, involving only one false identity. This period, three cases of significance received the attention of the courts:

- An Eligibility Specialist working in the North Carolina Department of Social Services (DSS) was the leader of a fraud ring which used a scheme to fraudulently acquire approximately \$42,000 in food stamps. The Eligibility Specialist worked with family members and two migrant worker camp bosses to create approximately 40 fictitious food stamp recipient files. The family members and migrant worker camp bosses provided legitimate names and social security numbers to the Eligibility Specialist. The Eligibility Specialist then created the documents and files needed to load the DSS computer system, which automatically resulted in the issuance of food stamps and identification cards. The Eligibility Specialist has pled guilty in Federal Court, and another 15 persons have been indicted for their participation in the fraud ring.
- In Washington, a State food stamp caseworker and an accomplice have been indicted for conspiring to fraudulently acquire approximately \$4,838 in food stamps. The caseworker used his position to establish a fictitious food stamp recipient file for himself and his co-conspirator and had the food stamps mailed to a post office box.
- A woman pled guilty in Virginia to fraudulently obtaining \$13,000 worth of food stamps over a 4-month period. She used 18 different aliases to obtain food stamp benefits in 18 different Virginia jurisdictions. To put the scheme to work, the woman used false birth certificates to obtain driver's licenses for

each alias. Using one of the aliases, the woman obtained a retailer's authorization number from FNS enabling her to redeem approximately \$11,000 worth of the food stamps. This woman was on probation from Florida where she was involved in a similar fraud operation which involved more than \$500,000 in food stamps. The scheme in Virginia was discovered by an alert eligibility specialist who had just completed a training session on how to identify persons fraudulently applying for welfare benefits.

#### Retailer Participation

FNS is directly responsible for monitoring the participation of approximately 235,000 retailers and wholesalers, who redeemed food coupons of \$10.5 billion in FY 1984. During FY 1984, FNS conducted about 4,500 investigations of retailers suspected of violating Food Stamp Program regulations.

#### Guilty Pleas By Two Stamp Retailers

In Florida, a store owner authorized to accept food stamps for eligible food items was arrested by OIG agents after he had purchased a total of \$10,000 in food stamps for \$6,000 cash in four separate transactions. The defendant has now pled guilty to one felony count and awaits sentencing.

In Colorado, a retail food store owner was indicted for the unauthorized possession of approximately \$7,000 in food stamps. This investigation, conducted jointly by OIG and U.S. Postal Service Inspectors, produced evidence that this individual had redeemed "washed" food coupons (food coupons treated with a chemical solution to erase the original cancellation markings), believed to be part of a stolen \$45,000 shipment of food stamps bound to a Federal Reserve Bank. The owner has entered a guilty plea and will be sentenced at a later date.

#### FNS To Increase Monitoring of Retailers

Analysis of the FNS system for monitoring retailer participation in the Food Stamp Program disclosed a need to improve the methodology for identifying retailers who abuse the program and to strengthen internal procedures and controls over the monitoring and investigations of suspect retailers.

The audit recommended that FNS redesign the retailer tracking system to monitor retailer activities beyond county boundaries and to detail procedures for followup and review of pertinent reports generated by the retailer monitoring

system. Audit recommendations also called for improved procedures and controls over cash and coupons transacted during investigations, improved utilization of investigative aides, and better management and control over redemption certificates.

FNS has identified many of these same problems and agrees that modifications are needed in the Retailer tracking system. FNS is issuing a contract to redesign the retailer tracking system so that the monitoring efforts can be directed to retailers with a high probability of fraudulent operations. FNS has also initiated corrective action on many other problem areas associated with monitoring retailer activities.

#### Theft Rings Involved in Food Stamp Cases

Other investigations into violations of the Food Stamp Act involve cases of theft and the unauthorized exchange of food stamps for nonfood items. The following two cases from this reporting period are representative of these types of violations:

- In Oklahoma, a post office burglary resulted in the theft of \$11,125 in food stamps and approximately \$200 in postage stamps. U.S. Postal Inspectors initiated an investigation and requested the assistance of OIG. As a result of this joint investigation, five individuals have been arrested and charged with possession of stolen property.
- In Tennessee, after a joint investigation by OIG, the U.S. Secret Service and the Memphis Police Department, an individual was charged with exchanging 225 cases of cereal for food stamps. The exchange was unusual in this case because the cereal was identified as part of a stolen shipment valued in excess of \$500,000. As a result of this investigation, six people were also charged with the sale and/or transportation of stolen property. These individuals have entered guilty pleas and will be sentenced at a later date.

#### Administrative Costs Overclaimed

Audit of administrative costs in one State agency showed a need for a better cost allocation plan. The administrative costs were not properly allocated between various welfare programs benefiting from services provided by the Workfare Program. We found that the State agency's distribution of costs for the Food Stamp Program were not equitable and no consideration had been given to prorating costs. USDA was funding 100 percent of the Job Search Program, yet the activities performed by caseworkers under the Job Search Program benefited both Food Stamp and General Assistance Programs. We estimated that the State agency received reimbursements totaling approximately \$880,000 which were based on inequitable cost allocations.

For the period September 1983 to December 1984, the State agency intends to charge the Food Stamp Program \$10 million in additional costs for intake (the unit that accepts and acts on assistance applications). USDA's share would be \$5 million. The State agency reallocated the intake workers cost to the Food Stamp Program based on the number of applications processed among the various welfare programs. The audit recommended that FNS require the State agency to conduct a time study to serve as a basis for determining the costs to be charged to the Food Stamp Program.

#### Funds for Puerto Rico Special Projects Not All Used To Improve Nutrition

An annual grant of \$825 million is provided to Puerto Rico in lieu of a Food Stamp Program. Of this amount, \$25 million is to fund special projects which will improve or stimulate agriculture, food production, and food distribution. Our audit of four special projects funded in FYs 1983 and 1984 for about \$25 million disclosed that three special projects did not demonstrate a direct improvement to the nutritional status of needy residents of Puerto Rico: (1) the Agri-Industrial Development Fund (AIDF); (2) the Tick Eradication Project (TEP); and (3) the Crop Protection Project (CPP). A fourth project, the Nutrition Education Program (NEP), reduced by \$2 million the grant funds available for direct nutrition assistance to the program for Nutrition Assistance participants.

Managers for three projects awarded approximately \$1.1 million in questionable procurement contracts. We identified excess professional service fees for about \$50,500 in FY 1984 in the AIDF and found that loans were not fully collateralized, credit policies were not followed, questionable disbursements of loan funds were made, and servicing of delinquent loans needed improvement. In the TEP, managers obligated about \$847,000 in FY 1984 funds for purchases after the end of the fiscal year. In addition, about \$125,000 was used to pay salaries for persons not providing a service to the TEP. CPP managers submitted financial reports that overstated the Federal share for project costs by about \$848,848. CPP also charged FY 1983 expenses of about \$43,600 to FY 1984 and the property management records did not account for all nonexpendable property.

All of the Special Projects maintained excess cash balances that cost the Government \$384,382 in unnecessary interest in FY 1984.

The primary recommendation called for FNS to develop workable agreements with FmHA and APHIS agencies to provide the oversight duties and for Puerto Rico to improve its operating procedures for each of the respective special projects. FNS and the monitoring Federal agencies concurred with the circumstances cited in the audit.

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## WOMEN, INFANTS and CHILDREN (WIC) PROGRAM

### Guilty Pleas in Three Cases of WIC Fraud

Fifty-nine individuals in three separate cases of WIC fraud pleaded guilty to various schemes of kickbacks and forgery. The amount of fraud in all three cases totaled over \$1.3 million in WIC vouchers:

- Forty-three employees of what was formerly the largest WIC vendor company in California have been arrested for altering and forging WIC vouchers. These individuals were involved in a scheme in which 78,600 WIC vouchers were redeemed through their employer. The total value of these vouchers is approximately \$709,000. Six individuals have already entered guilty pleas and await sentencing.
- In Illinois, six individuals who were owners or employees of three different grocery stores pled guilty to defrauding the WIC Program. Over a period of several years, the individuals improperly collected about \$280,000 in WIC funds by submitting inflated WIC vouchers. The bulk of the evidence obtained in these investigations was through the use of search warrants which were served by OIG Agents with the assistance of the Illinois State Division of Criminal Investigations and Postal Inspectors.

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## CHILD NUTRITION PROGRAMS

### Guilty Pleas in Texas Cases

As reported in the last Semiannual Report, a joint investigation with the Texas Department of Human Resources resulted in the indictment of 19 persons for fraudulently obtaining \$25,000 in the Child Care Food Program (CCFP) funds. Seventeen of these persons have pled guilty, one had the charge dismissed, and one is awaiting trial. In related investigations, one individual in Corpus Christi, Texas, pled guilty to making false claims to obtain \$4,000 in CCFP funds. Another individual in San Antonio, Texas, pled guilty to fraudulently obtaining \$22,000 in CCFP funds. At the sentencing of one of the individuals, the presiding Judge said: "Let the message go out that this kind of thing won't be tolerated. I can't let the general public and people who administer these programs for the poor get the impression they can take advantage of the programs."

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## FOOD DONATIONS PROGRAM

### Temporary Emergency Program Hurt By Unaccounted-for Shortages and Questionable Claims

OIG has closely monitored the implementation of the Food Temporary Emergency Program since its inception in 1983. Previous Semiannual Reports outlined problems with accountability, eligibility, and waste. More recently, we audited the program in 10 States. The program continues to show problems with inventory controls and ineligible and questionable expenses claimed as administrative costs.

