

#15



United States
Department of
Agriculture

Office of
Inspector
General

Semiannual Report Office of Inspector General

October 1, 1985 - March 31, 1986



PLEASE RETURN TO: ROOM 13-E
MANAGEMENT OPERATIONS STAFF



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

MAY 23 1986

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

In accordance with the requirements of the Inspector General Act of 1978 (Public Law 95-452), I am transmitting the Semiannual Report of the Inspector General covering the period October 1, 1985, through March 31, 1986.

During this 6-month period, the Office of Inspector General issued 647 audit reports, including 380 performed under contract to certified public accountants. At the time of report issuance, OIG questioned costs and loans totaling \$161.9 million and closed or resolved 410 audits resulting in total dollar impact of \$3.62 billion. This represented \$3.6 billion in costs and loans agencies agreed to collect or cancel and \$15.8 million in agreed-upon savings and management improvements.

Also, during this period, the Office of Inspector General reported 484 investigations, 231 indictments, and 179 convictions, resulting in total dollar impact of \$11 million. This represented fines, recoveries and collections of \$4.2 million and claims and restitutions of \$6.8 million. These investigations should have a significant effect on reducing fraud.

The information reported by the Inspector General highlights the activities involving assistance to the Department on current legislation relating to farm policies, reviewing new procedures and streamlining operational activity vulnerable to fraud.

As in the past, we will continue to fully support a strong and independent Office of Inspector General to protect the integrity and efficiency of the Department's programs and operations.

Sincerely,

A handwritten signature in cursive script, reading "Richard E. Lyng".

Enclosure

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Introduction and Summary

This is the fifteenth Semiannual Report issued by the Office of Inspector General (OIG), U.S. Department of Agriculture (USDA), pursuant to the provisions of

the Inspector General Act of 1978 (P.L. 95-452). This report covers the period October 1, 1985 through March 31, 1986.

Audit Activities

Total Reports Issued	647
Internal and Special Purpose Reports Issued	229
Single Audits Issued	38
Audits Issued Under Contract	380
Total Dollar Impact	\$ 161.9 Million
Costs and Loans Intended for Collection	\$ 30.3 Million
Not Intended for Collection:	
Program Improvements	\$ 127.1 Million
Improper Fund Allocation	\$ 4.5 Million

Impact of Resolved Audit Activities

*Total Dollar Impact (October 1, 1985 March 31, 1986)	\$ 3.62 Billion
Program Improvements and Improper	
Fund Allocations	\$ 15.8 Million
Costs and Loans Agencies Agreed to Record	
as Accounts Receivable or Cancel	\$ 3.6 Billion
Reports Closed and/or Resolved	410
Internal Audit Recommendations Resolved	2026

Investigative Activities

Total Issued	484
Cases Opened	1009
Cases Closed	506
Cases Referred for Prosecution	203

Impact of Investigative Activities

Indictments	231
Convictions	179
Total Dollar Impact	\$ 11 Million
Recoveries/Collections	\$ 3.0 Million
Restitutions	\$ 2.8 Million
Fines	\$ 1.2 Million
Claims Established	\$ 4.0 Million

*These were the amounts agreed to by the auditee at the time of resolution. The savings and recoveries actually realized could change as the auditees implement the agreed-to corrective action

plans and seek recovery of amounts recorded as debts due to the Department.

Over the past 6 months, the Department of Agriculture has responded to a very dynamic environment created by the current farm economy, the new Farm Bill, the Gramm-Rudman-Hollings legislation to balance the budget, and ongoing efforts to automate and streamline operational activity. Within this environment of change, OIG has worked with the Department to keep it informed of new procedures that are potentially vulnerable to fraud, waste, and mismanagement, and of areas within operational procedures that show a need for improvement. Our emphasis has been on systemic problems—that is, weaknesses that may appear locally but that affect the integrity and efficiency of the system as a whole. In terms of new procedures, like those created by the Farm Bill, our efforts were designed to prevent fraud, waste, and mismanagement; in terms of operational procedures, like those allied to timber sales management, our efforts were designed to correct deficiencies already manifest.

Food Security Act of 1985

Because of tight signup timeframes in programs mandated by the Food Security Act of 1985, known as the Farm Bill, we provided early assistance to the Department in recommending controls to ensure the consistent interpretation of the information upon which program participation will be based, as well as the reliability of that information. We believe early policy decisions on these matters will guard against possible program abuse in the future.

We are also concerned about the effect that the new ASCS programs will have on producers who have Farmers Home Administration (FmHA) loans. The Farm Bill will change the financial status of these farmers, which could impact on their ability to repay existing debt and their ability to handle any new loan repayments. We recommended that FmHA provide guidance to its field personnel concerning the impact the new Farm Bill programs could have on borrowers, positive and negative, and the responsibility of FmHA borrowers who do participate to apply a fair share of ASCS payments toward their FmHA debt.

Controls Over Department Data

The reliability of information and its effect on the integrity of Department activities have been major concerns of OIG in areas other than those associated with new provisions in the Farm Bill. For example, inefficient administrative controls in FmHA's Debt Set-Aside Program resulted in significant incorrect calculations of set-aside for distressed borrowers. We questioned the propriety of over \$9.8 million, or 71 percent of the \$13.9 million set-aside amounts we

reviewed. The interest losses on these amounts, unless corrected, will total over \$4.4 million over the 5-year set-aside period. Based on FmHA's request, and legal advice of the General Counsel, the prior Secretary exercised provisions of the Consolidated Farm and Rural Development Act, and the debt set-aside agreements originally determined by FmHA were left in place.

The ASCS County Internal Review System should be redesigned to assure that county reviews are fully and uniformly implemented. We also recommended that national office controls over State and county operations be improved. We continue to find cases of wrongdoing that tighter controls would detect earlier in the process. In Iowa, for example, an ASCS County Executive Director was charged with setting up fraudulent loans to his son. An effective internal control review system could have detected this type of violation.

In the area of timber management in the Forest Service (FS), we found that timber appraisers in the western regions have consistently valued timber at only about 35 percent of the price bid for it. We concluded that the transaction evidence appraisal method, which is currently being tested in the northern region, results in more accurate appraisals and, if implemented in the West, could substantially increase bid values while reducing the cost of appraisal activities by over \$730,000 a year.

The FS's transaction evidence appraisal formulas are based on the actual prices paid for timber, yet we found internal control weaknesses in the FS system (the Servicewide Timber Sale Accounting System) that accounts for timber purchases and prices. Current procedures would not prevent or detect errors or material irregularities from entering the system. We recommended a uniform system of internal controls to ensure against losses from this multimillion-dollar source of revenue.

Controls Over Automation

The reliability of data also rests on the security of the system into which it is entered. Systems vulnerable to unauthorized access create the risk of introducing unreliable, inaccurate, or even fraudulent information into program operations. With the Departmentwide move toward increased field computerization, we have worked with the agencies to ensure that their data is collected and maintained in the most fraud-free environment attainable.

We continue to be concerned about the security over ASCS's hardware for the State and County Office

Automation Project (SCOAP), and about the reliability of data already entered. In converting manual records to a computerized medium, ASCS personnel introduced errors that could result in the mismanagement of ASCS funds. We have also made specific recommendations for protecting the systems operated by the Soil Conservation Service (SCS).

As an adjunct to our review of Department systems security, we reviewed the security over non-Federal Automation Data Processing (ADP) systems that process information used to administer programs on behalf of the Food and Nutrition Service (FNS). We found security weaknesses in all 13 State agencies reviewed. While there are no regulations extending Federal ADP security requirements to non-Federal systems, we believe that systems like these, which administered over \$2.5 billion in Federal funds in Fiscal Year (FY) 1984, should be protected to ensure against the unauthorized manipulation of data and payments. FNS agrees, and is cooperating with the Office of Management and Budget (OMB), the Department of Health and Human Services, and other Federal agencies in working with State and local governments to develop adequate ADP security standards.

Accountability

We found inconsistencies in the FS's method of accounting for general administration expenses, and an inadequate cost accounting system that adversely affected the accuracy and completeness of reported costs. Also, the FS needed to include in annual budget presentations its general administrative expense assessments against nonappropriated funds in order to keep Congress informed of the full scope of those expenses. As a result of nonstandard FS accounting methods, the FS underreported about \$45.5 million in general administration expenses in its annual budgets to Congress for FY's 1982 through 1984. To date, the FS has disagreed with our assessment of its accounting methods and has not taken action to change the way it identifies and charges general administration expenses.

We also found reporting and accountability problems in the private sector:

- In the Food Stamp Program, FNS has not reasonably ensured that contract printing firms accurately account for the \$12 billion worth of food stamp coupons they print annually. These and other security problems contributed to the \$4.8 million food stamp theft we reported in 1984.

- In the Food Distribution Program, we found that processors showed \$623,000 in unsupported inventory reductions because they relied upon their food distributor's sales data, which were inflated by 25 percent, to report their own changes in inventory. The distributor has subsequently adjusted the way he reports his sales.
- In the Child Nutrition Programs, the largest national sponsor, Quality Child Care, Inc., filed for bankruptcy after OIG audits determined it was mismanaging child care funds. Quality Child Care, Inc., owes over \$700,000 in unearned advances, some of which it had never passed on to its day care homes.
- Two Rural Rental Housing (RRH) Program borrowers we reviewed failed to maintain about \$2 million in required reserve funds and misused project funds, jeopardizing loan security for about \$53 million worth of projects. One RRH borrower pled guilty to defrauding FmHA by misstating the construction costs of multiple apartment projects in Florida.

A continuing problem of accountability concerns the unauthorized sale of property mortgaged to the Government. This period, OIG investigated more than 100 cases in which both crops and livestock used to secure Government loans were subsequently sold without the knowledge or consent of the appropriate agency. One farmer, who had sold crops and livestock mortgaged to FmHA, was also convicted of altering and forging Government checks and of filing fraudulent insurance claims with the Federal Crop Insurance Corporation (FCIC). In another case, four individuals conspired to defraud FmHA. The individuals offered to buy the cattle from farmers at low prices, which would allow the farmers to report the cattle as diseased to FmHA and therefore make their sale valid. The conspirator would then resell the cattle at market value.

OIG has been particularly alert to cases like these in which individuals take advantage of the current financial situation in which many farmers find themselves. In one case, for example, an investigation led to the conviction of a former Oklahoma FmHA County Supervisor who, because of his position, forced farmers to pay him to obtain FmHA loans. The former supervisor also pocketed payments made by farmers on their FmHA loans. In another case, the president of a sugar exporting firm that had illegally dumped foreign sugar on the domestic market has pled guilty to the charges and faces up to \$18 million in Customs penalties.

Two other issues deserve to be surfaced. These concern FmHA's Rural Housing Acquired Property and the FS's Timber Buy-out Program.

We have been reporting on increases in the inventory of Rural Housing property that FmHA acquired between 1979 and 1984 and the actions FmHA planned to take to reduce the inventory. Because planned actions were not taken, the inventory has again increased, from over 12,800 properties to over 14,900, as of March 1985. Over the past 6 months, FmHA has published specific regulations concerning this inventory, and we believe efforts to reduce it may now have a better chance of success.

Concerning the FS Timber Buy-Out Program, our reviews show that the program is being implemented successfully, but that the effects of the program may be less than hoped for. Although the program has temporarily eased the timber sale crisis in the Pacific Northwest, some purchasers still hold contracts for substantial volumes of high-priced timber which exceeded the buy-out limits. This situation may eventually cause financial problems for both purchasers and the Government.

Statistical Data

Audit Reports Resolved

OIG closed 313 reports and resolved 97 others during the period covered by this report. The monetary

values associated with the findings of these audits were as follows:

At Time of Report Issuance

Questioned Costs Intended for Collection	\$ 52,940,966
Questioned Loans Intended for Collection	10,617,329
Total Questioned Costs and Loans	\$ 63,558,295
Loan Guarantees Recommended for Cancellation	\$ 3,579,000,000

At Time of Report Resolution

* Postaudit Justification Accepted by OIG	\$ 35,508,535
** Costs and Loans Referred for Collection	\$ 28,619,689
Loan Guarantees Canceled	\$ 3,579,000,000
** Program Improvements and Improper Fund Allocations	\$ 15,844,339

*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 is 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.

**These were the amounts agreed to by the auditee at the time of resolution. The savings and recoveries actually realized could change as the auditees implement the agreed-to corrective action plans and seek recovery of amounts recorded as debts due to the Department.

Debts Arising From OIG Activities

Agencies of the Department of Agriculture established 102 new claims during the period covered by this report that arose from OIG activities. This amounted to more than \$1.4 million, with over \$1.6 million collected against these and other prior claims; and \$4 million waived, compromised or reduced because of post resolution justification.

Implementation Of The Single Audit Act of 1984

Currently OIG has the responsibility, through USDA cognizant agency assignment under OMB Circular

A-128, for 33 State agencies and larger local governments. Also, USDA was designated the lead cognizant agency for single audits of Georgia, Minnesota and Pennsylvania. In addition, a number of State departments and local units of government not assigned a cognizant agency asked OIG to process their single audit reports. As a result, during this reporting period we have issued as cognizant agency 38 single audit reports. Also, we have received and distributed 221 reports furnished to us by other Federal cognizant 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
ASCS	7-11-85	1.	Storage Payments to Grain Warehouses Involved in the PIK and Extended Storage Agreement Programs (03091-325-FM)	\$3.9 million
ASCS	8-09-85	2.	Management of State and County Operations in Montana (03099-85-KC)	\$ 31,700
ASCS	8-13-85	3.	1983 PIK State and County Delivery Operations (03621-5-KC)	\$6.8 million
ASCS	8-28-85	4.	Management of Debt Collection Activities (03091-327-FM)	\$ -0-
FS	5-25-84	5.	Payments to States from National ¹ Forest Receipts (08099-5-Hy)	\$ 12 million
FS	8-16-85	6.	Procurement Management Forest ² Service Region 8 (08099-9-At)	\$ 2 million
FmHA	11-21-84	7.	Assessment and Collection of ¹ User Fees (04099-52-Hy)	\$154 million
FmHA	7-16-85	8.	Nationwide Audit of County Office Operations (04642-1-Te)	\$223 million
FmHA	8-08-85	9.	Community Program Borrower Graduation (04647-1-At)	\$ -0-
FmHA	8-16-85	10.	Economic Emergency Loan Program in Iowa (04099-77-KC)	\$ 894,435
FAS	8-26-85	11.	Supervision and Control of the Market Development Program (07020-1-Hy)	\$3.6 million

¹Reported in last Semiannual Report.