Weaknesses in inventory controls and accountability were found in all 10 States; inventory records were inadequate, incomplete, or inaccurate; shortages had occurred; State agencies did not establish claims for known losses; commodities were diverted to other programs; and commodities reported as donated to the needy could not be accounted for when reconciled to recipient applications/documentations.

We identified ineligible and questionable claims for administrative costs in each of the audits: expenses claimed were not incurred; costs were improperly allocated; expenses lacked documentation; expenses were incurred outside of the grant period; and goods and services were purchased that did not qualify for reimbursement.

One sponsor could not account for the distribution of 256,000 pounds of donated foods valued at about \$375,000. We attributed the losses to inadequate warehousing facilities, and inaccurate and incomplete records. In addition, we found the Local Distributing Centers (subsponsors) did not maintain records as required to account for donated foods distributed to eligible recipients.

In response to our report, FNS directed the State to recover the value of the commodities lost through spoilage or inventory shortages or to replace in-kind the lost food. FNS also directed the State to provide additional guidance to sponsors regarding recordkeeping requirements and to conduct monitoring reviews to ensure that corrective actions are taken.

Collectively, the audits showed that State agencies and local emergency feeding operations need to establish and enforce internal controls over commodity inventories and administrative costs. Further, FNS needs to require States to monitor inventories and controls.

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FOREST SERVICE

The Forest Service (FS) manages the National Forest System (NFS), conducts a State and private forestry program, and provides nationwide leadership for forest and range research. FY 1985 appropriations for these programs exceeded \$1.8 billion. In FY 1984, FS programs generated receipts of nearly \$1.2 billion.

The major FS job is management of the NFS, which includes over 191 million acres of national forests and grasslands that provide timber, water, recreation, wildlife, range and minerals. The NFS consumes about 90 percent of the FS budget and provides nearly all the receipts.

Most of our recent audit efforts have been directed to the NFS, particularly timber sales and related road construction, which comprise the largest single FS activity. In FY 1984 the FS timber harvest exceeded 10.5 billion board feet and produced receipts of nearly \$945 million.

FS Procedures Do Not Effectively Prevent Potential Antitrust Violations

One of our audits evaluated the effectiveness of FS controls to deter, identify and deal with antitrust violations in the sale of Federal timber. We reviewed timber sale operations at 16 National Forests and evaluated program compliance by 77 National Forests in five Regions during the period 1981 to 1983. The five Regions sell about 95 percent of FS sawtimber nationwide.

The FS was not effectively dealing with potential antitrust activity. FS units were generally not performing required monitoring efforts; the computer-based detection program was largely ineffective; and potential violations were not being properly reported.

Our audit identified 18 potential cases of antitrust activity, three of which the FS had referred to the Antitrust Division of the Department of Justice (DOJ). Sixteen occurred during our audit period (1981 to 1983), and two occurred in prior years. At the time the audit was completed, all 18 potential cases had been brought to the attention of DOJ. DOJ has started one investigation and is reviewing the remaining cases for possible investigation. The cases involved potential antitrust activity in various forms, including bid-suppression, geographic bidding, sale-sharing, and threats to would-be competitors. If collusion or other antitrust violations did occur as the facts suggest, our best estimate is that the 18 cases in recent years affected at least 135 timber sales and resulted in about \$12 million in decreased revenues.

The Chief, FS, established a bid monitoring

program and published instructions for bid monitoring units to continually perform monitoring activities. However, we determined that the FS did not do an effective job in identifying, referring, and tracking the 18 cases. Of the 15 potential violations not reported to DOJ, there was sufficient evidence available to the FS in 12 cases to warrant referral. In five of the 18 cases, FS law enforcement personnel did some preliminary review work to determine if an anti-trust violation had occurred. Doing so without coordinating the reviews with DOJ may have jeopardized prosecution for three of these cases. Because of the ineffective tracking, the FS took no corrective administrative action; three noncompetitive bidding patterns continued at the time of our review; DOJ's actions on the three referred cases were unknown; and the casefiles for two cases were lost.

Some FS timber sale procedures and practices do not deter antitrust violations and may encourage them. The FS discloses its minimum bid prices when advertising timber sales and exercises weak controls over the conduct of oral bid sales. It also uses a lottery method to break tie bids, engages in long term "direct sale" agreements, and, most importantly, does not convert to sealed bidding to deal with noncompetitive bidding patterns. Sealed bidding has been recognized by experts as an effective means of lessening collusion.

Washington Forest Acts To Correct Timber Sale Problems

In February 1985, we issued a report documenting mismanagement of timber sales on the Olympic National Forest in Washington which showed a potential loss to the FS in excess of \$300,000. Based on our findings the FS has taken or proposed numerous personnel actions on the Olympic Forest ranging from the transfer of the Forest Supervisor to the reassignment, demotion, suspension, or reprimand of seven other FS employees.

Improper Financing of Timber Road Construction and Maintenance Results in Some Costly Practices

An audit of timber purchaser road construction in Region 8 disclosed improper use of purchaser credit to: (1) finance timber sale road designs and standards in excess of the minimum needed for the current timber sales; and (2) finance road maintenance activities. On three Region 8 National Forests, we found that approximately \$1.5 million of purchaser credit was used or approved to finance excessive road designs or road maintenance in FY 1983. Applicable laws and FS procedures require that such expenses be paid from appropriated funds. Use of purchaser credit for these purposes represents an unauthorized

augmentation of regular appropriations and generally circumvents the budgetary/appropriation process. In addition, timber sale receipts and funding for reforestation activities may be unnecessarily reduced.

Shortages of appropriated funds for road maintenance have resulted in some inadequately maintained roads and in costly reconstruction. We found 22 roads that were reconstructed for current timber sales at a cost of \$480,000, even though these roads could have been maintained to standard during the years between sales for about \$139,000.

In addition, Regional office internal reviews did not identify and correct all regionwide road program deficiencies. Also, followup action on deficiencies noted during these reviews was not sufficient to ensure that National Forests implemented corrective action or that other Forests were made aware of these problems.

#### Two FS Employees Sentenced for Fraud

Through our continuing emphasis in FS employee integrity, employees in two Western Region locations were sentenced for fraud:

- A former FS employee, who worked on Oregon's Siskiyou National Forest between 1981 and 1983, prepared approximately \$9,700 in false claims of cash payments to firms doing business with the FS. She was indicted on four counts of mail fraud, three counts of false recordkeeping by a Government employee, and one count of embezzlement.
- While employed as a supervisory accounting technician in California, a former FS employee stole Government travel requests, falsified travel vouchers, and forged a supervisor's signature in order to receive \$3,083 in Government funds for personal use. She was indicted and pled guilty to one count of submitting fraudulent claims.

\* \* \*



FOOD SAFETY AND INSPECTION SERVICE

The 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 for FY 1985 is about \$365 million.

Meat Processors and USDA Inspectors Face Prison Terms

Through our continuing efforts to enforce the objectives of the FSIS, more USDA inspectors and meat packing plants caught violating the Federal Meat Inspection Act are facing fines and prison terms:

- In the Chicago area gratuities were given to three meat inspectors who worked at local plants. One of the inspectors was convicted for accepting gratuities. A second inspector pled guilty to three counts of accepting gratuities; and a third inspector was arrested after plant employees placed two boxes of meat in his car.
- In Southern Michigan, an inspector was indicted for accepting gratuities and a loan from a packer, and for making a false statement to the Government by preparing a false statement as to their outside employment.
- In the New York area, OIG agents arrested the manager of a poultry processing plant for attempted bribery of the USDA poultry inspector assigned to his plant. The manager wanted the inspector to look the other way while plant employees added excess water to chicken products. The inspector reported the attempt to OIG. During the course of the investigation, the manager made 12 payments of cash, totaling \$435, to the inspector. The investigation resulted in the indictment of the plant manager on 12 counts of bribery of a Government official. The plant manager subsequently pled guilty to one bribery count and faces up to 15 years in prison and \$20,000 fine. Sentencing is pending.
- The owner and operator of a meat packing plant in Pennsylvania was sentenced for conspiring to slaughter uninspected cattle, swine and sheep, and selling the meat products for human consumption. The defendant illegally possessed and used an official USDA inspection stamp to falsely represent the products as inspected.

He also mislabeled products as containing beef when some of the products also contained pork.

\* \* \*

- Prison sentences and heavy fines were handed down to the owners of a corporation which operated a meat packing plant in Montana. (The pre-sentencing details of this case were reported in the previous Semiannual Report.) The corporation and its two owners and operators were convicted of conspiracy and of selling meat which had been rejected by USDA inspectors.
- In Pennsylvania, two employees and the owners of a federally inspected meat plant and a pet food plant pled guilty to conspiring to sell and distribute adulterated meat products for human consumption. The defendants processed meat from dead cattle and uninspected cattle and sold the meat to wholesale buyers who had contracts to supply institutions and the Defense Department.

FSIS May Pay More Than Its Share of Inspection Costs

FSIS enters into agreements with State agencies to cooperate in the development, administration, and enforcement of meat and poultry inspection programs under State laws. FSIS pays up to 50 percent of the State inspection program costs, both direct and indirect. The indirect costs are established through negotiations, based on indirect cost proposals that States are required to submit for approval. However, FSIS did not enforce the timely submission of these proposals. As a result of untimely indirect cost proposals, eight States received questionable indirect cost reimbursements of \$3.6 million over a 5-year period. FSIS has subsequently established procedures to ensure compliance with the applicable regulations and requirements.

\* \* \*

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

Parrot Smuggler Indicted

In El Paso, Texas, a New York man has been indicted by a Federal Grand Jury for smuggling parrots into the United States. This individual had been previously arrested by the U.S. Border Patrol on information provided by OIG that the man planned to smuggle the birds into the country from Mexico. The importation of birds that are not properly placed in an USDA quarantine station can be disastrous to the United States poultry industry due to the possible introduction of deadly exotic Newcastle disease.

Significant Weaknesses Found in the Management of the USDA Graduate School

In response to a whistleblower complaint which alleged fraud and mismanagement, we conducted a coordinated audit and investigation which identified system deficiencies in the USDA Graduate School (GS) operations.

The GS had expanded its operations to provide services to Federal agencies beyond the training and education of Government employees for which it was established. Such projects represented \$16 million, or 49 percent, of the total dollar value of services provided by the GS to Federal agencies through reimbursable Interagency Agreements between 1982 and 1984. The Comptroller General of the United States has ruled that it is inappropriate for Nonappropriated Fund Instrumentalities, such as the GS, to provide services to Federal agencies through Interagency Agreements.

The GS frequently hired or contracted for individuals specifically requested by Federal agencies. Often Federal agencies were involved in recruitment, selection, and salary determinations of the GS personnel who were hired to perform work on agency project. Agency personnel then supervised the work performed. Additionally, the GS furnished over \$478,000 in computer equipment and other supplies in support of ongoing agency programs, bypassing Federal procurement controls and procedures.

Internal accounting and/or administrative controls either did not exist, or were inadequate to preclude unauthorized and improper use of funds and resources. Specifically:

- Disbursements of about \$146,000 to independent contractors were made in 53 cases without adequate documentation of the validity of the obligation or expense. Payments were made without evidence that work was actually performed. In 23 of 33 contractual arrangements reviewed, contracts had not been prepared for independent contractors performing work for the GS or, if prepared, did not clearly define the scope and terms of the arrangement.
- General ledger cash balances were not reconciled in a timely manner with bank balances during the 9-month period between August 1983 and April 1984. We found discrepancies, totaling \$56,000, between detail manual cash records, general ledger accounts, and bank records regarding usage of a bank line of credit for financing current debts.
- Interagency Agreements entered into with Federal agencies lacked clear, defined scopes of work and terms. GS managers did not adhere to internal GS procedures, which resulted in circumvention of agency personnel ceilings and

procurement procedures.

- Corrective actions had not been effectively implemented on deficiencies reported by independent audits and reviews. We found that several of the internal control deficiencies cited above had been reported in more than one annual audit of GS operations by independent auditors.

Our investigation disclosed that the former Director, Special Programs, GS, entered into an arrangement with a contractor, a former Associate Assistant Secretary, U.S. Department of Labor, to obtain money from the GS through \$8 million in interagency agreements with the U.S. Department of Army. In 1983 and 1984, they devised a scheme in which they submitted time sheets for fictitious employees. The time sheets were prepared and signed by the GS, Special Programs Director and contractor, and submitted to the GS Business Office for payment.

The GS Business Office prepared disbursement checks to the contractor for the fictitious employees. The contractor deposited the checks in his bank account and disbursed about half of the proceeds to the GS, Special Programs Director. Between August 1982 and April 1984, the contractor was paid \$194,000 in Federal funds by the GS.

The GS official, his wife, and the contractor were charged with filing false statements and demands against the U.S. (Title 18 U.S.C. 1001 and 1003) on information filed by the U.S. Attorney, District of Columbia.

Based upon the results of the investigation, the Executive Board of the Graduate School sought and received the resignation of the School's Director.

Prior to the completion of our work, the Board initiated a number of actions to clarify GS authority and to curtail its growth. The GS, with direction from the Board, liquidated its investments in non-Government securities, and discontinued use of a line of credit for further program expansion. As of November 1983, the GS was requested to curtail activity initiated under Interagency Agreements with Federal agencies for the remainder of the 1983-84 school year ending July 31, 1984. However, our subsequent cursory review disclosed that the GS, contrary to the Board's direction, still accepted new and distinct projects under existing Interagency Agreements during 1984.

The General Administration Board, which is responsible for policy and oversight, needs to reexamine and clarify the mission of the GS, its operational policies, and specific activities authorized. Increased continuous oversight and supervision of GS management is needed.

The Chairman of the Board replied to the audit report by stating that the Secretary has appointed a panel to study the future of the GS. The panel has been asked to examine and make recommendations on: (1) the nature of services

to be provided by the GS in the future; and (2) the legal organizational form for the school. In addition, the audit recommendations as well as the investigation reports will be considered to determine appropriate administrative action.

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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, 1985			As of June 30, 1985		Estimate As of September 30, 1985		
	Owed	Overdue	Written Off: 10/01/84 - 3/31/85	Owed	Overdue	Owed	Overdue	Written Off: 4/01/85 - 9/30/85
Farmers Home Administration	67,991,824	7,530,031	58,244	70,660,328	6,915,023	70,972,316	6,924,000	105,661
Rural Electrification Administration	36,732,465	1,104,784	0	37,255,320	1,130,208	36,706,437	179,742	0
Agricultural Stabilization and Conservation Service/Commodity Credit Corporation	25,858,596	664,527	2,881	24,566,078	675,159	25,282,112	641,890	4,158
Forest Service	117,241	89,430	6,397	126,747	109,238	134,746	109,238	552
Federal Crop Insurance Corporation	51,529	22,956	0	45,972	21,157	134,768	21,157	805
Food and Nutrition Service	238,634	233,503	0	264,232	263,581	340,845	338,382	50
Soil Conservation Service	19,956	2,685	0	7,399	1,779	9,532	2,555	12
Federal Grain Inspection Service	2,513	548	2	3,121	707	3,920	654	23
Office of International Cooperation and Development	62	20	0	8	7	120	2	0
Agricultural Marketing Service	14,118	1,290	36	7,340	1,364	6,789	1,086	22
Food Safety and Inspection Service	4,745	1,680	41	4,801	1,610	5,709	1,592	47
Science and Education	1,310	1,243	0	1,386	1,368	1,017	953	0
Agricultural Research Service	(829)	(761)	0	(910)	(893)	(564)	(500)	0
Cooperative State Research Service	(433)	(433)	0	(433)	(433)	(430)	(430)	0
Extension Service	(43)	(43)	0	(36)	(36)	(17)	(17)	0
National Agricultural Library	(6)	(6)	0	(6)	(6)	(6)	(6)	0
Animal and Plant Health Inspection Service	1,759	906	3	1,557	893	1,544	904	9
Working Capital Fund-Dept'al Administration	198	194	0	182	150	79	59	0
Office of Governmental and Public Affairs-Dept'al Administration	63	63	0	63	63	0	0	0
Office of the Secretary-Dept'al Adm.	38	36	0	38	37	3	3	0
Foreign Agricultural Service	5	4	0	8	4	3	3	0
Statistical Reporting Service	53	30	0	79	78	70	2	0
Economics Management Staff	18	17	0	18	16	22	16	0
Economics Statistical Service	(18)	(17)	0	(18)	(16)	(16)	(16)	0
Economic Research Service	(0)	(0)	0	(0)	(0)	(6)	(0)	0
Office of Inspector General	5	4	0	4	4	6	4	0
Office of General Counsel	0	0	0	0	0	0	0	0
Other	1	1	0	1	1	1	0	0
Office of Transportation	(0)	(0)	0	0	0	(0)	(0)	0
Packers and Stockyards Administration	(1)	(1)	0	(1)	(1)	(0)	(0)	0
World Agricultural Outlook Board	(0)	(0)	0	(0)	(0)	(1)	(0)	0
Agricultural Cooperative Service	(0)	(0)	0	(0)	(0)	(0)	(0)	0
Office of Rural Development Policy	(0)	(0)	0	(0)	(0)	(0)	(0)	0
<b>TOTALS</b>	<b>131,035,133</b>	<b>9,653,952</b>	<b>67,604</b>	<b>132,944,682</b>	<b>9,122,447</b>	<b>133,600,039</b>	<b>8,222,242</b>	<b>111,339</b>

APPENDIX

LISTING OF AUDIT REPORTS ISSUED  
APRIL 1, 1985 THROUGH SEPTEMBER 30, 1985

During the 6-month period from April 1985 through September 1985, the Office of Inspector General issued 311 audit reports, including 94 performed under contract by certified public accountants.

The following is a listing of those audits:

	<u>AGENCY</u>	<u>AUDITS RELEASED</u>
ARS	Agricultural Research Service	03
ASCS	Agricultural Stabilization and Conservation Service	48
APHIS	Animal and Plant Health Inspection Service	01
CSRS	Cooperative State Research Service	01
ES	Extension Service	01
FmHA	Farmers Home Administration	61
FCIC	Federal Crop Insurance Corporation	01
FGIS	Federal Grain Inspection Service	02
FNS	Food and Nutrition Service	91
FSIS	Food Safety and Inspection Service	08
FAS	Foreign Agricultural Service	01
FS	Forest Service	18
OAE	Office of Advocacy and Enterprise	01
OFM	Office of Finance and Management	01
OIRM	Office of Information Resources Management	01
OT	Office of Transportation	01
REA	Rural Electrification Administration	03
SEA	Science and Education Administration	05
SCS	Soil Conservation Service	08
MULT	Multiagency/Division Code	55
	Total Completed:	
	- Single Agency Audit	256
	- Multiagency/Division	55
	TOTAL RELEASED NATIONWIDE	311
	TOTAL COMPLETED UNDER CONTRACT*	94

\* Indicates audits completed under Certified Public Accountant contracts.