²Pending Office of General Counsel opinion.

1. Storage Payments to Grain Warehouses Involved in the PIK and Extended Storage Agreement Programs, Issued July 11, 1985

(Agricultural Stabilization and Conservation Service)

Storage payments for grain in existing inventory or acquired under the 1983 PIK Commodity Purchase Program (CPP) were paid under the provisions of the regular Uniform Grain Storage Agreement instead of under the terms of the Extended Storage Agreement; and county offices did not always enter the correct storage start dates on receipts for warehouse-stored loans acquired under the CPP resulting in excess storage payments. ASCS officials advised they did not intend to take corrective actions because they did not have sufficient resources to implement them.

We are working with ASCS and plan a meeting in the near future to reach resolution on the above two matters and other issues related to the 1983 PIK program.

2. Management of State and County Operations in Montana, Issued August 9, 1985

(Agricultural Stabilization and Conservation Service)

Partial responses to the audit were not received until March 11, 1986, and again on March 20, 1986. Two of the 12 recommendations still remain unresolved because the State office has not addressed official duty station locations for District Directors and questionable travel claims, and it has not addressed and resolved program payment errors found at county offices. The State office has been informed that the latest response still did not resolve all of the recommendations.

3. 1983 PIK Program State and County Delivery Operations, Issued August 13, 1985

(Agricultural Stabilization and Conservation Service)

There are three unresolved issues: producers in Iowa transferred regular commodity loans into the reserve program after the cutoff date; producers throughout the Nation who used loan collateral for PIK were over/underpaid about \$6.8 million for storage; and Transportation Assistance Program (TAP) payments totaling \$12,531 were unauthorized. ASCS officials advised

that they did not intend to take corrective actions because they did not have sufficient resources to implement them.

We are working with ASCS officials to resolve this audit along with others pertaining to the 1983 PIK Program.

4. Management of Debt Collection Activities, Issued August 28, 1985

(Agricultural Stabilization and Conservation Service)

ASCS contends that major debt collection activities to be automated when ASCS's SCOAP is fully implemented would eliminate the adverse conditions cited in our report. It is our opinion that SCOAP will not resolve all the noted weaknesses. We believe the establishment of receivables/claims and adherence to regulations will be an ongoing problem after SCOAP is implemented, and we are concerned that State and county office personnel will not follow established ASCS procedures and promptly identify or collect amounts due. ASCS responded on March 31, 1986, and addressed some of the open issues. We have requested copies of pertinent procedures in order to assess actions proposed and whether the outstanding issues may be resolved.

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

(Forest Service)

The law requires that 25 percent of all monies received from each National Forest be paid to the appropriate States each fiscal year. We found that annual payments to States include advance deposits by timber purchasers pending removal of timber. We concluded that since these advance deposits were not yet earned, they should not be included in the payments to States. OIG recommended that these deposits be excluded from future payments to the States.

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. We continue to believe the process should be changed since it increases the Government's interest costs. The FS is developing a legislative proposal on payments to States which could negate our recommendation. However, the actual effect will not be known unless such legislation is enacted. A legal opinion

will be requested if this issue cannot otherwise be resolved.

**6. Procurement Management Forest Service
Region 8, Issued August 16, 1985**

(Forest Service)

OIG forwarded a request for an opinion to OGC on whether the cited procurement actions in the report constitute violations of the Antideficiency Act. The FS maintains that violations of the Act have not occurred and that OIG's reported examples represent only technical accounting errors. Resolution will be considered upon receipt of the OGC opinion.

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

(Farmers Home Administration)

This audit recommended that FmHA assess user fees to recover its costs of making loans. In August 1985, the Under Secretary agreed to seek fee exemptions from the Secretary for certain program activities and to implement fees in other program areas. In response to this agreement, FmHA provided a preliminary time schedule; however, it did not identify areas it wishes to be exempt from nor did it propose areas for charging fees. In a second response, dated March 13, 1986, FmHA provided a time schedule for implementing user fees for insured loans, but again did not identify specific insured loan programs and activities. Also, no time schedule for obtaining exemptions from the Secretary was stated. FmHA's response did adequately address plans for user fees on guaranteed loans.

This audit will be resolved upon receipt of a timetable for obtaining Secretarial exemptions and identification of insured loan programs and activities for which user fees are planned.

8. Nationwide Audit of County Office Operations, Issued July 16, 1985

(Farmers Home Administration)

FmHA and OIG have not reached agreement on corrective actions on nine recommendations reported in this audit. These issues include approval procedures for loans to relatives, approval procedures for FmHA employee outside employment, housing borrower income and employment verifications, interest credit procedures, and col-

lection actions. To resolve these issues, FmHA needs to respond with effective alternative actions to correct the reported conditions or provide justification that changes are not needed. In addition, although FmHA has agreed to implement three other recommendations, it has not provided target dates for completing implementation. FmHA's latest response on March 4, 1986, was insufficient to resolve these outstanding issues and the agency has been informed.

9. Community Program Borrower Graduation, Issued August 8, 1985

(Farmers Home Administration)

The audit reported that administrative controls over Community Program (CP) graduations were insufficient and were not effectively applied. FmHA issued Administrative Notice 1905, notifying States of our findings and corrective actions required, and the establishment of a status reporting system. We continue to recommend monitoring and guidance by the FmHA National office staff to ensure that the graduation process is timely implemented and that all potential graduation candidates are identified. The National office should also establish graduation goals for each State or district office.

We also recommended that FmHA conduct pilot test projects to contract out the graduation process and transfer part of the CP debt to the private sector through bond and note sales. FmHA has responded favorably to a private sector sale project, but objects to a test project to contract out graduation. When loans are graduated, FmHA receives 100 percent debt repayment; when loans are sold, we estimate that FmHA would receive sale proceeds of about 62 to 68 percent of the face value of the bonds and notes sold. Graduations are therefore more cost beneficial than bond or note sales. We therefore continue to recommend a test project to contract out CP graduations.

FmHA responded again on March 24, 1986, but continues to disagree with our recommendations. We will send this matter to the Secretary for a final decision. This matter is still being discussed with the auditor.

10. Economic Emergency (EE) Loan Program in Iowa, Issued August 16, 1985

(Farmers Home Administration)

The audit questioned EE loans made by two county offices because of questionable applicant

repayment ability. FmHA's reply did not provide sufficient information as to what additional servicing or corrective action would be taken. On March 10, 1986, we requested an additional reply from FmHA providing details of corrective actions to be taken on questioned loans and timeframes for implementing the actions. FmHA has not finalized its response as of this writing.

11. *Supervision and Control of the Market Development Program, Issued August 26, 1985*

(Foreign Agricultural Service)

One issue remains unresolved concerning the Foreign Agricultural Service's (FAS's) review of the \$3.6 million cash advances held by 10 foreign market development cooperators. These advances were granted even though the nonprofit cooperators had sufficient working capital to operate the cooperative foreign development program. We recommended that FAS review the cooperator advances and reduce those advances found to be excessive. OIG further asked that FAS provide it with the details of the analysis on a cooperator-by-cooperator basis. FAS advised that they would review the advances on regularly scheduled compliance reviews which occur over a period of years. While these reviews are done on a recurring schedule, the problems we noted would not be addressed timely as dictated by good cash management practices. Further, FAS no longer requires cooperators to show a need for these funds. It is OIG's position that FAS should continue to require cooperators to show a need for these advances.

As part of the Department's audit resolution process, each of the above audits were reported as unresolved to the appropriate agency head and in turn to the appropriate Assistant or Under Secretary and finally to the Secretary. In those cases when additional information was needed from an agency, we requested the Secretary's assistance to expedite the response.

Audits of Contracts

OIG performed or arranged for audits of 24 pricing proposals, cost reimbursement contracts, or contractor claims. These audits resulted in questioned costs and potential savings of about \$4.2 million.

Also, during this period, 30 contract audits were

resolved or closed, resulting in disallowances of about \$176,000 and savings of more than \$1 million.

OIG contract auditing is performed to assist USDA procurement offices in the negotiation, administration, and settlement of USDA contracts and subcontracts. One contract area where we target our resources deals with contractor claims. These situations arise when, due to varying circumstances, contractors seek more than the originally agreed upon amount. In order to resolve the contractor's request, the agency encourages borrowers to submit any claim for arbitration before a disinterested party to reach a final determination.

We performed audits of several contract claims. One audit concerned a USDA borrower (municipality) which received a \$6.6 million loan and grant in November 1982 to construct a sewer system. A local contractor was selected to perform the distribution line work at a cost of \$1.3 million; however, he experienced performance problems during the conduct of the work. In March 1985, the contractor filed a civil suit against the town for \$436,519 for failure to reimburse him in a timely manner for work performed. OIG performed an audit of this claim based upon a congressional request. During our review, the contractor submitted an additional 12 claims and increased the total amount requested to \$464,444. Our audit identified that \$451,532 of the costs claimed by the contractor were not supported and could not be verified through available documentation. The matter remains in dispute.

Another audit we performed of a contractor claim dealt with a construction company which entered into a USDA construction contract for \$842,750 to improve a water channel. The agency declared the contractor in default for nonperformance. The contractor, in turn, submitted claims alleging differing site conditions, faulty specifications, and associated problems which led to the default and caused extra time and work valued at \$2.8 million in excess of the contract price. Upon denial of the claims, the contractor filed for relief through the U.S. Claims Court. Audit of the claims disclosed that most of the claimed cost was based on arbitrary decisions and undocumented data, was not verifiable to reliable sources or accounting records of actual costs, or was unallowable in accordance with applicable procurement regulations. Based upon the audit, \$2,526,808 of the contractor's claim was questioned. The matter remains in litigation.

We also audited a claim for termination costs on a USDA contract for construction of roads. The contractor filed a \$294,004 claim against the Department

for costs related to termination of the contract for the convenience of the Government. As a result of our audit, the agency used our report and settled the claim for \$241,709, a savings of \$52,295.

We also performed an evaluation of the FS's 1985 airtanker contracts. Our findings complemented those of the prior year in that we found the overall profit contractors earned was about 31 percent. This profit level exceeded the benchmark established by the FS by approximately 11 percent and \$600,000. In our opinion, the FS contracting system for the airtanker industry needs to be restructured so that profit rates are reduced to a more reasonable level and incentives are available to the airtanker operators to reduce costs. In addition, the contracting process should be designed to reward the more effective and efficient operators. Finally, operators should have their financial statements audited by a Certified Public Accountant (CPA) to qualify for participation in the program.

The FS is developing a "Request for Proposal"

Agency
Agricultural Marketing Service (AMS)
Agricultural Stabilization and Conservation Service (ASCS)
Animal and Plant Health Inspection Service (APHIS)
Farmers Home Administration (FmHA)
Federal Crop Insurance Corporation (FCIC)
Food and Nutrition Service (FNS)
Food Safety and Inspection Service (FSIS)
Forest Service (FS)
Multiple Agency
TOTALS:

(RFP) to provide airtanker firefighting services for FY 1987. The agency agreed with our recommendations and is revising the RFP accordingly.

Indictments and Convictions

Between October 1, 1985 and March 31, 1986, we completed 484 investigations, 471 of which involved possible criminal violations. We referred 203 cases to the Department of Justice.

During the 6-month period, our investigations led to 231 indictments and 179 convictions. Fines, recoveries/collection, and restitutions resulting from our investigations during the same period totaled about \$8,935,918. Claims were established for approximately \$3,996,080 and costs totaling \$13,504 were avoided.

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

October 1985 - March 1986 Indictments - Convictions	
1	1
32	22
1	1
63	46
1	1
109	95
5	6
1	1
18	6
231	179

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

Three hundred and eighty audit reports were issued which were prepared by CPA's under contract with OIG and/or the Defense Contract Audit Agency. These reports questioned costs of approximately

\$1.7 million in addition to expected savings of nearly \$916,000. Also, 150 reports were resolved or closed resulting in disallowance of \$2.2 million and savings of \$658,000.

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.

For the current 6-month period, the Complaints Analysis Staff received 682 complaints; 557 were processed as "whistleblower" complaints, and 125 complaints contained insufficient information to process.

During this period, 368 cases were closed, and 26 percent of the cases were substantiated.

The toll-free telephone number, operating on a 24-hour basis, continues to be the major source for receipt of complaints (75 percent).

Allegations of program violations (43 percent) are the main type of complaints received.

PROGRAM VIOLATIONS	293	43%
FRAUD	244	36%
MISCONDUCT	52	8%
INFORMATION	24	4%
PERSONNEL IR- REGULARITIES	21	3%
OPINION OF COM- PLAINANT	21	3%
WASTE/MIS- MANAGEMENT	20	3%
ABUSE OF AUTHORITY	4	0%
HEALTH SAFETY	3	0%

Freedom of Information and Privacy Act Activities

OIG processed 242 requests under the Freedom of Information Act (FOIA), compared to 294 for the

previous 6 months. The following schedule outlines FOIA data over the past two reporting periods.