UNITED STATES DEPARTMENT OF AGRICULTURE  
OFFICE OF INSPECTOR GENERAL -- AUDITING  
AUDIT REPORTS RELEASED  
BETWEEN APRIL 01, 1985 AND SEPTEMBER 30, 1985

<u>AUDIT NUMBER</u>	<u>REGION</u>	<u>RELEASE DATE</u>	<u>TITLE</u>
<u>AGENCY - ARS      AGRICULTURAL RESEARCH SERVICE</u>			
* 02-545-0001	SER	09-09-85	AUDIT OF PRICE PROPOSAL JONES OPERATION AND MAINTENANCE COMPANY
* 02-545-0002	WR	09-24-85	AUDIT OF GLOBAL ASSOCIATES PROPOSAL FOR SRRG WORK
* 02-545-0003	GPR	09-18-85	COST PROPOSAL (NO. 53-3244-4-117) - OMAHA, NE

TOTAL: ARS - AGRICULTURAL RESEARCH SERVICE - 03

<u>AGENCY - ASCS</u>	<u>REGION</u>	<u>RELEASE DATE</u>	<u>TITLE</u>
<u>AGENCY - ASCS      AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE</u>			
03-001-0060	SWR	09-09-85	ANALYSIS OF FARM GROWING YIELDS IN RIO GRANDE VALLEY OF TEXAS
03-002-0045	MWR	09-25-85	ACCOUNTABILITY FOR SECURITY PROPERTY - ILLINOIS
03-091-0325	FMS	07-11-85	STORAGE PAYMENTS TO WAREHOUSE - KANSAS CITY MANAGEMENT OFFICE
03-091-0327	FMS	08-28-85	MANAGEMENT OF DEBT COLLECTION ACTIVITIES
03-099-0044	WR	05-08-85	STATE AND COUNTY AUTOMATION -SCOAP- VALIDATION PHASE
03-099-0049	WR	09-17-85	REVIEW OF 1983 CROP PAYMENT-IN-KIND CASH SETTLEMENTS
03-099-0075	SWR	05-10-85	PAYMENT LIMITATION - DETERMINATIONS - LOUISIANA
03-099-0076	SWR	04-15-85	SURVEY IRRIGATED WHEAT AND FEED GRAIN YIELDS - TEXAS
03-099-0077	SWR	04-15-85	SURVEY IRRIGATED WHEAT AND FEED GRAIN YIELDS - OKLAHOMA
03-099-0078	SWR	04-23-85	VERIFICATION OF FEED GRAIN AND WHEAT YIELDS - OKLAHOMA
03-099-0078	GPR	08-16-85	PAYMENT-IN-KIND PROGRAM - DELIVERY - NORTH DAKOTA
03-099-0079	SER	06-14-85	PROGRAM ADMINISTRATION - WARREN COUNTY, KENTUCKY
03-099-0079	GPR	08-16-85	PAYMENT-IN-KIND PROGRAM IN NEBRASKA - LINCOLN, NE
03-099-0080	SWR	07-22-85	MAX PAYMENT LIMITATION DETERMINATIONS-RAPIDES PARISH OF - ALEX, LA
03-099-0080	GPR	08-15-85	PAYMENT-IN-KIND PROGRAM IN IOWA - DES MOINES, IA
03-099-0081	SWR	09-03-85	ACCT FOR SECURED PROPERTIES-LOUISIANA ASCS STATE OFFICE ALEX, LA
03-099-0081	GPR	08-16-85	PAYMENT-IN-KIND PROGRAM - DELIVERY - SOUTH DAKOTA
03-099-0082	SWR	08-23-85	ACCOUNT FOR SEC PROP OKLAHOMA ASCS STATE OFFICE - STILLWATER, OK
03-099-0082	GPR	08-16-85	PAYMENT-IN-KIND PROGRAM IN MISSOURI - COLUMBIA, MO
03-099-0083	SWR	09-01-85	AUDIT OF FARM STORED COMMODITY LOAN PROGRAM - TEXAS
03-099-0083	GPR	08-16-85	PAYMENT-IN-KIND PROGRAM IN KANSAS - MANHATTAN, KS
03-099-0084	SER	07-15-85	COMMODITY CREDIT CORPORATION LOANS
03-099-0084	SWR	09-11-85	PRODUCERS EXCEEDING PAYMENT LIMITATION - TEXAS
03-099-0084	GPR	08-16-85	PAYMENT-IN-KIND PROGRAM IN OKLAHOMA - STILLWATER, OK
03-099-0085	SER	07-10-85	COMMODITY CREDIT CORPORATION LOANS - GEORGIA
03-099-0085	GPR	08-09-85	MANAGEMENT CONTROLS OVER STATE AND COUNTIES - MONTANA
03-099-0086	SER	07-10-85	FARM STORED COMMODITY LOANS - ALABAMA
03-099-0086	GPR	07-29-85	MANAGEMENT CONTROLS OVER STATE AND COUNTY - COLORADO
03-099-0087	SER	08-19-85	COMMODITY CREDIT CORPORATION LOAN PROGRAM - MISSISSIPPI
03-099-0088	SER	06-28-85	MILK DIVERSION PROGRAM - SOUTH CAROLINA, TENNESSEE
03-099-0088	SWR	08-15-85	PRODUCERS EXCEEDING MAXIMUM PAYMENT LIMITATION - LOUISIANA
03-099-0094	SWR	09-19-85	ELIGIBLE OF COMMODITY LOANS - NEW MEXICO
03-530-0002	SER	05-23-85	GEORGIA PREPARATION - STATE AND COUNTY AUTOMATION PROJECT (SCOAP)
03-530-0003	SER	04-26-85	KENTUCKY PREPARATION - STATE AND COUNTY AUTOMATION PROJECT (SCOAP)
03-530-0003	SWR	09-19-85	SCOAP IMPLEMENTATION - NEW MEXICO
03-530-0012	FMS	09-25-85	ADP-SYSTEMS DEVELOPMENT DAIRY DIVERSION PROGRAM
03-530-0013	FMS	07-11-85	STATE AND COUNTY AUTOMATION -SCOAP- VALIDATION PHASE
03-530-0014	FMS	09-12-85	SCOAP TRACT CONVERSION IN MISSOURI

UNITED STATES DEPARTMENT OF AGRICULTURE  
OFFICE OF INSPECTOR GENERAL -- AUDITING  
AUDIT REPORTS RELEASED  
BETWEEN APRIL 01, 1985 AND SEPTEMBER 30, 1985

<u>AUDIT NUMBER</u>	<u>REGION</u>	<u>RELEASE DATE</u>	<u>TITLE</u>
<u>AGENCY - ASCS</u> <u>AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE</u> (Continued)			
* 03-545-0001	MWR	09-23-85	AUDIT - CHICAGO, ILLINOIS
03-555-0002	MWR	08-16-85	SCOAP STATE COUNTY OFFICE AUTOMATION PROJECT - INDIANA
03-555-0003	MWR	08-16-85	SCOAP STATE COUNTY OFFICE AUTOMATION PROJECT - ILLINOIS
03-621-0005	GPR	08-13-85	PAYMENT-IN-KIND PROGRAM - DELIVERY OPERATIONS
03-625-0001	SWR	05-06-85	MAXIMUM PAYMENT LIMITATION 1982 & 1983 FGR UPC & WH & 1983 SP PIK
03-625-0009	WR	06-26-85	MAXIMUM PAYMENT LIMITATION - FRESNO AND KINGS COUNTY
03-625-0011	WR	07-11-85	MAXIMUM PAYMENT LIMITATION - KERN COUNTY
03-625-0012	WR	05-08-85	MAXIMUM PAYMENT LIMITATION - DASCO DETERMINATION
03-627-0001	MWR	04-22-85	NATIONWIDE REVIEW OF MILK DIVERSION PROGRAM PAYMENTS
03-627-0001	GPR	08-26-85	MILK DIVERSION PROGRAMS PAYMENTS--DELAWARE, FAYETTE, SIOUX COs, IA

TOTAL: ASCS - AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE - 48

AGENCY - APHIS    ANIMAL AND PLANT HEALTH INSPECTION SERVICE

* 33-545-0007	GPR	08-16-85	APHIS PRICING PROPOSAL, COOPERS ANIMAL HEALTH - KANSAS CITY, MO
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TOTAL: APHIS - ANIMAL AND PLANT HEALTH INSPECTION SERVICE - 01

AGENCY - CSRS    COOPERATIVE STATE RESEARCH SERVICE

13-004-0001	SER	06-24-85	SOUTHERN UNIVERSITY - BATON ROUGE, LOUISIANA
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TOTAL: CSRS - COOPERATIVE STATE RESEARCH SERVICE - 01

AGENCY - ES    EXTENSION SERVICE

06-004-0002	SER	07-16-85	SOUTHERN EXTENSION SERVICE - BATON ROUGE, LOUISIANA
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TOTAL: ES - EXTENSION SERVICE - 01



UNITED STATES DEPARTMENT OF AGRICULTURE  
OFFICE OF INSPECTOR GENERAL -- AUDITING  
AUDIT REPORTS RELEASED  
BETWEEN APRIL 01, 1985 AND SEPTEMBER 30, 1985

<u>AUDIT NUMBER</u>	<u>REGION</u>	<u>RELEASE DATE</u>	<u>TITLE</u>
<u>AGENCY - FMHA FARMERS HOME ADMINISTRATION</u>			
04-001-0053	WR	08-02-85	ECONOMIC EMERGENCY LOAN PROGRAM - 1984 LOANS - CALIFORNIA
04-001-0054	WR	08-02-85	HANDLING AND SAFEGUARDING COLLECTIONS
04-002-0030	MWR	09-06-85	OVERVIEW MICHIGAN STATE OFFICE AND NINE COUNTY OFFICES
04-003-0001	FDPD	05-17-85	PILOT PROJECT-FARM OWNERSHIP NOTE SALES - WASHINGTON, DC
04-011-0467	GPR	06-10-85	NATIONWIDE STATISTICAL REVIEW - MASON CITY, CO
04-012-0001	NAR	04-11-85	OVERVIEW ORANGE COUNTY OFFICE - MIDDLETON, NEW YORK
04-012-0003	NAR	07-10-85	OVERVIEW ONONDAGA COUNTY OFFICE - BALDWINVILLE, NEW YORK
04-012-0004	NAR	07-10-85	OVERVIEW CAYUGA COUNTY OFFICE - AUBURN, NEW YORK
04-012-0005	NAR	07-10-85	OVERVIEW CHEMUNG COUNTY OFFICE - HORSEHEADS, NEW YORK
04-012-0006	NAR	07-10-85	OVERVIEW FRANKLIN COUNTY OFFICE - MALONE, NEW YORK
04-012-0007	NAR	07-10-85	OVERVIEW SARATOGA COUNTY OFFICE - SARATOGA SPRINGS, NEW YORK
04-012-0008	NAR	07-10-85	OVERVIEW ESSEX COUNTY OFFICE - ELIZABETHTOWN, NEW YORK
04-012-0009	NAR	07-10-85	OVERVIEW SCHOHARIE COUNTY OFFICE - COBLESKILL, NEW YORK
04-012-0010	NAR	07-02-85	OVERVIEW GREENE COUNTY OFFICE - CAIRO, NEW YORK
04-012-0384	MWR	07-03-85	COUNTY OFFICE - ALPENA, MICHIGAN
04-012-0385	MWR	07-10-85	COUNTY OFFICE - MIO, MICHIGAN
04-012-0386	MWR	06-17-85	COUNTY OFFICE - LAKE CITY, MICHIGAN
04-012-0387	MWR	06-17-85	COUNTY OFFICE - BIG RAPIDS, MICHIGAN
04-012-0390	MWR	07-19-85	COUNTY OFFICE - COLDWATER, MICHIGAN
04-012-0391	MWR	07-18-85	COUNTY OFFICE - HILLSDALE, MICHIGAN
04-012-0392	MWR	07-19-85	COUNTY OFFICE - PORT HURON, MICHIGAN
04-012-0653	SWR	04-12-85	WISE COUNTY OPERATIONS - DECATUR, TEXAS
04-091-0001	FMS	07-12-85	CONTROL OVER THE DEPOSIT FUND, FO - ST. LOUIS, MISSOURI
04-099-0016	NAR	09-04-85	HANDLING AND SAFEGUARDING OF COLLECTIONS - PUERTO RICO
04-099-0047	MWR	06-13-85	SPECIAL AUDIT OF FMHA DISASTER LOAN COMPLAINT - ST. PAUL, MN
04-099-0048	WR	04-29-85	SURVEY OF RURAL RENTAL HOUSING - OREGON STATE
04-099-0052	WR	09-18-85	SURVEY SELF HELP HOUSING-PPEP HOUSING DEVELOPMENT CORP - TUCSON
04-099-0055	MWR	07-18-85	RURAL RENTAL HOUSING REQUEST OF THE BERNSTEIN GROUP - COLUMBUS, OH
04-099-0058	NER	04-01-85	NANTICOKE OFFICE - NANTICOKE, PENNSYLVANIA
04-099-0063	MWR	09-25-85	ACCOUNTABILITY FOR SECURITY PROPERTY/LIEN ON ALL ASSETS
04-099-0072	GPR	08-16-85	WATER & WASTE DISPOSAL LOAN & GRANT - CUSTER COUNTY, MONTANA
04-099-0073	GPR	06-06-85	BUSINESS AND INDUSTRY - BIG BUD TRACTOR, INC. - HAVRE, MONTANA
04-099-0076	GPR	08-16-85	ECONOMIC EMERGENCY LOANS - SOUTH DAKOTA
04-099-0077	GPR	08-16-85	ECONOMIC EMERGENCY LOANS IN IOWA - DES MOINES, IOWA
04-099-0078	GPR	05-24-85	STATE OFFICE SPECIAL REQUEST - LARIMER COUNTY OFFICE
04-099-0106	SWR	08-26-85	AUDIT OF HOUSING AUTHORITY - TAFT, OKLAHOMA
04-099-0107	SWR	06-13-85	LOANS TO INDIVIDUAL MEMBERS OF A PARTNERSHIP
04-099-0109	SWR	09-23-85	LABOR HOUSING LOANS - TEXAS STATE OFFICE - TEMPLE, TEXAS
04-099-0172	SER	07-12-85	COMPARISON 1983 DISASTER YIELDS W/SRS ACTUAL - ATLANTA
04-099-0178	SER	06-11-85	FARMER PROGRAMS - GADSDEN COUNTY, FLORIDA
04-099-0182	SER	06-24-85	MINIMUM PROPERTY STANDARDS IN EARTHQUAKE AREAS
04-099-0189	SER	08-29-85	ACCOUNTING FOR COLLECTIONS - COUNTY OFFICES - REIDSVILLE, GEORGIA
04-099-0190	SER	07-02-85	RURAL HOUSING PROGRAM IN DESOTO COUNTY, MISSISSIPPI
04-099-0199	SER	09-25-85	SERVICING LOAN ACCOUNTS
04-099-0202	SER	09-09-85	ACCOUNTABILITY FOR NO-NET COST TOBACCO - GEORGIA
04-099-0207	SER	07-10-85	ACCOUNTING FOR SECURITY PROPERTY - SOUTH CAROLINA
04-530-0015	FMS	05-31-85	MONITORING - NEW ACCOUNTING SYSTEM - PART II

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<u>AGENCY - FMHA FARMERS HOME ADMINISTRATION (Continued)</u>			
04-545-0015	NER	04-23-85	INCURRED COST AUDIT-NCALL RESEARCH, INC. - DOVER, DELAWARE
04-642-0001	SWR	07-16-85	NATIONWIDE REVIEW OF FMHA - WASHINGTON, DC
04-645-0001	SER	04-25-85	ECONOMIC EMERGENCY LOAN PROGRAM - WASHINGTON, DC
04-645-0002	SER	05-28-85	HANDLING AND SAFEGUARDING OF COLLECTIONS
04-646-0001	WR	09-06-85	BUSINESS AND INDUSTRY LOAN LIQUIDATION FOLLOWUP
04-647-0001	SER	08-08-85	COMMUNITY PROGRAMS - BORROWER GRADUATION
04-650-0001	SWR	05-10-85	SPECIAL DEBT SET-ASIDE - LOUISIANA
04-650-0003	SER	06-12-85	SPECIAL DEBT SET-ASIDE - ALABAMA
04-650-0003	SWR	05-02-85	SPECIAL DEBT SET-ASIDE - OKLAHOMA
04-650-0004	SER	06-28-85	SPECIAL DEBT SET-ASIDE - GEORGIA
04-650-0005	SER	06-13-85	SPECIAL DEBT SET-ASIDE - MISSISSIPPI
04-650-0006	SER	08-02-85	SPECIAL DEBT SET-ASIDE - NORTH CAROLINA
04-650-0007	SER	07-01-85	SPECIAL DEBT SET-ASIDE - TENNESSEE
04-650-0008	SER	08-22-85	SPECIAL DEBT SET-ASIDE - FOR FARMER PROGRAM BORROWERS - KENTUCKY

TOTAL: FMHA - FARMERS HOME ADMINISTRATION - 61

<u>AGENCY - FCIC</u>	<u>FEDERAL CROP INSURANCE CORPORATION</u>
05-099-0031	FMS 05-22-85 EVALUATION OF LATE PLANTING AGREEMENT OPTIONS

TOTAL: FCIC - FEDERAL CROP INSURANCE CORPORATION - 01

<u>AGENCY - FGIS</u>	<u>FEDERAL GRAIN INSPECTION SERVICE</u>
37-099-0002	MWR 05-09-85 ALTON INSPECTION GRAIN DEPARTMENT - ALTON, ILLINOIS
37-099-0003	FMS 08-26-85 SURVEY OF AUTOMATED GRAIN WEIGHING SYSTEMS

TOTAL: FGIS - FEDERAL GRAIN INSPECTION SERVICE - 02

<u>AGENCY - FNS</u>	<u>FOOD AND NUTRITION SERVICE</u>
27-002-0018	SER 04-16-85 SOUTH CAROLINA EMERGENCY FOOD ASSISTANCE PROGRAM
27-002-0020	SER 06-14-85 CDP-NORTH CAROLINA STATE DISTRIBUTING AGENCY - RALEIGH, NC
27-002-0021	SER 06-05-85 EMERGENCY FOOD ASST PROGRAM, FOOD DISTR OFF - JACKSONVILLE, FL
* 27-002-0022	SER 09-03-85 EMERGENCY FOOD ASSISTANCE PROGRAM - TENNESSEE
* 27-002-0023	SER 08-22-85 EMERGENCY FOOD ASSISTANCE PROGRAM - FRANKFORT, KENTUCKY