	Last Period	This Period
Number of Requests	294	242
Number of Favorable Responses	138	125
Number of Unfavorable Responses	156	117
Unfavorable Responses Due to:		
No Records Available	40	47
Requests Denied in Full	18	8
Requests Denied in Part	98	62
	156	117
Other Data Not Directly Affected by the Number of Requests:		
Appeals Granted	1	0
Appeals Denied in Full	2	6
Appeals Denied in Part	1	3
Number of OIG Reports Released in Response to Requests	397	267

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

Prevention Activities

Implementation of the Food Security Act of 1985

The Department must respond to a very dynamic environment, created by such recent innovations as the Food Security Act of 1985 (Act). The Act not only implements new programs and requirements for 1986, it also determines direction for farm programs and other areas such as credit and trade for the next 5 years.

OIG assembled a team to evaluate the impact of the Act on the Department's programs and to provide early assistance to the Department in establishing and strengthening internal controls in the Act's implementing regulations. The task team also looked at the Act's provisions that impact on more than one program, and developed shortand long-range OIG plans for reviewing the programs at the various operating levels.

The task team made a number of recommendations to preclude duplicate participation in more than one county, to improve agency procedures for reviews of participants' compliance with program requirements, and to better ensure coordination among the various agencies and programs (that is, so that payments for one program are used to repay debts owed by the same participant under another program).

Our review of the credit provisions of the Act, as they apply to FmHA, found that FmHA had not provided field personnel with guidance concerning the new ASCS programs which significantly affect the income and cash flow of FmHA borrowers. We were specifically concerned that FmHA field personnel had not been notified of action needed to assure that FmHA receives funds due from borrowers participating in such ASCS programs as the Dairy Termination Program, the Conservation Reserve Program, and the production adjustment programs. FmHA has not provided guidance to its field offices as to whether FmHA borrowers should be encouraged to participate in these ASCS programs or how changes in price-support rates, target prices, deficiency payments, and dairy assessments will affect borrower eligibility determinations.

We also informed the Department of areas where decisions will be needed to provide for a consistent approach to farm problems. Specifically, our concerns were directed toward (1) borrower loans to expand production of commodities intended for control

under other programs, (2) a provision in the Act that requires the Department to purchase a minimum amount of red meat regardless of the slaughter level resulting from the Dairy Termination Program, and (3) the need for cross-compliance in all related programs to better control surplus commodities and soil erosion.

The task team identified those programs established by the Act in which OIG's early attention was warranted. Because of early timeframes in the Dairy Termination Program, the Conservation Reserve Program, and parts of the production adjustment programs, we channeled our efforts into first monitoring these areas.

The Dairy Termination Program had very tight timeframes for program implementation. Producers had only until March 7, 1986, to visit their local ASCS county office, present data to have a milk base established for their unit, and submit a bid believed necessary to buy out the unit's milk production for 5 years. ASCS had until March 27, 1986, to evaluate the bids, decide which it would accept, and then notify the producers. OIG auditors were in selected ASCS county offices in eight of the largest milk-producing States to audit these key functions as they were implemented. Early problems brought to the Administrator's attention included the need for ASCS (1) to have FmHA approve dairy termination contracts for FmHA borrowers so that a fair share of program payments would be applied to the FmHA loans (16 percent of the milk bases we reviewed involved FmHA borrowers), (2) to use the herd's butterfat production to evaluate a producer's bid, (3) to strengthen controls over cattle for slaughter by branding, and (4) to obtain acceptable proof of slaughter.

The Conservation Reserve Program and those portions of the production adjustment programs that call for establishing bases and yields have equally tight implementation timeframes. Producers must sign up and submit bids for the Conservation Reserve Program. ASCS, in conjunction with its sister agency, the Soil Conservation Service, has 30 days after sign-up to establish soil loss for the acreage the producer wishes to enter in the program. Eligibility for the acreage can then be determined and the bid considered.

Establishment of bases and yields was also made in

preparation for the production adjustment program signup. This key data will determine how much acreage a producer may have to idle to be eligible for price-support and program payments and will be the basis for calculating payments.

OIG had auditors in selected ASCS county offices providing audit coverage of the data gathered for the Conservation Reserve Program and the production adjustment programs. We provided Department managers with our assessment of the implementation provisions of the programs in time for adjustments to be made where misunderstandings existed at the State and county levels.

Legislative and Regulatory Review

Deficit Reduction Act

The Deficit Reduction Act of 1984 requires that States verify benefit recipient eligibility and benefit amounts by means of computer matches with data bases containing wage and resource information. In addition to participating (under the auspices of the President's Council on Integrity and Efficiency) in the development of the standardized computer formats necessary for this exchange of information, we provided advice and consultation to the task force which drafted the implementing regulations. We also commented on the FNS draft when it appeared in the *Federal Register*, suggesting several improvements. The major OIG recommendations—a system for tracking the disposition of “raw hits” to ensure compliance, and State retention of basic data on “hits” to allow subsequent audit—were incorporated in the final rule. When the matching procedures are operational, we will conduct followup reviews to determine if the final provisions have been implemented and are effective.

Strengthened Penalties Against Marijuana Growers

As previously reported, OIG has been active during the 99th Congress in seeking legislative change to strengthen penalties against marijuana growers. As a result of this effort, language was included in the Farm Security Act (Public Law 99-198, Section 1764, Controlled Substances Production Control) providing that any person who is convicted under Federal or State law of planting, cultivating, growing, producing, harvesting or storing a controlled substance in any crop year shall be ineligible for program benefits for that year and the four succeeding crop years. Previously, the producer had to be convicted of harvesting marijuana before USDA payments could be denied. In addition to expanding the financial sanctions for growing marijuana, the coverage of the law

was expanded to deny benefits to FmHA loan borrowers and FCIC programs as well as to ASCS program participants.

Special Supervision of FmHA Delinquent Borrowers

OIG provided extensive comments on FmHA's proposed rule implementing the decisions delivered in *Coleman v. Block* (Civil No. AI-83-47, D. N. Dak.) and providing special procedures for supervising delinquent and problem case FmHA farm borrowers. The rule was published in final form on November 1, 1985. As a result of OIG recommendations, the rule's language was strengthened by adding specificity to the actions required of FmHA staff and borrowers, and was revised to conform with Departmental Regulation 1710-2, which requires that all cases involving suspected criminal activity be promptly referred to OIG. In addition, a requirement for district office review of county office analyses and plans was reinstated, providing an important internal control mechanism.

OIG is providing early audit coverage of the implementation of the rule. During the week of February 24, we visited 14 counties in 7 States to determine if delinquent borrowers were properly notified of their delinquencies. Generally counties had made a diligent effort to send appropriate and correct notices to borrowers; however we found that there were some inconsistent and incorrect mailings, and some borrowers were not sent required notices. Specifically:

- Amounts of delinquencies were not updated to reflect delinquencies occurring after December 31, 1985, or did not include accrued interest through the date the notices were sent to borrowers.
- Some borrowers were not sent required notices, including those who had rescheduled, planned to reschedule, who had some loans behind schedule but were current overall, or who had paid current since December 31.
- Required notices were not always sent to all obligors on the note, including spouses or individual members of a partnership.
- Some borrowers were sent incorrect documents.

We also found that FmHA had not prescribed a uniform system to identify the extent of activity within a county and the results obtained from the notices sent to borrowers. Some States had established sys-

tems of their own, but these systems varied greatly and would not provide an overall report of program activity or indicate the extent of problems within a county or State.

We are continuing to monitor the implementation of these provisions, including the actions taken to cure default of delinquent borrowers.

International Affairs and Commodities Programs

Agricultural Stabilization and Conservation Service

The Agricultural Stabilization and Conservation Service (ASCS) administers commodity and related land use programs designed for voluntary production adjustment; resource protection; and price, market, and income stabilization. ASCS also administers the Commodity Credit Corporation (CCC), a corporation which is wholly owned by the Federal Government and which funds most of the programs administered by ASCS.

CCC promotes agricultural exports through sales, payments, guarantee of credit, and other operations. Fiscal year (FY) 1986 net outlays for ASCS are estimated at \$221 million and for CCC at \$20.3 billion.

Conservation Programs

Two Charged With Defrauding the Milk Diversion Program

Two dairy farmers were charged with filing false statements and conspiring to defraud the ASCS Milk Diversion Program. The farmers adopted a scheme which enabled one of them to market excess milk production in the other's name and still collect milk diversion payments from ASCS. By this scheme the farmer was able to exceed his contracted reduction by over 85,000 pounds. Both farmers have signed plea agreements with the U.S. attorney's office and sentencing is pending. ASCS expects to recover almost \$100,000 in diversion payments already made to the farmers and to receive additional monies in penalties.

USDA Needs to Ensure the Reliability of Land Conservation Data

In the "Prevention" section of this report we identified the Conservation Reserve Program (CRP) as being a new program mandated by the Food Security Act of 1985 that warranted OIG's early attention. The CRP permits payments to producers who take land out of crop production for 10 years when that land is classified as likely to erode or is in fact eroding in excess of given tolerances. USDA proposes to use the Conservation Reporting and Evaluation System (CRES) as part of the system to establish eligibility for land a producer wishes to enter in the CRP.

The CRES was developed by USDA to measure the

effectiveness of conservation measures carried out under the various USDA conservation programs, such as the Agricultural Conservation Program. OIG has reviewed the system to determine whether it was reliable and could be used to more effectively manage the Department's conservation programs. We determined that controls had not been established to ensure the accuracy of data accumulated through CRES and that the system was not being used effectively because procedures had not been developed requiring its use.

We are recommending that ASCS develop procedures for use of the system, and establish controls and training to ensure the reliability of CRES. Since the CRES is now scheduled to be an integral part of implementing the CRP, it is imperative that it receive prompt attention.

State and County Operations

Improvement Needed in Management of State and County Office Operations

During 1985, we audited ASCS's management process at the National, State, and county levels. The purpose of the audit was to evaluate ASCS's internal controls, and to determine if ASCS personnel at all levels were effectively and efficiently managing program and administrative operations. We determined that ASCS's management processes and internal controls need strengthening to assure that operations and programs are effectively conducted. The County Internal Review System should be redesigned to assure that the scope of county reviews is uniformly implemented, and review results adequately developed and reported to the next higher level of management. Additionally, we determined that the National office was not conducting adequate reviews of State internal control efforts or following up on known deficiencies. Similarly, National office controls over State and county operations to prevent, detect, or correct program and administrative weaknesses should be improved.

ASCS issued an updated internal control handbook to address these problems. OIG participated in regional meetings held to train managers and supervisors.

During our review of ASCS county operations, we found some instances of criminal wrongdoing that

directly resulted from ineffective internal controls. In one instance, for example, a criminal information was filed against a former ASCS County Executive Director and his son, charging the County Executive Director with setting up fraudulent loans to his son based upon nonexistent collateral and with the conversion of crops pledged to CCC. The father and son owed CCC approximately \$1 million for the outstanding loan conversions and for the fictitious loans. On March 10, they were sentenced to serve 30 months in prison and were ordered to pay \$867,435 restitution.

The significance of internal controls was emphasized recently in another case where alert ASCS county office employees discovered a case of embezzlement and contacted OIG. Investigation showed that one of the employee's coworkers had received several negotiable CCC checks and deposited them into her own account at a local bank. The employee had stolen only four checks before the embezzlement was discovered during a routine reconciliation process. On February 6, the employee pled guilty to a 2-count criminal information charge and was sentenced to 5 years in prison and another 5 years probation. She was also ordered to pay \$203,431.40 restitution, the full amount embezzled.

State and County Office Automation Project

Improvements Needed in Hardware Security and Data Management

ASCS is implementing an over \$200 million nationwide computer system called SCOAP. The computer system will provide ASCS county offices with onsite data processing support for their operational and managerial functions, and electronic communications capabilities between State, County, and National offices.

Hardware Implementation.

Our review of the implementation of the computer system in seven States disclosed that ASCS's practice was to locate the central processing units (CPU's) in the main workrooms or service counter areas of the county offices. This placement of the CPU's increased the risk of theft, arson, sabotage,

and unauthorized access to sensitive information. The ASCS State officials agreed with our findings and have initiated corrective actions.

Data Conversion

We found errors in the manual conversion of farm records to basic computer records which will be used in the administration and management of ASCS programs. Unless corrected, these conversion errors will compromise the integrity of the system, and may result in the mismanagement of ASCS funds for program crops.

ASCS officials agreed with our findings and have initiated corrective actions.

Grain Company Manager Indicted for CCC Fraud

The manager of an Illinois grain company was indicted by a Federal Grand Jury on 16 counts of mail fraud and conversion in connection with the sale of corn pledged to CCC and the deposit of \$308,000 from the sale into an unauthorized checking account. The manager made the sales without the knowledge or consent of ASCS and then used the money deposited into the unauthorized accounts for his own benefit.

Foreign Agricultural Service

Sugar Imports Firm President Faces \$18 Million in Penalties

In our continuing report on the illegal diversion of foreign sugar into the domestic market, the president of a sugar importing firm in Florida pleaded guilty to one count of conspiracy to defraud the USDA and U.S. Customs Service and four counts of creating false export documents in a scheme to obtain millions of dollars in fraudulent import duty rebates. Eighty-six other counts were dropped by the U.S. attorney's office in exchange for the guilty plea. The importer faces a possible jail sentence of 13 years, \$13,000 in criminal fines, and more than \$18 million in Customs penalties and forfeitures of payments.

The vice president of the import firm still faces charges on 58 counts of fraud and conspiracy.

Small Community and Rural Development

Farmers Home Administration

The Farmers Home Administration (FmHA) is the Department's credit agency for rural development and agriculture. As of September 30, 1985, FmHA had about 1.25 million active borrowers and a loan portfolio of about \$62.1 billion, of which \$3.2 billion was in guaranteed loans.

Farm Programs

Debt Set-Aside Program

We found that 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.