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<u>AGENCY - FNS</u> <u>FOOD AND NUTRITION SERVICE (Continued)</u>			
27-013-0045	MWR	06-14-85	FSP-WISCONSIN DEPT OF HEALTH & SOCIAL SERVICES - MADISON, WI
27-014-0021	NAR	04-01-85	ATLANTIC COUNTY FOOD STAMP PROGRAM
27-014-0022	NAR	09-03-85	HUDSON COUNTY FOOD STAMP PROGRAM
27-019-0005	GPR	06-07-85	DENVER FOOD STAMP PROGRAM MULTIPLE REDEMPTIONS
27-025-0001	NAR	07-05-85	REVIEW OF AUDITS PERFORMED - PROGRAM REQUIREMENTS
27-025-0003	NAR	07-05-85	REVIEW OF AUDITS PERFORMED - PROGRAM REQUIREMENTS
* 27-026-0033	GPR	04-15-85	CNP-NATIONAL SCHOOL LUNCH PROGRAM FNSRO ADM - COLORADO
* 27-026-0034	GPR	08-16-85	CNP-NATIONAL SCHOOL LUNCH PROGRAM FNSRO ADM - NEBRASKA
* 27-026-0039	SER	07-18-85	CNP-ST. JUDE SCHOOL - SUMTER, SOUTH CAROLINA
* 27-026-0040	SER	06-28-85	CNP-FT. JACKSON ELEMENTARY SCHOOL - FORT JACKSON, SOUTH CAROLINA
* 27-026-0042	SER	07-26-85	CNP-ST. MARY HUMAN DENVER CENTER - RIDGELAND, SOUTH CAROLINA
* 27-027-0022	SER	06-28-85	CNP-EPWORTH CHILDREN'S HOME - COLUMBIA, SOUTH CAROLINA
* 27-027-0023	SER	07-19-85	CNP-ST. MARY'S HOME - MOBILE, ALABAMA
* 27-027-0024	SER	07-19-85	CNP-C STEEL PITTS HOME, INC. - ATLANTA, GEORGIA
* 27-027-0025	SER	07-19-85	CNP-ANNEWAKEE FOUNDATION, INC. - DOUGLASVILLE, GEORGIA
* 27-027-0026	SER	07-19-85	CNP-THE DEVEREUX FOUNDATION - KENNESAW, GEORGIA
* 27-027-0027	SER	07-19-85	CNP-THE KING'S DAUGHTER'S SCHOOL - COLUMBIA, TENNESSEE
* 27-027-0028	SER	06-28-85	CNP-YOUTH ESTATES, INC. - BRUNSWICK, GEORGIA
* 27-028-0052	NAR	09-24-85	SFSP ASSOCIATION YMYWHA OF GREATER NEW YORK FAR ROCKAWAY
* 27-029-0112	NER	04-01-85	TOTAL ACTION AGAINST POVERTY - ROANOKE VALLEY INC.
* 27-029-0195	SER	04-18-85	CCFP-SOUTHSIDE CHURCH KINDERGARTEN DCC - MEMPHIS, TENNESSEE
* 27-029-0197	SER	04-18-85	CCFP-MERRYLAND KINDERGARTEN - MEMPHIS, TENNESSEE
* 27-029-0200	SER	04-15-85	CCFP-MT. PISGAH CME CHURCH DCC - MEMPHIS, TENNESSEE
* 27-029-0201	SER	04-15-85	CCFP-GREENWOOD CME CHURCH LEARN CENTER - MEMPHIS, TENNESSEE
* 27-029-0210	SER	04-04-85	CCFP-FIFTH AVENUE BAPTIST CHURCH - KNOXVILLE, TENNESSEE
* 27-029-0213	SER	04-03-85	CCFP-18TH AVENUE COMMUNITY CENTER - NASHVILLE, TENNESSEE
* 27-029-0214	SER	04-09-85	CCFP-1ST CHURCH OF THE NAZARENE - NASHVILLE, TENNESSEE
* 27-029-0215	SER	04-15-85	CCFP-ST. ANN EPISCOPAL CHURCH - NASHVILLE, TENNESSEE
* 27-029-0216	SER	04-01-85	CCFP-ST. MARY VILLA CHILD DEVELOPMENT CENTER - NASHVILLE, TN
* 27-029-0217	SER	04-01-85	CCFP-MT. SINAI CUMBERLAND PRESBYTERIAN CHURCH - NASHVILLE, TN
* 27-029-0218	SER	04-10-85	CCFP-SOL LEGARE COMMUNITY DCC - CHARLESTON, SOUTH CAROLINA
* 27-029-0220	SER	04-01-85	CCFP-SUNSHINE DCC - FLORENCE, SOUTH CAROLINA
* 27-029-0221	SER	04-09-85	CCFP-GETHSEMANE GARDEN CHURCH DCC - MEMPHIS, TENNESSEE
* 27-029-0222	SER	04-04-85	CCFP-MORNING STAR ENRICHMENT CENTER - MEMPHIS, TENNESSEE
* 27-029-0223	SER	04-18-85	CCFP-GEETER PARK BAPTIST CHURCH DCC - MEMPHIS, TENNESSEE
* 27-029-0223	GPR	09-17-85	CCFP-CHILDRENS CENTER OF EVERGREEN (65365) - EVERGREEN, COLORADO
* 27-029-0224	SER	04-04-85	CCFP-MACEDONIA MISSIONARY BAPTIST DCC - MEMPHIS, TENNESSEE
* 27-029-0225	SER	04-18-85	CCFP-GOLDEN LEAF BAPTIST CHURCH - MEMPHIS, TENNESSEE
* 27-029-0226	SER	04-03-85	CCFP-1ST BAPTIST CHURCH-BEALE DCC - MEMPHIS, TENNESSEE
* 27-029-0227	SER	04-03-85	CCFP-THE KING'S DAUGHTERS DAY HOME - MADISON, TENNESSEE
* 27-029-0228	SER	04-09-85	CCFP-SEQUATCHIE VALLEY PLAN AND DEVELOPMENT - PIKERVILLE, TN
* 27-029-0229	SER	04-03-85	CCFP-COMMUNITY HOUSING AND SERVICE CORPORATION - ATHENS, TN
* 27-029-0230	SER	04-04-85	CCFP-PRAYER AND BIBLE STUDY N-D CHURCH - EASTOVER, SOUTH CAROLINA
* 27-029-0256	GPR	09-16-85	CCFP-LOWRY CHILD CARE CENTER, (65129) - LOWRY AFB, COLORADO
* 27-029-0331	NAR	04-01-85	DEWITT REFORMED CHURCH HS - NEW YORK, NEW YORK
* 27-029-0449	NAR	06-05-85	SHELTERING ARMS CHILDREN DAY CARE - NEW YORK, NEW YORK

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* 27-029-0462	NAR	09-24-85	ASSOC YM YWHA OF GREATER NEW YORK FAR - ROCKAWAY, NEW YORK
* 27-029-0467	NAR	04-19-85	CENTRO CIVICO CULTURAL - BROOKLYN, NEW YORK
* 27-029-0469	NAR	04-19-85	EAST NEW YORK DAY CARE COMMITTEE - BROOKLYN, NEW YORK
* 27-029-0478	NAR	04-19-85	BOBOVER YESHIVA BNEI ZION - BROOKLYN, NEW YORK
* 27-029-0480	NAR	04-19-85	BEDFORD STUYVESANT EARLY CHILD - BROOKLYN, NEW YORK
* 27-029-0485	NAR	05-08-85	GRACE REFORMED CHURCH - BROOKLYN, NEW YORK
* 27-029-0486	NAR	04-16-85	THE SALVATION ARMY - BROOKLYN, NEW YORK
* 27-029-0487	NAR	07-02-85	LIFE MORE ABUNDANT MINISTRY INC. - BROOKLYN, NEW YORK
* 27-029-0492	NAR	05-09-85	POLICE ATHLETIC LEAGUE INC. - NEW YORK, NEW YORK
* 27-029-0502	NAR	04-03-85	BETTER EDUCATION STARTS TODAY- BRONX, NEW YORK
* 27-029-0503	NAR	04-16-85	CITIZENS CARE DAY CARE INC. - NEW YORK, NEW YORK
* 27-029-0504	NAR	04-16-85	TINY TOTS CHILD CARE CENTER - BUFFALO, NEW YORK
* 27-030-0001	GPR	06-21-85	FINANCIAL MANAGEMENT, FNSRO, DENVER, COLORADO
* 27-030-0002	GPR	06-21-85	CCFP-ROLL-UP OF FNSRO ADM PROGRAM-COLORADO, MISSOURI, & NEBRASKA
27-031-0006	NAR	06-21-85	MASSACHUSETTS WOMENS, INFANTS AND CHILDREN PROGRAM - BOSTON, MAINE
* 27-031-0012	GPR	08-16-85	WIC-MISSOURI DEPARTMENT OF SOCIAL SERVICES - JEFFERSON CITY, MO
* 27-031-0014	GPR	08-16-85	WIC-COLORADO DEPARTMENT OF HEALTH - DENVER, COLORADO
* 27-031-0015	GPR	08-16-85	WIC-WYOMING DEPARTMENT OF HEALTH - CHEYENNE, WYOMING
* 27-031-0016	GPR	07-16-85	WIC-MONTANA DEPARTMENT OF HEALTH - HELENA, MONTANA
27-032-0039	WR	09-12-85	WIC-MULTI-REGIONS FOLLOW UP
* 27-033-0002	SER	09-17-85	TENNESSEE COMMODITY SUPPLEMENTAL FOOD PROGRAM
* 27-033-0002	GPR	08-16-85	CSFP-NEBRASKA STATE DEPARTMENT OF HEALTH - LINCOLN, NE
27-080-0002	NAR	06-06-85	BLOCK GRANT - AGRICULTURAL PROJECTS - PUERTO RICO
27-099-0022	WR	04-16-85	CDP-SURVEY OF EMERGENCY FOOD ASSISTANCE PROGRAM
27-099-0030	SWR	07-15-85	CCFP-BOSSIER OFFICE OF COMMUNITY SERVICE - BOSSIER CITY, LOUISIANA
27-099-0032	SWR	09-16-85	SURVEY OF TEMPORARY EMERGENCY FOOD ASSIST PROG - HALTOM CITY, TX
27-099-0041	SER	09-30-85	SUMMARY REPORT MULTI REGION AUDITS EMERGENCY FOOD PROGRAM
27-099-0043	SER	07-25-85	IMPREST FUNDS - ATLANTA, GEORGIA
27-099-0049	NER	04-17-85	SURVEY OF STATE AGENCY CASEWORKER FRAUD PROCEDURES
27-099-0071	MWR	04-05-85	IDPA TEMPORARY EMERGENCY FOOD ASSIST PROGRAM - CHICAGO, ILLINOIS
27-541-0025	SER	09-30-85	DEVEL OF SOUTH CAROLINA FOOD STAMP PROGRAM SYSTEM - PHASE II
* 27-545-0003	MWR	09-06-85	CCFP-FAMILY DAY CARE HOMES - CHICAGO, ILLINOIS
* 27-545-0004	MWR	09-06-85	CCFP-CHILD CARE CENTERS - CHICAGO, ILLINOIS
* 27-545-0008	SER	06-18-85	DCAA-CONTRACT WITH SIGMA ONE CORP - RALEIGH, NORTH CAROLINA
27-545-0010	SER	05-01-85	CCFP-CHARLES LEA CENTER, SPARTANBURG - SOUTH CAROLINA - FY 1984
27-545-0011	SER	05-13-85	CCFP-DORCHESTER HUMAN DEVELOPMENT BOARD - JUNE 30, 1984
27-545-0025	NAR	04-01-85	CONTRACT CLOSE-OUT - STATE OF MAINE - AUGUSTA, MAINE
* 27-545-0034	NER	04-18-85	INCURRED COST AUDIT-NATIONAL FOOD PROCESSORS - WASHINGTON, DC
* 27-545-0035	NER	08-19-85	INCURRED COSTS-BIRCH AND DAVIS - SS, MARYLAND
27-651-0001	WR	08-23-85	EVALUATION OF FOOD PROCESSING OPERATIONS - SAN FRANCISCO REG OFC

TOTAL: FNS - FOOD AND NUTRITION SERVICE

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<u>AGENCY - FSIS FOOD SAFETY AND INSPECTION SERVICE</u>			
* 38-092-0002	WR	06-17-85	A-87 INDIRECT COST - CALIFORNIA-DEPARTMENT OF FOOD AND AGRICULTURE
* 38-092-0003	WR	08-22-85	A-87 INDIRECT COST - HAWAII-DEPARTMENT OF AGRICULTURE
* 38-092-0005	SER	07-31-85	A-87 INDIRECT COST - ALABAMA-DEPARTMENT OF AGRICULTURE & INDUSTRIES
* 38-092-0006	SER	08-01-85	A-87 INDIRECT COST - GEORGIA-DEPARTMENT OF AGRICULTURE
* 38-092-0007	SER	07-19-85	A-87 INDIRECT COST - NORTH CAROLINA-DEPARTMENT OF AGRICULTURE
* 38-092-0015	NER	06-18-85	A-87 INDIRECT COST - WEST VIRGINIA-DEPARTMENT OF AGRICULTURE
* 38-092-0016	NER	08-20-85	A-87 INDIRECT COST - PENNSYLVANIA-DEPARTMENT OF AGRICULTURE
38-092-0017	NER	08-26-85	INDIRECT COST RATES SURVEY

TOTAL: FSIS - FOOD SAFETY AND INSPECTION SERVICE - 08

<u>AGENCY - FAS</u>	<u>FOREIGN AGRICULTURAL SERVICE</u>
07-020-0001	NER 08-26-85 SUPERVISION AND CONTROL OF MARKET DEVELOPMENT PROGRAMS

TOTAL: FAS - FOREIGN AGRICULTURAL SERVICE - 01

<u>AGENCY - FS</u>	<u>FOREST SERVICE</u>
08-099-0001	MWR 08-06-85 FINANCIAL CONTROLS & OPERATIONS EASTERN REGION - MILWAUKEE, WI
08-099-0004	SWR 05-23-85 CONTROLS OVER DISBURSEMENTS AND RECEIPTS - GILA NATIONAL FOREST
08-099-0004	GPR 08-16-85 FINANCIAL OPERATIONS OF FOREST SERVICE - ROCKY MOUNTAIN REGION
08-099-0006	GPR 08-16-85 FINANCIAL OPERATIONS OF FOREST SERVICE - INTERMOUNTAIN REGION
08-099-0008	SER 08-22-85 SURVEY OF ROAD CONSTRUCTION COSTS - REGION 8
08-099-0009	SER 08-16-85 PROCUREMENT MANAGEMENT - REGION 8
08-099-0010	SER 09-18-85 SURVEY OF PLANNING AND ALLOCATION OF K-V FUNDS - REGION 8
08-099-0011	SER 08-14-85 MANAGEMENT OF NON-EXPENDABLE PERSONAL PROPERTY - REGION 8
* 08-099-0013	SER 05-10-85 A-87 INDIRECT COST - GEORGIA FORESTRY COMMISSION
* 08-099-0014	SER 07-30-85 A-87 INDIRECT COST - SOUTH CAROLINA FORESTRY COMMISSION
* 08-099-0015	SER 06-27-85 A-87 INDIRECT COST - MISSISSIPPI FORESTRY COMMISSION - JACKSON, MS
08-099-0018	SER 09-17-85 COOPERATIVE FORESTRY ASSISTANCE PROGRAM - FLORIDA
08-099-0062	WR 04-01-85 PROPERTY INVENTORY ACCOUNTABILITY REIVERSIDE FIRE LAB - CALIFORNIA
08-099-0064	WR 09-04-85 CONTROLS OVER RECEIPTS AND DISBURSEMENTS IN REGION 5-1985
* 08-099-0065	WR 07-05-85 A-87 INDIRECT COST - CALIFORNIA DEPARTMENT OF FORESTRY
* 08-545-0001	GPR 06-11-85 CONTRACTOR CLAIM, STANLEY CONSTRUCTION - MISSOULA, MONTANA
08-545-0004	NER 05-14-85 CONTRACT AUDIT-INTERNATIONAL UNION OPERATING ENGINEERS, WASH., DC
08-545-0018	WR 07-08-85 1984 OPERATING COSTS FOR AIRTANKERS

TOTAL: FS - FOREST SERVICE - 18

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<u>AGENCY - OAE OFFICE OF ADVOCACY AND ENTERPRISE</u>			
35-001-0001	NER	08-23-85	OEO MONITORING OF AGENCIES COMPLIANCE W/CIVIL RIGHTS LAWS
TOTAL: OAE - OFFICE OF ADVOCACY AND ENTERPRISE			- 01
 <u>AGENCY - OFM OFFICE OF FINANCE AND MANAGEMENT</u>			
* 43-545-0002	NER	07-15-85	INT. INCURRED COST - RJO ENTERPRISES, INC. - CROFTON, MARYLAND
TOTAL: OFM - OFFICE OF FINANCE AND MANAGEMENT			- 01
 <u>AGENCY - OIRM - OFFICE OF INFORMATION RESOURCES MANAGEMENT</u>			
58-550-0001	FMS	05-30-85	ROLLUP OF ADP PROCUREMENTS FOR THE COMPUTER CENTERS
TOTAL: OIRM - OFFICE OF INFORMATION RESOURCES MANAGEMENT			- 01
 <u>AGENCY - OT OFFICE OF TRANSPORTATION</u>			
49-001-0001	NER	06-05-85	SURVEY, OFFICE OF TRANSPORTATION OPERATIONS
TOTAL: OT - OFFICE OF TRANSPORTATION			- 01
 <u>AGENCY - REA RURAL ELECTRIFICATION ADMINISTRATION</u>			
09-099-0004	MWR	09-05-85	BIG RIVERS ELECTRIC CORPORATION - HENDERSON, KENTUCKY
09-613-0003	MWR	09-23-85	LOAN-MAKING POLICIES FOR G&T BORROWERS - WASHINGTON, DC
09-614-0002	SWR	06-05-85	TELEPHONE LOAN PROGRAM
TOTAL: REA - RURAL ELECTRIFICATION ADMINISTRATION			- 03

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<u>AGENCY - SEA SCIENCE AND EDUCATION ADMINISTRATION</u>			
40-003-0009	SER	05-15-85	WYOMING EXTENSION SERVICE - LARAMIE, WYOMING
* 40-545-0028	NER	07-26-85	INCURRED COST - NATIONAL ACADEMY OF SCIENCES - WASHINGTON, DC
* 40-545-0031	NER	04-18-85	INCURRED COST - NATIONAL FOOD PROCESSORS - WASHINGTON, DC
* 40-545-0032	NER	08-08-85	INCURRED COST - STERLING INSTITUTION - WASHINGTON, DC
* 40-545-0033	NER	09-23-85	PREAWARD EG&G WASHINGTON ANALYTICAL SERVICES - ROCKVILLE, MD
TOTAL: SEA - SCIENCE AND EDUCATION ADMINISTRATION			- 05