In the 13 States visited during our review, we questioned the eligibility of \$9,863,677, or about 71 percent of the \$13,952,620 set-aside amounts granted for 327 cases reviewed. The potential interest losses on these set-asides will amount to about \$4,423,013 over the 5-year set-aside period. FmHA conducted special operations reviews in each of the 13 States and found the same deficiencies reported in our audit.

The most extensive and critical problems that caused the set-aside amounts to be incorrect were that many farm plans used to project farm income, expenses, and cash-flow positions did not reflect a typical year's operations during the set-aside period. Two other problems contributed to incorrect or improper set-aside amounts:

- Existing debt restructuring authorities were not used or not used to the authorized extent; and
- Calculations or applications of debt set-aside provisions were incorrect.

States were permitted to establish commodity unit prices which varied significantly from State to State. Because the unit prices were then used to project farm income and calculate debt set-aside amounts, borrowers in similar circumstances received unequal or inconsistent treatment.

Based on legal advice of the General Counsel, FmHA recommended that the Secretary exercise provisions of the Consolidated Farm and Rural Development Act to continue with the debt set-aside agreements without making a review and corrections. FmHA believed that the implementation of new servicing regulations, the heavy lending season, and possible adverse impact on delinquency rates justified not correcting erroneous debt set-aside agreements. The Secretary concurred in this request and the audit recommendation was considered resolved.

Investigations into Kickbacks Net Two USDA Officials

In Oklahoma an FmHA county supervisor, indicted for acts of embezzlement and extortion, in a plea agreement was sentenced to 2 years in prison and ordered to make restitution of \$32,500 by a U.S. District Judge.

In Louisiana an FmHA County Supervisor pleaded guilty to accepting a bribe to influence his official actions as a Government employee. The county supervisor extorted and accepted money from two loan applicants: a real estate agent and a contractor to expedite the processing of loan applications in the FmHA county office. Sentencing is pending.

OIG Still Finds Unauthorized Sales of Cattle Mortgaged to FmHA

In North Dakota four individuals were indicted by a Federal Grand Jury on 13 counts of mail fraud, aiding and abetting, and conspiracy to defraud FmHA. The individuals devised and implemented a scheme whereby FmHA loan borrowers would enter into fictitious or fraudulent sales of cattle or other property mortgaged to FmHA in order to deprive the government of the true value of their secured chattel. The four individuals approached the farmers and encouraged them to sell their cattle to middlemen at a fraction of their real value, report the sales to FmHA as diseased or distressed cattle, and thereby realize increased profits from the subsequent sale of the cattle at their real market value.

An Arkansas farmer was charged with 14 counts of conversion and one count of making a false statement in connection with the sale of 221 head of livestock mortgaged to FmHA. The farmer sold cattle mortgaged to the Government in the names of third

parties and under fictitious names to avoid a brucellosis quarantine in effect on his herd. Also, the farmer verbally threatened the life of an FmHA employee. The farmer is currently indebted to FmHA for approximately \$435,000. Trial is pending.

A Georgia farmer who had converted both crops and livestock mortgaged to FmHA was convicted on related charges of forgery for altering Government checks to increase their face value and to eliminate FmHA as a joint payee on a vendor's check. One of the checks was changed from \$12,809.36 to \$72,809.36 and then presented to FmHA as a loan payment. The farmer also filed false claims with FCIC in connection with crop losses. The court ordered the farmer to make restitution to FmHA and FCIC in the amount of \$321,112 and to repay FmHA loans totaling \$447,244.

Rural Housing Programs

Audits Reveal Some Loan Security Problems in the Rural Rental Housing Program

Audits of two Rural Rental Housing (RRH) borrowers disclosed noncompliance with loan agreements and improper management and control over the projects operated and managed by the borrowers and/or their management agents. Borrowers and agents did not maintain about \$2 million in required reserve and tenant security deposit accounts, withdrew funds as a return on investment in excess of authorized amounts, and paid excess and unauthorized fees to the agents. In addition, required management and financial reports used by FmHA to evaluate borrower financial position and compliance with the terms of the loan agreement did not accurately reflect the results of operations. These deficiencies in the management and financial operation of these projects with loans totaling about \$53 million jeopardized loan security.

We plan additional audit work on borrower compliance with loan agreements and FmHA management and supervision of the RRH loan program.

Investigations Disclose RRH Borrower Fraud in Florida

In a related case, the president and vice president of a construction company in Florida pleaded guilty to defrauding FmHA and the U.S. Department of Housing and Urban Development (HUD) in connection with the construction of several apartment projects in Florida. The company officials were indicted on 14 counts of bribery, conspiracy, and false statements

for misstating construction costs, substituting inferior materials, and using poor quality workmanship throughout the FmHA and HUD projects.

Mississippi Housing Director Indicted for Bribery and Fraud

In our investigation of corruption in the RRH program in Mississippi, a Federal Grand Jury recently indicted the former FmHA rural housing chief for the State of Mississippi for bribery, conspiracy to defraud the Government, and conflict of interest. This indictment follows an initial indictment and conviction of an FmHA loan applicant in Mississippi for failing to tell FmHA about \$184,250 in illegal consulting fees extorted from two general contractors in connection with FmHA financing for a rural housing project. The applicant was sentenced to serve 1 year imprisonment, make restitution to FmHA for \$184,250, and pay a \$5,000 fine. Three other Mississippi businessmen have been charged with offenses ranging from bribery to making false statements in this continuing investigation.

Rural Housing Acquired Property Continues to Increase

A previous OIG audit reported in September 1983 that FmHA's rural housing acquired property inventory had increased 132 percent, from December 31, 1979, to December 31, 1982. The Government investment in these 12,873 properties increased 208 percent from almost \$127 million to over \$391 million. FmHA agreed to develop a comprehensive plan to reduce the inventory to 7,600 properties by March 31, 1985. Our followup audit reported that the number of rural housing inventory properties increased rather than decreased. As of September 30, 1985, the inventory was 14,934 properties, or almost double the goal set by FmHA management.

The goal to reduce the rural housing acquired property inventory was not achieved because FmHA's comprehensive plan was not fully implemented. Although inventory property sales increased, property acquisitions continued to exceed sales. In our view, FmHA continued to place a relatively low priority on property management activities as evidenced by the 3 years taken to issue regulations designed to deal with deficiencies in the appraisal, repair, and sales efforts on acquired property.

FmHA agreed to complete implementation of its comprehensive plan for reducing the housing inventory but has revised its goal to no more than 10,000

homes (about 1 percent of the housing loan portfolio). Now that the new regulations on property management have been issued, FmHA has a better chance of achieving a reduced inventory of housing properties.

Business and Industrial Loan Program

Audit of the Business and Industry (B&I) Borrower Leads to Fraud Investigation

In Wisconsin a president and vice president of a banking institution and the president and chief accountant of a wood products company were sentenced to jail in connection with the submission of a false FmHA B&I loan application. The company officers submitted false financial statements to FmHA to qualify for B&I loans totaling \$500,000. The bank officials made fictitious entries in their banking records to corroborate the false figures furnished to FmHA on the loan application.

FmHA Administration

Design Adjustments Needed In FmHA's New Accounting System

As discussed in preceding Semiannual Reports, we are continuing to monitor the design and development of the FmHA Automated Program Delivery System (APDS), the agency's proposed new accounting system. The detailed design portion of the project is now substantially complete and FmHA is initiating systems development work. However, we recommended that before development work is initiated, FmHA offi-

cials make adjustments to the design to ensure a viable system is developed and project objectives are fully met. Current results of our review disclosed that changes between the APDS general and detailed design packages resulted in inconsistencies in subsystem design, screens, and input forms. In other cases, design specifications for needed computer programs could not be located. We also found that FmHA and the system design contractor did not adequately survey all system users to determine their needs. As a result, the functional requirements for balancing controls with APDS are incomplete and will not perform all necessary functions in an efficient and timely manner.

FmHA officials generally agreed with our findings and have initiated corrective action.

Federal Crop Insurance Corporation

Guilty Plea In Insurance Fraud Case

A prominent South Carolina farmer pleaded guilty to bribing an agent of the Federal Crop Insurance Corporation (FCIC) to falsify information about his crop losses. The farmer admitted in court that he had paid \$10,000 and promised an additional 10 percent of his crop insurance proceeds to an agent of FCIC so that he could illegally collect indemnity payments for nonexistent losses. The farmer claimed that he harvested only \$61,062 in peaches, whereas the OIG investigation disclosed that his actual peach production was worth about \$642,000. Sentence is pending.

Food and Consumer Services

Food and Nutrition Service

The Food and Nutrition Service (FNS) administers five major programs with 1986 budgeted amounts as follows: Food Stamps, including the Puerto Rico Block Grant (\$12.6 billion), Child Nutrition (\$3.8 billion), Special Supplemental Food for Women, Infants and Children (\$1.5 billion), Food Donation (\$264.3 million), and Special Milk (\$18.0 million). The total budget for 1986 is about \$18.2 billion.

Food Stamp Program

Food Coupon Theft Leads to Audit of Printing Operations

In December 1983, \$4.8 million in food coupons was stolen from a food coupon printing contractor. OIG investigated the theft; the individuals involved were convicted, and just under \$3 million in food coupons were recovered. Because of the security issues raised during the investigation, OIG conducted an audit that focused on the printer's accountability, security of the food coupons, and FNS's management of this activity.

FNS contracts for the printing of food coupons. The private contractors are responsible for subcontracting for the paper used for the coupons and transferring the finished product to about 2,400 distribution points designated by FNS. It costs about \$21 million annually to print and distribute food coupons worth about \$12 billion.

Our audit of the printing operations and distribution processes found problems with security and accountability: there were no daily inventories of food stamps produced and on hand; security measures over finished food coupons were poor; inventories at distributors were excessive (the \$3 billion inventory covered needs ranging from 3½ months to 3½ years for specific denominations), and differences between coupons shipped to and received at distribution points were not reconciled. FNS had not reasonably ensured that the coupon printers, paper manufacturers and distributors complied with contract provisions addressing accountability and security.

Seven-Year Food Stamp Fraud Uncovered

In Memphis, Tennessee, a woman has pled guilty to 19 counts of a 26 count indictment charging her with

making false statements, using a fictitious social security number, and the unlawful possession and acquisition of food stamps. This came as a result of her failure to report her husband's income and other pertinent information when applying to receive food stamps and other social benefits. This scheme, which occurred between April 1976 and February 1983, resulted in her receiving \$26,589 in food stamps to which she was not legally entitled, and \$8,431 in other social benefits. Sentencing is pending.

OIG Continues Efforts Against Food Stamp Trafficking

In Jackson, Mississippi, a 29-year veteran of the U.S. Postal Service was arrested for purchasing \$600 in food stamps for \$300 cash from an undercover OIG Special Agent. This individual previously purchased an additional \$750 in food stamps during an undercover operation conducted by OIG. A guilty plea has now been entered in this case, and the defendant awaits sentencing.

Food Distribution Programs

Accountability Problems Result from Distributor's Inflated Sales Data

In 1979 and 1985, our nationwide audits of Food Distribution Programs reported that processors did not maintain accurate or perpetual commodity inventory records, adequate production records to account for the donated food contained in end products, and did not use the required amount of commodity to meet end product contract specifications. Our audits continue to disclose a lack of accountability and control over donated commodities distributed to eligible recipient agencies and needy individuals under the various Food Distribution Programs.

At the request of FNS, we performed an audit of a large, multi-State food processor under contract with 19 State Food Donation Programs and the FNS-administered National Commodity Processing System. The processor converted donated cheese and flour into pizza products and also repackaged bulk cheddar cheese for two States for the Temporary Emergency Food Assistance Program. During the period September 1982 through June 1985, the processor received donated cheese and flour valued

at approximately \$8.3 million for processing into end products, and cut and repackaged bulk cheese valued at about \$18.1 million.

Because our audit disclosed a lack of control and accountability over those end products the processor sold through a major program distributor, we expanded our review to include sales verification and accountability for three other processors using this same distributor. We found that the three processors made excess and unsupported inventory reductions for donated food, representing losses to the Government of about \$623,000.

The inventory problems occurred because the processors did not verify and reconcile sales information reported by the distributor. We found that the distributor generated internal monthly sales reports which were intended for recouping operational costs for selected non-USDA program purposes, which, in effect, inflated sales information by 25 percent. The distributor, in error, processed commodity sales information through this computer program which resulted in a 25-percent overstatement of commodity sales. The processors, in turn, used this sales data to report commodity sales and inventory drawdowns to FNS, thereby overstating the amounts by \$623,000.

As a result of the audit, the distributor revised the computer program which generated the inflated sales data.

Child Nutrition Programs

Largest Sponsor Misused Child Care Program Funds

Under agreements with seven State agencies and one FNS office, Quality Child Care, Inc. (QCCI) participated in the Child Care Food Program (CCFP) as the largest sponsoring organization with over 7,000 family day care homes in eight States. During the year ending September 30, 1984, QCCI received about \$18 million to pay for meals served to children enrolled in the day-care homes and to pay administrative costs incurred by QCCI as a sponsoring organization.

In our first audit of QCCI, issued in September 1982, we reported that QCCI (1) had major inadequacies in its financial accounting system, (2) had unsupported and/or questioned costs, and (3) improperly used advances received under the CCFP, as well as restricted surpluses received from operating USDA's Commodity Programs, to cover prior CCFP losses

and to finance losses incurred from non-USDA related corporate activities. Subsequent audits, issued in September 1983, August 1984, and February 1985, disclosed that QCCI used USDA advanced funds and restricted surpluses to finance additional corporate losses. FNS and the seven State agencies terminated QCCI from the USDA programs in July 1985. QCCI immediately filed for bankruptcy.

Our most recent audit was performed to obtain a final accounting of the USDA funds owed by QCCI to USDA and the State agencies. We found that QCCI still owes over \$700,000 in unearned CCFP advances. We also reported that QCCI obtained CCFP advances, but had not passed the advances on to the day-care homes. FNS revised the CCFP regulations requiring sponsors to pass on any advances to day care homes, as was originally intended.