<u>AGENCY - SCS</u>	<u>SOIL CONSERVATION SERVICE</u>
10-097-0001	NAR 05-15-85 WATERSHED PROJECT WHISTLEBLOWER COMPLAINT - HORSEHEADS, NEW YORK
* 10-545-0002	MWR 04-01-85 GREAT LAKES CONSTRUCTION COMPANY-OVERHEAD RATE - CLEVELAND, OHIO
10-545-0012	SWR 06-06-85 CONTRACTOR CLAIM 50-7442-3-2607 - TERRELL COUNTY, TEXAS
* 10-545-0013	SWR 07-16-85 CONTRACTOR CLAIM 50-7442-3-2627 - RIPPLE EFFECT
* 10-545-0014	SWR 05-20-85 CONTRACTOR CLAIM 50-8C30-3-812 - ALBUQUERQUE, NEW MEXICO
10-545-0017	WR 04-16-85 COMPLETED CONTRACT MODIFICATION - MINGUS CONSTRUCTION
* 10-545-0018	NER 05-22-85 PREAWARD AUDIT-FE GREGORY & SONS, INC. - GAITHERSBURG, MARYLAND
* 10-545-0021	NER 09-06-85 PREAWARD AUDIT TRIPLE V CONSTRUCTION COMPANY - DUNSSHORE, PA
TOTAL: SCS - SOIL CONSERVATION SERVICE	

<u>AGENCY - MULT</u>	<u>MULTI-AGENCY/DIVISION CODE</u>
50-099-0002	NAR 09-04-85 VERIFICATION OF COLLATERAL PROPERTY ASCS & FMHA NY STATE OFFICE
50-099-0005	SER 07-15-85 USDA BENEFITS TO FOREIGN OWNED FARMS SURVEY
50-099-0011	SER 09-25-85 FMHA CONTROLS OVER MARKETING CARDS - NORTH CAROLINA
50-099-0020	NER 04-01-85 ASSESSMENT AND COLLECTION OF USER FEES WITHIN USDA
50-099-0034	FMS 07-12-85 PERSONAL PROPERTY SYSTEM - NEW ORLEANS, LOUISIANA
50-099-0035	GPR 05-16-85 AMS/ASCS WAREHOUSE EXAMINATIONS - KANSAS CITY, MO - SURVEY
50-099-0036	FMS 05-07-85 MULTI AGENCY - USDA TRAVEL MANAGEMENT - NEW ORLEANS, LOUISIANA
50-099-0038	GPR 09-26-85 ASCS AND FMHA ACCOUNTABILITY FOR SECURITY PROPERTY IN GPR
50-550-0008	NER 04-01-85 ASCS/FAS COMPUTER CENTER - WASHINGTON, DC
50-560-0001	NAR 05-25-85 TOWN OF WINCHESTER NH A102 FINANCIAL AND COMPLIANCE
50-560-0008	GPR 06-12-85 A-102 - COLORADO DEPARTMENT OF SOCIAL SERVICES (FY83)--DENVER, CO
50-560-0011	MWR 07-31-85 A-102 ATTACHMENT P - THE STATE OF MAINE
50-560-0012	NER 04-12-85 A-102 - PENNSYLVANIA BOARD OF PROBATION & PAROLPENNA
50-560-0012	MWR 08-30-85 A-102 ATTACHMENT P - THE WISCONSIN DEPARTMENT OF AGRICULTURE
50-560-0013	NER 04-19-85 A-102 - PENNSYLVANIA GAME COMMISSION

UNITED STATES DEPARTMENT OF AGRICULTURE  
OFFICE OF INSPECTOR GENERAL -- AUDITING  
AUDIT REPORTS RELEASED  
BETWEEN APRIL 01, 1985 AND SEPTEMBER 30, 1985

AUDIT NUMBER	REGION	RELEASE DATE	TITLE
<b>AGENCY - MULT</b>	<b>MULTI-AGENCY/DIVISION CODE</b>	<b>(Continued)</b>	
50-560-0014	NER	04-19-85	A-102 - PENNSYLVANIA FISH COMMISSION
50-560-0014	SER	04-19-85	A-102 ATTACHMENT P - SOUTH CAROLINA LAND RESOURCES CONS COMMISSION
50-560-0015	SER	07-10-85	A-102 ATTACHMENT P - SOUTH CAROLINA FORESTRY COMMISSION
50-560-0016	SER	05-23-85	A-102 ATTACHMENT P - GEORGIA FORESTRY COMMISSION
50-560-0017	SER	06-04-85	A-102 ATTACHMENT P - GEORGIA DEPARTMENT OF AGRICULTURE
50-560-0018	SER	07-02-85	A-102 ATTACHMENT P - GEORGIA DEPARTMENT OF EDUCATION
50-560-0018	SWR	04-18-85	A-102 ATTACHMENT P - COGNIZANT - TEXAS DEPARTMENT OF AGRICULTURE
50-560-0019	SER	06-19-85	A-102 ATTACHMENT P - GEORGIA AGRIRAMA DEVELOPMENT AUTHORITY
50-560-0019	SWR	05-30-85	A-102 ATTACHMENT P - ARK DEPT OF HUMAN SVCS DEV DISABILITIES SVCS
50-560-0020	SWR	06-17-85	SINGLE - CITY OF LUBBOCK - FY ENDED SEPTEMBER 30 1984
50-560-0021	SWR	06-10-85	A-102 ATTACHMENT P - NATURAL FIBERS AND FOOD PROTEIN COMMISSION
50-560-0021	GPR	07-10-85	A-102 - NEBRASKA PUBLIC SERVICE COMM (FY83-84) - LINCOLN, NE
50-560-0022	SWR	07-01-85	A-102 ATTACHMENT P - ARKANSAS DHS REHABILITATION SERVICES DIVISION
50-560-0022	GPR	08-05-85	A-102 - CITY OF MITCHELL (FY 84) - MITCHELL, SOUTH DAKOTA
50-560-0023	GPR	07-30-85	A-102 - COLORADO DEPARTMENT OF AGRICULTURE (FY 84) - DENVER, CO
50-560-0024	GPR	08-16-85	A-102 - CITY OF LOUISBURG (FY 84) - LOUISBURG, KANSAS
50-560-0025	GPR	08-16-85	A-102 - SULLY COUNTY (FY 84) - SOUTH DAKOTA
50-560-0026	GPR	08-16-85	A-102 - CITY OF HIGHMORE, SOUTH DAKOTA - (FY 84) - PIERRE, SD
50-560-0043	WR	06-20-85	A-102 - DEPARTMENT OF FORESTRY - SALEM, ORGION
50-560-0048	WR	04-18-85	A-102 - REPORT - COUNTY OF SPOKANE, WASHINGTON
50-560-0049	WR	06-20-85	A-102 - AUDIT REPORT ON THE METROPOLITAN COUNCIL - TACOMA, WA
50-560-0050	WR	07-11-85	A-102 - REPORT ON THE CHELAN-DOUGLAS COUNCIL - WENATCHEE, WA
50-560-0051	WR	05-15-85	A-102 - TOWN OF SAN LUIS ARIZONA - FY 1983-84
50-560-0052	WR	06-14-85	A-102 - REPORT TOWN OF CONCONULLY - OKANOGAN COUNTY, WASHINGTON
50-560-0053	WR	06-06-85	A-102 - CITY OF SAN LUIS OBISPO FOR FY ENDED 6-30-84
50-560-0054	WR	07-05-85	A-102 - NEVADA'S DONATED COMMODITY FUND - FY 83-84
50-560-0055	WR	08-20-85	A-102 - REPORT TOWN OF GOLD BAR WASHINGTON
50-560-0056	WR	09-19-85	A-102 - CITY OF SAN JOSE FOR FISCAL YEAR 6-30-84
50-562-0001	SER	09-17-85	A-110 - JOHN DE LA HOWE SCHOOL - MCCORMICK, SOUTH CAROLINA
50-570-0002	WR	06-14-85	SUMMARY OF CCFP CONTRACT - FY 1984 - WASHINGTON, OR, HI
50-615-0177	NER	04-01-85	A-88 - REVIEW OF RESEARCH INDIRECT COSTS
50-651-0001	NER	08-30-85	SURVEY OF NON-FEDERAL ADP SYSTEMS IN MARCH
50-651-0001	SER	05-07-85	SECURITY OVER NON-FEDERAL ADP SYSTEMS - GEORGIA FSP
50-651-0001	WR	08-30-85	SECURITY OVER NON-FEDERAL ADP SYSTEMS - STATE OF ARIZONA
50-651-0002	SER	04-25-85	SECURITY OVER NON-FEDERAL ADP SYSTEMS - FLORIDA FOOD STAMP PROGRAM
50-651-0002	SWR	07-24-85	FNS SECURITY OVER NON-FEDERAL ADP SYSTEM WIC PROGRAM - TEXAS
50-651-0002	WR	08-26-85	SECURITY OVER NON-FEDERAL ADP SYSTEMS - OREGON WIC
50-651-0003	SER	04-29-85	SECURITY OVER NON-FEDERAL ADP SYSTEMS - FNSRO
50-651-0003	WR	08-16-85	SECURITY OVER NON-FEDERAL ADP SYSTEMS - SAN FRANCISCO, FNSRO
50-655-0002	FMS	09-24-85	MANAGEMENT AND SECURITY AT KANSAS CITY COMPUTER CENTER
<b>TOTAL:</b>	<b>MULT - MULTI-AGENCY/DIVISION CODE</b>		<b>- 55</b>
<b>TOTAL:</b>	<b>RELEASED NATIONWIDE</b>		<b>- 311</b>
<b>TOTAL:</b>	<b>UNDER CONTRACT</b>		<b>- 94</b>