New York Sponsor Pleads Guilty to Embezzling

An OIG investigation in Yonkers, New York, has resulted in an individual entering a plea of guilty to embezzling approximately \$7,000 in USDA funds that were destined for the operation of a child feeding program at a day-care center. At sentencing, the defendant received a 2-year suspended prison term, followed by 2 years' probation and a 6-month stay in a community half-way house. Restitution in the amount of \$6,500 was also ordered by the court. This individual has previously been convicted of violating other Federal criminal statutes, and has served time in a Federal prison for defrauding another Federal agency.

National School Lunch Program

California School Officials Sentenced for Embezzlement

In Salinas, California, a former school district superintendent and two other former district employees have pled guilty to State charges of grand theft, false claims, and conspiracy. These three people utilized \$225,000 in National School Lunch Program (NSLP) funds to purchase toys, flowers, and video equipment, and to pay for personal restaurant bills and vacation trips, including a 1984 trip to Italy. Subsequent investigation disclosed that most of the missing NSLP funds had been replaced by the defendants with funds from the school districts' general fund. The defendants originally embezzled the NSLP funds rather than other funds because internal accountability procedures were less stringent for the NSLP funds than for the the school district's general fund.

The former school district superintendent has been sentenced to serve 3 years and 8 months in a State prison, and ordered to make restitution of \$53,000 to the school district. One of the other defendants was sentenced to serve 2 years in jail and to make restitution of \$10,000. The remaining defendant was ordered to serve 1 year in a county jail, followed by 3 years' probation, and ordered to make \$13,000 restitution.

Security of FNS Data Processed by Non-Federal Entities

Audit Reveals Need for Greater Security Over Non-Federal Computer Systems The Food Stamp Program (FSP) and the Supplemental Food Program for Women, Infants, and Children (WIC) are administered nationally by FNS and locally by State and county welfare agencies. Over \$12 billion in benefits were made available by FNS to over 100 State agencies under these two programs in FY 1984. We reviewed the security over 13 non-Federal automated data processing (ADP) systems which processed disbursements of over \$2.54 billion to program recipients. We found security weaknesses in all 13 systems. Some of the more serious weaknesses we noted concerned inadequate physical security, that would permit unrestricted access to computer hardware and inadequate software controls that would result in the potential of improper manipulation of data and payments.

Our review of FNS's administration of the FSP and WIC programs showed that its security oversight and monitoring of non-Federal ADP systems were inadequate. From FY 1983 through mid-FY 1985, the six FNS regional offices (which monitored 43 Statewide

WIC systems, 38 Statewide FSP systems, and 5 multiple county FSP systems) that we audited made only 10 reviews that included ADP security matters. In addition, documentation was lacking to support these reviews in most cases, and the reviews generally did not disclose problems similar to those found by our audit.

Substantial guidance has been promulgated by the Office of Management and Budget (OMB), the National Bureau of Standards, General Accounting Office, and the Department to establish ADP security controls and standards for Federal agencies, their contractors, and agents.

FNS maintains, and we agree, that the issue cross-cuts Federal agencies and programs, and the optimum resolution would be Federal ADP security regulations which would apply to the processing of all Federal data. FNS has agreed that grantees should meet minimum ADP security standards for non-Federal ADP systems funded by or used to process Federal grant payments. FNS has indicated it will cooperate with the Office of Information and Resources Management, OMB, and other Federal agencies in working with State and local governments to develop and implement minimum security standards. FNS has also developed an ADP Security Guide that it is issuing to all State agencies administering its programs and sharing it with other Federal agencies. FNS has also agreed to review and strengthen, as necessary, its current ADP advance planning document for State agencies. Finally, it is FNS' intention to specify a regulation that State and local agencies be required to meet recognized ADP security standards and that States be required to perform periodic ADP system security reviews.

Natural Resources and Environment

Forest Service

The Forest Service (FS) manages the National Forest Systems (NFS), conducts a State and private forestry program, and provides nationwide leadership for forest and range research. In FY 1985, appropriations for these programs exceeded \$1.8 billion and receipts from program operations totaled about \$1.13 billion.

We have continued to direct most of our audit effort to the NFS, which consumes about 90 percent of the FS budget and generates most of the receipts. The major audit emphasis during this period was on timber sales; but we also gave considerable attention to the fiscal and accounting management area, and to certain aspects of winter sports special use fees.

Timber Sale Appraisal Methods in the West Need to be Improved

The FS annually sells billions of board feet of timber from its National Forest lands. In FY 1985, the FS received \$882.6 million for the harvest of 10.9 billion board feet of timber. Under the National Forest Management Act of 1976, the FS is to sell timber at not less than appraised value—the minimum acceptable bid—to assure that the Government obtains a fair market value for its timber. However, our review of current appraisal practices in the six western FS regions disclosed that National office controls over regional appraisal methods in the West do not ensure that advertised prices result in reasonable estimates of fair market values. As a result, advertised rates for National Forest timber (based on residual value appraisals) averaged only about 35 percent of bid values in the six western regions between October 1980 and March 1984. Further, our evaluation of the transaction evidence appraisal (TEA) method being tested in the FS northern region indicated that use of an improved version of this method by all the western regions would substantially increase bid values. The phase-in of the TEA method would enable the FS to eliminate cost collection activities and reduce personnel costs by about \$732,600 per year.

Timber Buy-Out Program Successfully Implemented But Some Problems Remain

The Federal Timber Contract Modification Act of October 16, 1984, allowed timber purchasers to buy out of unprofitable timber sale contracts bid during a

period of high timber speculation in the late 1970's and early 1980's. Because of the unusual nature of the program and large anticipated loss in Federal revenues, OIG closely monitored its implementation. Our review in three FS regions identified deficiencies in (1) internal controls over the approval process for buy-out applications, (2) the calculation of extension deposits and interest on extension deposits, (3) the calculation of charges for losses due to deterioration, and (4) the determination of eligibility of defaulted contracts for buy-out. We reported the deficiencies via fast reports to FS officials. The FS quickly corrected most problems and completed the buy-out in an effective and timely manner.

Three hundred sixty-four timber purchasers bought out 1,625 contracts representing 9.7 billion board feet of timber. The original contract value was about \$2.5 billion. The purchasers paid about \$172 million to buy out the contracts. At current market rates (\$100 per thousand board feet), FS should be able to sell this timber for about \$970 million; therefore, we estimate the program cost the Government about \$1.358 billion in reduced revenues.

Although the timber sale contract buy-out and extension programs have eased the timber sale crisis in the Pacific Northwest for now, some purchasers still hold contracts for substantial volumes of high-priced timber (which exceeded the buy-out limits). This situation may eventually cause financial problems for both purchasers and the Government.

Controls Over the Timber Sale Accounting System Do Not Ensure Reliable Data

We evaluated the internal administrative and accounting controls of the automated Servicewide Timber Sale Accounting (STSA) System. Our coverage was limited to the internal controls in the areas of transaction origination, transaction entry, data communications, computer processing, data storage and retrieval, and output processing. Our review disclosed that the FS needs to develop a uniform servicewide system of internal controls to ensure the integrity of the data in the STSA system. Responsibilities for control and operation of the system were segmented among various levels. We also found that:

- Documentation controls needed to be improved in the areas of program modification and maintenance, and the STSA project group did not

consistently follow their documentation requirements concerning system operations procedures. In addition, the system password procedures for the STSA system needed to be improved, and better password protection was needed for the data collection file and timber sale collection file.

- Controls over transaction origination, data error handling, and remote data entry and transmission needed to be improved at the forest level for their timber sale data. While the forests had implemented manual controls in these areas, we found that the types of controls varied at each forest and they were not consistently followed.
- The STSA system processing controls over data integrity and verification also needed to be strengthened.

We concluded that the internal administrative or accounting controls of the STSA system were insufficient to prevent or detect errors or irregularities that may be material. Since this system accounts for all the thousands of active timber sales and for hundreds of millions of dollars annually, control weaknesses could result in substantial losses to the Government. In our report, we made several specific recommendations to the FS concerning these issues. The agency agreed with our recommendations and is taking action to correct the conditions cited in the report.

General Administration Expense Accounting and Reporting Need to be Improved

Our evaluation of the assessment and allocation of general administration (GA) expenses to Knutsen-Vandenburg (K-V) funds at the FS Washington office, one FS regional office, and two National Forests disclosed that (1) FS procedures for classifying GA costs needed to be improved, (2) the FS cost accounting system did not comply with Government cost accounting principles and standards and did not ensure appropriation integrity or accuracy of reported program costs, (3) FS annual budgets did not include the total funds planned to be expended for GA and the sources of funds for these costs, and (4) about \$22 million of FY 1983 and 1984 costs, identified as GA in the FS accounting system, may have been improperly charged to specific program appropriations.

Prior to FY 1982, GA costs were distributed among all FS appropriated and nonappropriated funds and were not specifically identified as a separate category of expense in the FS annual budgets. In 1982, Congress required a separate appropriation for

GA expenditures so that better oversight could be provided over FS administrative costs. We found FS directives concerning the classification of GA costs were not adequate for establishing a uniform and reliable accounting system for GA expenses. FS units appeared to be reclassifying more and more legitimate GA costs each fiscal year as direct charges to specific program appropriations. We believe such improper cost reclassifications have resulted in the underreporting of actual GA costs and an erosion of the budgetary control over FS administrative costs Congress intended in establishing a separate GA appropriation. However, agency costs (such as salaries) assigned to various programs were generally estimated prior to the start of each fiscal year and automatically charged, through the FS accounting system, to multiple appropriations or appropriation line items on a percentage basis throughout the fiscal year. We found no historical basis, documentation, or detailed work plans to support such cost allocations. Actual employee time spent on each program activity during the year was not maintained.

FS annual budgets for FY's 1982 through 1984 did not fully disclose the total funds planned to be expended for GA. Although GA costs for specific program appropriations were funded through a separate GA appropriation, the FS assessed at least 15 nonappropriated funds for GA costs. For FY 1984 these GA assessments of nonappropriated funds totaled \$45.5 million. These additional GA assessments and costs have not been disclosed to Congress in the FS annual budgets. The FS believed that this information was not required or necessary because the GA appropriation applies only to programs funded by appropriations. In order for Congress to be fully informed about GA expenses, FS budgets should reflect total GA costs and how these costs will be financed. The FS has agreed to include this information in their annual budgets starting in FY 1988.

The FS has taken or agreed to take sufficient corrective action on all these matters.

Soil Conservation Service

Physical Security Over the Soil Conservation Service Field Office Communications and Automation System Is Inadequate

We are monitoring the Soil Conservation Services (SCS's) implementation of the Field Office Communications and Automation System (FOCAS). FOCAS is a part of SCS's efforts to improve conservation of

the land by providing microcomputers and associated software to field and area offices in order to increase productivity in their program delivery. SCS plans to automate over 3,000 State, area, and field offices at a total estimated cost of about \$250 million. To date, SCS has obligated \$13.5 million for the purchase of hardware.

Our monitoring of the installation of ADP equipment disclosed that:

- The proposed locations for the work stations in the State offices do not meet physical security standards. Only one of the 15 State offices reviewed had taken the necessary precautions to protect equipment from unauthorized access. None of these offices had installed adequate deadbolt or combination locks, thus increasing the risk of theft, arson, sabotage, and the unauthorized access to sensitive data. Six of these State offices have previously reported the theft of personal items or office equipment.

- Three of the 15 State offices had not made provisions to protect their computer equipment from water damage which could result from overhead sprinkler systems.
- The instructions pertaining to backup of software and data files and the storage of backup diskettes were inadequate.
- State offices had done little to arrange for cabling or communications due to the lack of specifications.
- Seven of the 15 State offices had no heat or smoke detectors in their offices. Two offices did not have the sufficient number or appropriate type of fire extinguishers.

SCS agreed with our recommendations and has initiated corrective action.

Science and Education

Cooperative State Research Service/Extension Service

The Cooperative State Research Service (CSRS) and Extension Service (ES) administer grants and payments primarily to States for conducting agricultural research and various Extension activities carried on by two nationwide systems of 1862 and 1890 Land-Grant Institutions (LGI) and Tuskegee University.

Five Land-Grant Institutions Managed USDA Funds Inefficiently

Audits at four 1890 LGI's and one 1862 LGI disclosed deficiencies in the administration of funds and in management practices. OIG questioned the accountability of over \$3 million in research and Extension funds. The following are examples of conditions found:

- Financial accounting records did not support expenditures and unliquidated obligations reported over a 5-year period on annual financial statements submitted to CSRS/ES. OIG has recommended correcting the financial statements and recovering any improper amounts.
- The charging of unallowable indirect costs for support services. CSRS and ES have agreed to settle the improper amounts.
- LGI's charged CSRS/ES funds for salaries that did not benefit the programs as well as excessive retirement costs. OIG has recommended recovery of these improper charges. In addition, OIG questioned the propriety of granting Federal cooperative appointments to three employees of one LGI because they did not devote at least 50 percent of their time to Extension activities. ES agreed to terminate two of the appointments and recover \$20,693. Discussions continue on the resolution of the third appointment.
- Unliquidated obligations were carried on the financial accounting records for an inordinate period of time. There had been no financial trans-

actions posted to the records affecting these obligations, some of which were over 5 years old. OIG has recommended that these unliquidated obligations be canceled.

- Unobligated grant balances for terminated grants remained in the U.S. Treasury. OIG recommended that these balances be deobligated.
- Ineffective cash management resulted in excessive cash balances of Federal funds on hand. The Treasury Financial Communication System to transfer funds had not been effectively used.

OIG continued to follow up on actions taken on recommendations in audits released in prior periods. As a result, one LGI returned \$510,198.57 to CSRS to clear audit findings involving (1) interest earned (\$427,966.72) on premature drawdown of research funds, and (2) unobligated balances (\$82,231.85) on hand for grants that had been terminated. CSRS settled an \$89,528.13 audit claim against another LGI by accepting a substitution of funds spent by the State on the program.

Extension Service

Program Coordination is Lacking at Some Land-Grant Institutions

OIG reviewed the Statewide Cooperative Extension Service in one State for the purpose of evaluating the coordination among the three Extension programs, one funded by the Smith-Lever Act (the 1862 LGI system) and two funded by the Evans-Allen Act (the 1890 LGI system). OIG found that there were three separate and distinct Extension programs operating in the State. This resulted in uncoordinated programs at all levels within the State and a lack of a unified programmatic approach to meeting the educational needs of the people of the State. OIG has recommended that the existing programs in the State be coordinated into one cooperative effort.

Marketing and Inspection Services

Animal and Plant Health Inspection Service

Veterinarian Indicted for Fraud in Brucellosis Eradication Program

A veterinarian in private practice in Alabama was indicted on four counts of submitting false statements and two counts of mail fraud for submitting documents to the Animal and Plant Health Inspection Service (APHIS), enabling him to illegally obtain indemnity payments from the Brucellosis Eradication Program. Trial is pending.

Food Safety and Health Inspection Service

OIG Efforts Continue Against Corruption in the Meat Packing Industry

A New York poultry plant manager was convicted of bribery after making 12 payments to a Food Safety and Inspection Service (FSIS) inspector in an attempt to influence the employee in the performance of his official duties. The inspector notified OIG of the initial bribery offer and cooperated with investigators by accepting the payments under controlled conditions.

Departmental Administration

Office of Finance and Management

The mission of the Office of Finance and Management (OFM) is to provide Departmental leadership, development, and evaluation of programs in finance, accounting, Federal assistance, productivity, management improvement, administrative systems, and to direct the National Finance Center (NFC).

NFC Corrects \$67 Million in Accounting Misclassifications

We conducted a review of the NFC's Central Accounting System (CAS) to determine if internal controls were adequate to ensure the reliability and accuracy of financial data and to ensure balancing and reconciliation procedures were documented and working properly. We found that the CAS contained some data that was not fully supportable, incorrectly classified, and in some instances unnecessary. We identified that CAS contained about \$67 million that had been incorrectly classified. NFC reviewed and corrected the \$67 million in misclassifications; \$16 million of this amount had been incorrectly reported to Treasury as disbursements. In addition, NFC had not developed procedures for reconciling data between the CAS General Ledger and other automated systems.

NFC officials agreed with our findings and have initiated or completed actions to correct the misclassifications and rectify the reporting to Treasury.

USDA Internal Control Process Shows Generally Good Followup

During the past 2 years, OIG conducted audits of the internal control evaluation process implemented by the Department to fulfill the objectives of the Federal Managers' Financial Integrity Act of 1982. Since OFM provided revised internal control procedures to Departmental agencies in August 1985, we limited the scope of this year's review to evaluating the status of corrective actions taken on vulnerable areas and material weaknesses identified in agency yearend reports.

We examined the 1985 yearend internal control reports for nine selected agencies. Our review disclosed that agencies' yearend reports were generally well prepared and corrective actions were usually completed on items identified in prior years' internal

control reports. However, the review also disclosed that problems have been encountered in completing all planned actions, reporting the actual status of actions taken, and establishing interim milestones for actions which will take more than 1 year.

We recommended that OFM work with the agencies to correct the types of reporting weaknesses disclosed in our review. OFM agreed to address these problems and also stated that it intends to update its automated tracking system quarterly to further emphasize the need for close monitoring of the status of corrective actions.

Additional Controls Over Imprest Funds Needed

Our review of 18 imprest funds with cumulative balances of about \$150,000 disclosed that management controls over operations need to be strengthened at the Departmental and agency levels. Our review disclosed that an accurate, detailed listing of imprest funds was not maintained within USDA. In addition, the justification for six of the imprest funds was questionable since they were in close proximity to each other. Physical security and accountability weaknesses were also noted at 14 of the funds. These weaknesses included open access to the issuance area, safe combinations not changed as required, joint cashier cash boxes and operating funds, inadequate recordkeeping, late processing of reimbursement vouchers, and excessive operating balances. As a result, the operations were vulnerable to theft, loss, fund manipulation, or uneconomical operation.

To correct these conditions, we recommended that physical security and accountability controls be strengthened, and agencies should be required by the OFM to fully adhere to established operating procedures. The agency was in basic agreement with our recommendations for improving imprest fund operations within the Department. The corrective action plan provided was sufficient to consider the report resolved upon release.

Office of Information Resources Management

The Office of Information Resources Management (OIRM) is responsible for formulating, promulgating and providing oversight and direction over Department policies governing information resources

management activities. OIRM also provides large scale computer and voice and data telecommunications services to USDA agencies through the operation of Departmental Computer Centers.

Comprehensive Planning Needed for Computer Management and Security at the Washington Computer Center

OIG completed an audit of the management and security at the Washington Computer Center (WCC) during this period. We found that WCC had not developed a comprehensive capacity management program to ensure the most efficient use of computer resources. The lack of an effective capacity management program also impairs WCC's capability to prudently forecast its future computing needs. Further, the Center's contingency plan had not been approved by the OIRM. These plans are critical to ensure the safeguarding and recovery of data in case of disaster.

Data and systems security could be more effective and systems accesses could have been more efficient if some of the optional software security features and parameters available were evaluated. Improved oversight and accountability were needed to control logon identification codes, special permissions and privileges, and general file access capabilities.

We recommended that WCC correct the security weaknesses cited, develop and institute a comprehensive capacity management program, and obtain approval for contingency plans. WCC officials generally agreed with our findings on security and contingency planning, but have not provided us plans and timeframes for implementing corrective actions. WCC disagrees with our finding on developing an effective capacity management program. They believe that the techniques currently used are satisfactory. We will work with management to resolve this issue.

Office of Operations

The Office of Operations (OO) is responsible for policy development, guidance, direction, and leadership

throughout the Department in several areas, to include procurement and real and personal property activities.

USDA May Save \$5.5 Million Through a Change in Procurement

We reviewed the propriety of the Department's methodology to procure \$44 million of storage devices for its major computer centers. The Department planned to use a Small Business Administration (SBA) Section 8(a) firm as an integrator to (1) conduct a competitive procurement for storage devices, (2) schedule deliveries, implementation, and acceptance of the devices, and (3) provide maintenance, training, and onsite technical support. We evaluated the nature the services proposed to be provided by the 8(a) firm against the SBA's Non-Manufacturer's Rule, which requires that an 8(a) firm provide services with its own labor force equal to at least 55 percent of the total dollar amount of the contract.

The proposed 8(a) firm was to supply almost no tangible goods and/or services, and thus was not in compliance with the Non-Manufacturer's Rule. The competitive request for proposals to be developed by the 8(a) firm had already been completed by the Department. In addition, the 8(a) firm could not conduct any procurement-related activities and approve the winning equipment vendor without direct supervision from the Department. The contract documents further stated that only the equipment vendor would be allowed to deliver, install, and maintain the storage devices. Technical support, training and manuals would also be provided by the vendor.

We encouraged the Department to seek a legal opinion as to the propriety of the proposed procurement. Subsequently the Department received notice that SBA had rejected the proposed procurement for reasons similar to those raised by our review. Accordingly, the Department plans to conduct a fully competitive procurement which we estimate may save the Department \$5.5 million.

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	Estimate June 30, 1985		Estimate September 30, 1985		Written Off 4/01/85 9/30/85	Estimate As of March 31, 1986		Written Off 4/01/85 9/30/85
	Owed	Overdue	Owed	Overdue		Owed	Overdue	
Farmers Home Administration	70,660,328	6,915,023	70,972,316	6,924,000	105,661	68,656,765	8,500,000	106,663
Rural Electrification Administration	37,255,320	1,130,208	38,708,437	179,742	0	37,150,899	1,281,518	0
Agricultural Stabilization and Conservation Service/Commodity Credit Corporation	24,566,078	675,159	25,282,112	641,890	4,158	37,766,796	696,720	6,348
Forest Service	126,747	109,238	134,746	109,238	552	148,221	120,162	607
Federal Crop Insurance Corpora- tion	45,972	21,157	134,768	21,157	805	46,602	25,702	593
Food and Nutrition Service	264,232	263,581	340,845	338,382	50	351,197	347,555	0
Soil Conservation Service	7,399	1,779	9,532	2,555	12	7,641	2,025	7
Federal Grain Inspection Service	3,121	707	3,920	654	23	2,909	2,909	0
Office of International Cooperation and Development	8	7	120	2	0	16	16	0
Agricultural Marketing Service	7,340	1,384	6,789	1,086	22	17,258	15,421	0
Food Safety and Inspection Service	4,801	1,610	5,709	1,592	47	4,929	4,929	0
Science and Education	1,386	1,368	1,017	953	0	927	913	0
Agricultural Research Service	(910)	(893)	(564)	(500)	0	(5)	(5)	0
Cooperative State Research Service	(433)	(433)	(430)	(430)	0	(430)	(430)	0
Extension Service	(36)	(36)	(17)	(17)	0	(491)	(477)	0
National Agricultural Library	(6)	(6)	(6)	(6)	0	(1)	(1)	0
Animal and Plant Health Inspec- tion Service	1,557	893	1,544	904	9	1,772	1,772	0
Working Capital Fund-Dept'al Administration:	182	150	79	59	0	13	12	0
Office of Governmental and Public Affairs—Dept'al Administration	63	63	0	0	0	1	1	0
Office of the Secretary—Dept'al Adm.	38	37	3	3	0	1	1	0
Foreign Agricultural Service	8	4	3	3	0	0	0	0
Statistical Reporting Service	79	78	70	2	0	26	7	0
Economics Management Staff	18	16	22	16	0	5	4	0
Economics Statistical Service	(16)	(16)	(16)	(16)	0	(5)	(4)	0
Economic Research Service	(0)	(0)	(6)	(0)	0	(0)	(0)	0
Office of Inspector General	4	4	6	4	0	4	4	0
Office of General Counsel	0	0	0	0	0	0	0	0
Other	1	1	1	0	0	0	0	0
Office of Transportation Packers and Stockyards Administration	0	0	(0)	(0)	0	(0)	(0)	0
World Agricultural Outlook Board	(1)	(1)	(0)	(0)	0	(0)	(0)	0
Agricultural Cooperative Service	(0)	(0)	(1)	(0)	0	(0)	(0)	0
Office of Rural Development Policy	(0)	(0)	(0)	(0)	0	(0)	(0)	0
TOTALS	132,944,682	9,122,447	133,600,039	8,222,242	111,339	144,155,982	10,999,671	114,218

APPENDIX

LISTING OF AUDIT REPORTS ISSUED OCTOBER 1, 1985 THROUGH MARCH 31, 1986

During the 6-month period from October 1985 through March 31, 1986, the Office of Inspector General issued 647 audit reports, including 380 performed under contract by certified public accountants.

The following is a listing of those audits:

	AGENCY	AUDITS RELEASED
AMS	Agricultural Marketing Service	01
ARS	Agricultural Research Service	03
ASCS	Agricultural Stabilization and Conservation Service	86
APHIS	Animal and Plant Health Inspection Service	04
CSRS	Cooperative State Research Service	01
ES	Extension Service	03
FmHA	Farmers Home Administration	64
FCIC	Federal Crop Insurance Corporation	05
FNS	Food and Nutrition Service	400
FSIS	Food Safety and Inspection Service	01
FS	Forest Service	12
OFM	Office of Finance and Management	02
OO	Office of Operations	01
SEA	Science and Education Administration	06
SCS	Soil Conservation Service	03
MULT	Multiagency/Division Code	55
	 Total Completed:	
	Single Agency Audit	592
	Multiagency/Division	55
	 TOTAL RELEASED NATIONWIDE	 647
	 TOTAL COMPLETED UNDER CONTRACT*	 380

* Indicates audits completed under Certified Public Accountant contracts.

**UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF INSPECTOR GENERAL—AUDITING
AUDIT REPORTS RELEASED BETWEEN
OCTOBER 01, 1985 and MARCH 31, 1986**

AUDIT NUMBER	REGION	RELEASE DATE	TITLE
AGENCY - AMS AGRICULTURAL MARKETING SERVICE			
01-032-0001	WR	02-13-86	SURVEY OF NAVEL ORANGE ADMINISTRATIVE COMMITTEE
TOTAL: AMS - AGRICULTURAL MARKETING SERVICE			- 01
AGENCY - ARS AGRICULTURAL RESEARCH SERVICE			
02-099-0001	NAR	12-04-85	HNRCA OVERHEAD RATE REVIEW BOSTON, MA
* 02-545-0002	SER	10-22-85	DCAA AUDIT ARS PRICE PROPOSAL JONES OP AND MAINTENANCE CO.
* 02-545-0003	SER	10-22-85	DCAA AUDIT ARS PRICE PROPOSAL JONES OP AND MAINTENANCE CO.
TOTAL: ARS - AGRICULTURAL RESEARCH SERVICE			- 03
AGENCY - ASCS AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE			
03-001-0070	SER	12-16-85	NORTH CAROLINA STATE OFFICE AND SELECTED COUNTIES
03-002-0042	MWR	11-29-85	STATE OFFICE OVERVIEW, COLUMBUS OHIO
03-004-0001	SWR	11-12-85	RELIEF UNDER MISINFORM MISACTION MERIT PROV, WASH DC
03-011-1153	GPR	03-08-86	MANAGEMENT OF STATE AND COUNTY OPERATIONS CHEROKEE, IOWA
03-011-1154	GPR	03-13-86	MANAGEMENT OF STATE AND COUNTY OPERATIONS CRAWFORD, IOWA
03-011-1156	GPR	02-28-86	MANAGEMENT OF STATE AND COUNTY OPERATIONS KEOKUK, IOWA
03-011-1158	GPR	01-30-86	MANAGEMENT OF STATE AND COUNTY OPERATIONS MILLS, IOWA
03-011-1159	GPR	01-30-86	MANAGEMENT OF STATE AND COUNTY OPERATIONS PALO ALTO, IA
03-011-1162	GPR	02-18-86	MANAGEMENT OF STATE AND COUNTY OPERATIONS KIDDER CO, ND
03-011-1164	GPR	03-11-86	MANAGEMENT OF STATE AND COUNTY OPERATIONS BOTTINEAU, CO
03-011-1165	GPR	03-05-86	MANAGEMENT OF STATE AND COUNTY OPERATIONS FOSTER CO, ND
03-011-1167	GPR	02-05-86	MANAGEMENT OF STATE AND COUNTY OPERATIONS BURLEIGH, ND
03-011-1170	GPR	02-14-86	MANAGEMENT OF STATE AND COUNTY OPERATIONS MOUNTRAIL ND
03-012-1087	GPR	01-16-86	ADM. OF PROGRAMS, WASHINGTON ASCS CO WASHINGTON, KS
03-012-1120	MWR	10-11-85	CLINTON COUTNY OFFICE AUDIT WILMINGTON, OHIO
03-012-1121	MWR	10-11-85	DARKE COUNTY OFFICE AUDIT GREENVILLE, OHIO
03-012-1122	MWR	10-11-85	FAYETTE COUNTY OFFICE AUDIT WASHINGTON COURT HOUSE, OHIO
03-012-1123	MWR	10-15-85	FULTON COUNTY OFFICE AUDIT WAUSEON, OHIO
03-012-1124	MWR	10-11-85	HANCOCK COUNTY OFFICE AUDIT FINDLAY, OHIO
03-012-1125	MWR	10-11-85	HIGHLAND COUNTY OFFICE AUDIT HILLSBORO, OHIO
03-012-1126	MWR	10-11-85	MARION COUNTY OFFICE AUDIT MARION, OHIO
03-012-1127	MWR	10-11-85	PICKAWAY COUNTY OFFICE AUDIT CIRCLEVILLE, OHIO
03-012-1128	MWR	03-28-86	IOWA COUNTY OFFICE OVERVIEW DODGEVILLE, WISCONSIN
03-012-1129	MWR	03-28-86	DODGE COUNTY OFFICE OVERVIEW JUNEAU, WISCONSIN
03-012-1130	MWR	03-28-86	WINNEBAGO COUNTY OFFICE OVERVIEW OSHCOSH, WISCONSIN
03-012-1131	MWR	03-28-86	PEPIN COUNTY OFFICE OVERVIEW DURAND, WISCONSIN
03-012-1132	MWR	03-28-86	PIERCE COUNTY OFFICE OVERVIEW ELLSWORTH, WISCONSIN
03-012-1133	MWR	03-28-86	SIBLEY COUNTY OFFICE OVERVIEW GAYLORD, MINNESOTA
03-012-1134	MWR	03-28-86	CLAY COUNTY OFFICE OVERVIEW MOORHEAD, MINNESOTA
03-012-1136	MWR	03-28-86	LA QUI PARLE COUNTY OFFICE OVERVIEW MADISON, MINNESOTA
03-012-1137	MWR	03-28-86	SWIFT COUNTY ASCS OFFICE OVERVIEW BENSON, MINNESOTA
* 03-091-0101	SWR	12-23-85	SWPGA 1984 PEANUT PRICE SUPPORT PROGRAM
03-092-0001	MWR	11-12-85	IDENTIFICATION OF INELIGIBLE 1984 COMMODITY LOANS ILL
03-092-0001	WR	11-08-85	RECONCILIATION OF COMMODITY LOAN DATA TO DEF PAYMENTS

**UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF INSPECTOR GENERAL—AUDITING
AUDIT REPORTS RELEASED
BETWEEN OCTOBER 01, 1985 and MARCH 31, 1986**

AUDIT NUMBER	REGION	RELEASE DATE	TITLE
AGENCY - ASCS AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE—Continued			
03-099-0001	NAR	10-14-85	IDENTIFICATION OF INELIGIBLE 1984 COMMODITY LOANS
03-099-0002	FMS	02-08-86	REVIEW OF ASCS A76 COST STUDY OF MAILROOM OPERATIONS AT KCMO
03-099-0036	NER	11-06-85	EVALUATION OF ELIGIBILITY OF 84 COMMODITY LOANS
03-099-0045	WR	10-10-85	AUDIT OF SCOAP IMPLEMENTATION OREGON 8/85
03-099-0046	WR	10-15-85	AUDIT OF SCOAP IMPLEMENTATION SPOKANE, WASHINGTON
03-099-0047	WR	10-15-85	AUDIT OF SCOAP IMPLEMENTATION PHOENIX, ARIZONA
03-099-0048	WR	11-01-85	AUDIT OF SCOAP IMPLEMENTATION BOISE, IDAHO
03-099-0079	SWR	03-20-86	WOOL & MOHAIR PROGRAM IRREG EDWARDS COUNTY, TEXAS
03-099-0085	SWR	03-17-86	WOOL PROGRAM DUPLICATE SALES DOCUMENTS TEXAS
03-099-0086	SWR	12-18-85	ADEQUACY OF WHT PROG COMP DETERMINATIONS TEXAS
03-099-0087	SWR	11-04-85	ADEQUACY OF 1985 ACR COMP DET OKLAHOMA
03-099-0089	SER	01-08-86	REVIEW OF 1984 COMMODITY LOANS
03-099-0090	SER	01-13-86	COMMODITY LOAN ELIGIBILITY MISSISSIPPI
03-099-0090	SWR	10-07-85	SURVEY PRICE SUP LOANS & DEF PMTS LA ST OF ALEX LA
03-099-0091	SER	12-05-85	REVIEW OF 1984 COMMODITY LOANS ALABAMA
03-099-0091	SWR	11-19-85	ELIGIBILITY OF COMMODITY LOANS TEXAS
03-099-0092	SER	12-12-85	REVIEW OF 1984 COMMODITY LOANS TENNESSEE
03-099-0093	SER	12-05-85	REVIEW OF 1984 COMMODITY LOANS SOUTH CAROLINA
03-099-0093	SWR	11-12-85	ELIGIBILITY OF COMMODITY LOANS ARKANSAS
03-099-0095	SER	11-19-85	REVIEW OF 1984 COMMODITY LOANS FLORIDA
03-099-0096	SER	11-27-85	REVIEW OF 1984 COMMODITY LOANS KENTUCKY
03-099-0097	SER	11-22-85	REVIEW OF 1984 COMMODITY LOANS NORTH CAROLINA
03-099-0098	SER	12-05-85	DATA BASE ANALYSIS CCC LOAN PROGRAMS ALABAMA
03-099-0099	SER	02-05-86	DATA BASE ANALYSIS CCC LOAN PROGRAMS GEORGIA
03-099-0100	SER	03-20-86	DATA BASE ANALYSIS CCC LOAN PROGRAMS TENNESSEE
03-099-0101	SER	12-30-85	DATA BASE ANALYSIS CCC LOAN PROGRAMS KENTUCKY
03-099-0103	SER	03-13-86	DATA BASE ANALYSIS CCC LOAN PROGRAMS SOUTH CAROLINA
03-530-0001	SWR	10-03-85	SCOAP IMPLEMENTATION TEXAS
03-530-0002	SWR	10-29-85	SCOAP IMPLEMENTATION OKLAHOMA
03-530-0004	SWR	10-10-85	SCOAP IMPLEMENTATION ARKANSAS
03-530-0005	SWR	10-29-85	SCOAP IMPLEMENTATION LOUISIANA
03-530-0006	SER	03-20-86	FLORIDA PREPARATION FOR STATE AND CO AUTO PROJECT (SCOAP)
03-530-0007	SER	01-29-86	TN PREPARATION FOR STATE AND COUNTY AUTOMATION PROJECT
03-530-0008	SER	02-26-86	STATE AND COUNTY OFFICE AUTOMATION PROJECT MISS
03-530-0008	FMS	02-27-86	COUNTY OFFICE AUTOMATION
03-530-0015	FMS	10-21-85	SCOAP VALIDATION PHASE KANSAS
03-530-0016	FMS	11-07-85	FARM TRACT CONVERSION FOR SCOAP
03-550-0001	SER	12-11-85	SURVEY OF AERIAL PHOTOS
03-621-0011	FMS	03-28-86	RECONCILIATION OF PIK ENTITLEMENT TO AMTS DISTRIBUTED
03-621-0012	FMS	03-04-86	KCMO SURVEY OF RICE LOADING ORDERS
03-625-0010	WR	12-13-85	AUDIT OF MAXIMUM PAYMENT LIMITATION GLENN COUNTY
03-626-0001	NER	12-03-85	AUDIT OF ASCS MANAGEMENT OF STATE AND COUNTY OPERATIONS
03-630-0003	SWR	01-23-86	MAX PMT LIM 1984-85 FG R UC WH SWISHER CO
03-630-0004	SWR	01-17-86	MAX PMT LIM 1985-85 FG R UC WH HARTLEY CO
03-630-0005	SWR	12-17-85	MAX PMT LIM 1984-85 FG R UC WH PARMER CO
03-630-0006	SWR	03-14-86	MAX PMT LIM 1985-85 FG R UC WH PRO CASTRO CO
03-630-0007	SWR	02-05-86	MAX PMT LIM 1984-85 FG R UC WH PRO GAINES CO
03-630-0008	SWR	12-04-85	MAX PMT LIM 1984-85 FG R UC WH PRO SHERMAN CO
03-630-0009	SWR	12-09-85	MAX PMT LIM 1984-85 FG R UC WH OCHILTREE CO
03-630-0010	SWR	12-17-85	MAX PMT LIM 1984-85 FG R UC WH LUBBOCK CO
03-630-0011	SWR	01-13-86	MAX PMT LIM 1984-85 FG R UC WH CHAMBERS CO
03-630-0014	SWR	01-30-86	MAX PMT LIM 1984-85 FG R UC WH PRO STARR CO

TOTAL: ASCS - AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

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AGENCY - APHIS ANIMAL AND PLANT HEALTH INSPECTION SERVICE				
33-004-0005	SWR	12-31-85	SURVEY OF PLANT PROTECTION PROGRAMS BROWNSVILLE, TEXAS	
33-099-0001	SER	11-22-85	CITRUS CANCER INDEMNITY PROGRAM WINTER HAVEN, FLORIDA	
33-099-0002	SER	03-21-86	FRUIT FLY ERADICATION PROGRAM OPA LOCKA, FLORIDA	
33-615-0001	NER	02-28-86	US/MEXICO SCREWORM ERADICATION PROGRAM DC	
TOTAL: APHIS - ANIMAL AND PLANT HEALTH INSPECTION SERVICE				- 04
 AGENCY - CSRS COOPERATIVE STATE RESEARCH SERVICE				
13-004-0004	SER	01-08-86	SOUTH CAROLINA STATE ORANGEBURG, SC	
TOTAL: CSRS - COOPERATIVE STATE RESEARCH SERVICE				- 01
 AGENCY - ES EXTENSION SERVICE				
06-001-0009	SWR	12-19-85	TEXAS COOPERATIVE	
06-004-0001	SER	11-20-85	TUSKEGEE INSTITUTE ALABAMA	
06-004-0003	SER	11-08-85	SOUTH CAROLINA STATE ORANGEBURG, SC	
TOTAL: ES - EXTENSION SERVICE				- 03
 AGENCY - FMHA FARMERS HOME ADMINISTRATION				
04-002-0001	NAR	10-21-85	NEW YORK STATE OVERVIEW SYRACUSE, NEW YORK	
04-006-0001	SER	01-29-86	ISSUANCE OF PROGRAM REGULATIONS	
04-010-0001	NAR	03-21-86	DISTRICT OFFICE OPERATIONS MAINE	
04-011-0239	NER	01-31-86	PROVIDENCE FORGE COUNTY PROVIDENCE FORGE, VA	
04-011-0240	NER	12-13-85	LAWRENCEVILLE COUNTY LAWRENCEVILLE, VA	
04-011-0241	NER	12-12-85	SUFFOLK COUNTY SUFFOLK, VA	
04-011-0242	NER	11-27-85	TAZEWELL COUNTY TAZEWELL, VA	
04-011-0243	NER	01-23-86	CLINTWOOD COUNTY CLINTWOOD VA	
04-012-0654	SWR	01-15-86	COUNTY OFFICE REVIEW WHITE COUNTY, ARKANSAS	
04-012-0655	SWR	11-12-85	COUNTY OFFICE REVIEW LINCOLN COUNTY, ARKANSAS	
04-091-0121	FMS	03-26-86	CASH COLLECTION AND TRANSMITTAL SYSTEMS	
04-097-0003	SER	02-06-86	COMMUNITY PROGRAM CAPE HATTERAS WATER ASSOC. NC	
04-099-0003	FMS	03-25-86	FOLLOW-UP LIMITED RESOURCE FARM OWNERSHIP LOANS	
04-099-0045	WR	10-03-85	SURVEY OF FMHA PROGRAMS YUMA COUNTY PARKER, AZ	
04-099-0047	WR	02-20-86	COMM PROG. LOAN YUCCA VALLEY WATER DISTRICT SAN BERNARDIN	
04-099-0050	WR	11-26-85	AUDIT SURVEY SELF HELP HOUSING SHE, VISALIA	

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AGENCY - FMHA FARMERS HOME ADMINISTRATION—Continued			
04-099-0051	WR	10-22-85	AUDIT SURVEY SELF HELP HOUSING-RURAL CA HC SACRAMENTO
04-099-0053	WR	01-21-86	AUDIT SURVEY SELF HELP HOUSING-YUMA COUNTY HDC YUMA, AZ
04-099-0054	WR	02-21-86	LABOR HOUSING LOAN PROGRAM CALIFORNIA
04-099-0055	WR	02-20-86	LABOR HOUSING LOAN PROGRAM WASHINGTON
04-099-0056	WR	10-22-85	LIQUIDATIONS IN THE B&I PROGRAM WASHINGTON STATE
04-099-0057	WR	10-15-85	AUDIT OF YUMA COUNTY HOUSING DEV CORP YUMA, AZ
04-099-0058	MWR	10-31-85	AUDIT OF FMHA OFFICE FAIRBAULT, MINNESOTA
04-099-0059	MWR	11-25-85	RRH AUDIT OF J BLAIR REARDON MANAGEMENT CO
04-099-0060	MWR	11-15-85	RRH AUDIT OF AZTEC MANAGEMENT CO
04-099-0062	MWR	02-27-86	B&I LOANS TO BELLANCA AIRCRAFT CO ALEXANDRIA, MN
04-099-0064	MWR	02-27-86	AUDIT OF COLUMBIANA COUNTY OFFICE LISBO
04-099-0065	MWR	12-27-85	AUDIT OF FMHA MARTIN COUNTY, INDIANA
04-099-0066	MWR	10-18-85	NATIONAL ISSUES CONCERNING FMHA FARM LOANS NW MINNESOTA
04-099-0067	MWR	02-27-86	SPECIAL AUDIT IMPROPER PROC RRH APPLICATIONS OHIO
04-099-0104	SWR	03-19-86	B&I LOAN LA MARINE PROTEIN INC LAFOURCHE P LA
04-099-0108	SWR	11-12-85	LABOR HOUSING LOANS ARK STATE OFFICE LITTLE ROCK, ARK
04-099-0110	SWR	11-21-85	SPECIAL AUDIT OF KINGFISHER OKLAHOMA OFFICE
04-099-0111	SWR	10-10-85	EMERGENCY LOAN DELTA COUNTY TEXAS
04-099-0116	SWR	12-27-85	B&I LOAN GULF SOUTH CATALYST SERVICE INC W BR P LA
04-099-0195	SER	12-09-85	FMHA LABOR HOUSING MISSISSIPPI
04-099-0196	SER	12-30-85	CITRUS EMERGENCY LOAN PROGRAM FLORIDA
04-099-0200	SER	12-09-85	LABOR HOUSING AUDIT FLORIDA STATE OFFICE
04-099-0201	SER	12-09-85	LABOR HOUSING AUDIT TENNESSEE STATE OFFICE
04-099-0204	SER	02-03-86	PROCESSING LOAN APPLICATIONS
04-099-0205	SER	03-04-86	PRIORITIZING & PROCESSING OF LOANS & INTEREST CREDITS
04-099-0206	SER	01-17-86	MARENGO/CHOCTAW COUNTY OFFICE LINDEN, AL
04-099-0210	SER	11-01-85	CP LOAN UNION WATER AUTHORITY EUTAW, AL
04-099-0214	SER	02-04-86	ACCOUNTABILITY FOR SECURITY PROPERTY TENNESSEE
04-099-0215	SER	02-12-86	PROCESSING LOAN APPLICATIONS SOUTH CAROLINA
04-099-0216	SER	10-22-85	ACCOUNTING FOR NO NET COST TOBACCO SOUTH CAROLINA
04-099-0217	SER	02-04-86	PROCESSING LOAN APPLICATIONS ALABAMA
04-099-0220	SER	02-04-86	ACCOUNTING FOR NO NET COST TOBACCO NORTH CAROLINA
04-099-0221	SER	12-05-85	ACCOUNTING FOR BORROWER ASSETS CAIRO, GA
04-099-0222	SER	01-10-86	NO NET COST TOBACCO ASSESSMENTS WASHINGTON, DC
04-530-0005	SER	11-05-85	SURVEY, CONCENTRATED BANKING ALABAMA STATE OFFICE
04-530-0020	FMS	10-24-85	MONITORING-FMHA'S PMS & CBRAMS
04-545-0001	FMS	10-10-85	A-76 INDEPENDENT REVIEW OF GOVERNMENT COST ESTIMATES
04-545-0004	SWR	01-09-86	LITTLE DIXIE CAA 533157338 HUGO, OKLAHOMA
04-545-0016	NER	03-11-86	AUDIT OF CONTRACTOR CLAIMS AGAINST MATEWAN WEST VIRGINIA
04-545-0017	NER	02-27-86	INCURRED COST AUDIT NCALL RESEARCH INC. DOVER, DEL
04-636-0003	SWR	02-04-86	RURAL HOUSING ACQUIRED PROPERTY AUDIT FOLLOWUP REVIEW
04-650-0001	NAR	10-24-85	SPECIAL DEBT SET-ASIDE PROGRAM SAN JUAN, PUERTO RICO
04-650-0001	GPR	11-22-85	SPECIAL SET-ASIDE PROGRAM NEBRASKA
04-650-0002	SER	03-26-86	SPECIAL DEBT SET-ASIDE FOR FARMER PROGRAM BORROWERS
04-650-0002	MWR	11-15-85	SPECIAL DEBT SET-ASIDE PROG WISCONSIN, SO AND 5 COUNTIES
04-650-0002	GPR	12-16-85	SPECIAL SET-ASIDE PROGRAM IOWA
04-650-0003	MWR	11-05-85	SPECIAL DEBT SET-ASIDE FOR FARMER PROGRAM BORROWER-IL
04-654-0001	GPR	11-15-85	SURVEY OF ACQUIRED FARM PROPERTIES IN INVENTORY IOWA

TOTAL: FMHA - FARMERS HOME ADMINISTRATION-

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AGENCY - FCIC FEDERAL CROP INSURANCE CORP			
05-099-0004	WR	11-08-85	REINSURED RAISIN LOSSES CALIFORNIA 1983 & 1984
05-099-0008	SWR	02-28-86	TRANSACTIONS WEST TEXAS COUNTY
05-099-0029	GPR	02-27-86	SURVEY OF INTERNAL CONTROLS OVER MISC PAYMENTS
05-099-0030	FMS	01-14-86	INDIVIDUAL YIELD PROGRAM
05-530-0003	FMS	03-03-86	MONITORING IMPLEMENTATION OF ACF2 BY FCIC
TOTAL: FCIC - FEDERAL CROP INSURANCE CORP			05
AGENCY - FNS FOOD AND NUTRITION SERVICE			
27-005-0001	NER	01-29-86	DONATED COMMODITIES, 4TH ST MISSION, DC
27-009-0001	SWR	12-17-85	SURVEY OF FOOD PROCESSING AGREEMENTS
27-013-0008	NAR	10-04-85	AUDIT OF THE NEW JERSEY FOOD STAMP PROGRAM
27-013-0009	NAR	11-05-85	AUDIT OF THE VERMONT FOODS STAMPS PROGRAM
27-013-0039	SWR	11-04-85	FSP ODHS FOOD STAMP RECONCILIATION OKLAHOMA CITY, OK
27-014-0023	NAR	12-06-85	AUDIT OF THE ESSEX COUNTY FOOD STAMP PROGRAM
27-018-0002	MWR	11-04-85	FSP ADMINISTRATIVE COSTS IDPA SPRINGFIELD, ILLINOIS
27-018-0003	MWR	11-01-85	FSP-JOB SEARCH AND WORKFARE ADMINISTRATIVE COSTS CGO, ILL
27-018-0004	MWR	10-30-85	IMPROPER CASH ADVANCES FOR FNS JOB SEARCH CONTRACT
27-019-0018	NAR	12-30-85	SURVEY OF CONTROL OVER MRRB
27-019-0028	SER	10-29-85	FSP INTERSTATE U/C MATCH & ST. OFF. SURVEY TALLAHASSEE
27-019-0029	NER	12-24-85	FOOD STAMP PROGRAM SURVEY MAIL ISSUANCE
27-023-0193	SER	12-02-85	AUDIT OF VOLUSIA COUNTY SCHOOL FOOD SERVICE PROGRAM
27-025-0025	SWR	03-28-86	CCFP FAMILY DAYCARE HOME OPNS LA DPT OF ED BATON ROUGE, LA
* 27-026-0035	GPR	10-21-85	CNP, NATIONAL SCHOOL LUNCH PROGRAM FNSRO ADM MO
* 27-028-0051	NAR	10-01-85	SUMMER FOOD SERVICE PROGRAM NEW YORK CITY BD OF EDUCATION
* 27-028-0052	NAR	11-06-85	AUDIT OF SFSP ASSOC YMYWHA OF GREATER NY FAR ROCKAWAY
* 27-029-0118	NER	10-01-85	HEALTH WELFARE RECREATION PLANNING COUNCIL NORFOLK, VA
* 27-029-0123	NER	11-20-85	CHILDCARE NUTRITION, INC. OAKTON, VA
* 27-029-0132	NER	11-20-85	HIGHER HORIZONS DAY CARE CENTER BAILEYS CROSSROADS, VA
* 27-029-0212	GPR	12-24-85	CCFP, FAMILY SERVICE ASSOCIATION (65367) LINCOLN, NE
* 27-029-0214	GPR	12-05-85	CCFP, HEAD START CHILD DEVEL CORP (56628) OMAHA, NE
* 27-029-0215	GPR	12-05-85	CCFP, PANHANDLE DAY CARE CENTER INC (65368) GERIING, NE
* 27-029-0216	GPR	10-03-85	CCFP, LAFERN WILLIAMS ASSOCIATES INC (59731) OMAHA, NE
* 27-029-0217	GPR	10-03-85	CCFP, OFFUTT AFB CHILD CARE CEN (61595) OFFUTT AFB, NE
* 27-029-0218	GPR	12-31-85	CCFP, TINY TOTS DAY CARE CENTER (65271) OMAHA, NE
* 27-029-0219	GPR	11-27-85	CCFP, PANHANDLE COMMUNITY SER (56630) SCOTTSBLUFF, NE
* 27-029-0220	GPR	10-03-85	CCFP, MERRY MANOR DAY CARE CENTER (57390) LINCOLN, NE
* 27-029-0221	GPR	12-05-85	CCFP, CHRIST CHILD SOCIETY OF OMAHA (57020) OMAHA, NE
* 27-029-0222	GPR	02-10-86	CCFP, WILDWOOD CHILD CARE PROGRAMS (65151) DENVER, CO
* 27-029-0224	GPR	12-31-85	CCFP, PUEBLO CNTY HEAD START (65091) PUEBLO, CO
* 27-029-0226	GPR	11-13-85	CCFP, WELD CNTY BOARD OF COMMISS. (65103) GREELEY, CO
* 27-029-0227	GPR	10-08-85	CCFP, SUPERIOR CHILD CARE SPONSORS (65221) DENVER, CO
* 27-029-0228	GPR	12-04-85	CCFP, ADAMS CNTY BD COM HSP (65003) COMMERCE CITY, CO
* 27-029-0229	GPR	12-05-85	CCFP, WARREN VILLAGE, INCORPORATED (65050) 8DENVER, CO

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AGENCY - FNS FOOD AND NUTRITION SERVICE—Continued			
* 27-029-0230	GPR	12-05-85	CCFP, CHILD DEVELOPMENT SERVICES (85378) FT CARSON, CO
* 27-029-0231	SER	02-08-88	CCFP, AUDIT OF MANNA NASHVILLE, TN
* 27-029-0231	GPR	11-15-85	CCFP, CO SPRINGS CH NSY CEN INC (85052) CO SPRINGS, CO
* 27-029-0232	GPR	10-10-85	CCFP, BISHOP HELMSING EARLY CH CARE (85189) KC, MO
* 27-029-0233	SER	02-08-88	CCFP, AUDIT OF CHILDREN'S HOME, VINE ST. CHATTANOOGA, TN
* 27-029-0233	GPR	10-21-85	CCFP, NOLAND SCHL CH DEV CENTER (85288) INDEPENDENCE, MO
* 27-029-0234	GPR	10-21-85	CCFP, ST MARKS UICS DAY CARE CENTER (57392) KC, MO
* 27-029-0235	GPR	10-08-85	CCFP, INTERFAITH COMMUNITY SVCS (57392) ST. JOSEPH, MO
* 27-029-0236	GPR	01-13-88	CCFP, NURSERY FOUND OF ST. LOUIS (53579) ST. LOUIS, MO
* 27-029-0237	SER	02-04-88	CCFP, AUDIT OF GRACE M EATON DAY HOME NASHVILLE, TN
* 27-029-0237	GPR	11-22-85	CCFP, GUARDIAN ANGEL SET ASSOC (51340) ST. LOUIS, MO
* 27-029-0238	GPR	11-19-85	CCFP, GRTR ST. LUKES MB CHURCH (61453) ST. LOUIS, MO
* 27-029-0239	GPR	10-08-85	CCFP, GEO WASH CARVER NBRHD CENTER (51415) KANSAS CITY, MO
* 27-029-0240	GPR	12-05-85	CCFP, DELLA C LAMB NBRHD HOUSE INC (51488) KC, MO
* 27-029-0241	GPR	11-22-85	CCFP, OPERATION BREAKTHROUGH INC. (53840) KC, MO
* 27-029-0242	SER	02-04-88	CCFP, AUDIT OF GALLATIN DAY HOME GALLATIN, TN
* 27-029-0242	GPR	02-07-88	CCFP, HUERFANO LAS ANIMAS CNTIES HS (85077) -TRINIDAD, CO
* 27-029-0243	GPR	02-07-88	CCFP, OTERO JR COLLEGE CH DEV SER (85084) LA JUNTA, CO
* 27-029-0244	GPR	02-10-88	CCFP, CONEJOS COSTILLA HEAD START (85032) CONEJOS, CO
* 27-029-0245	GPR	12-05-85	CCFP, CHILD OPPORTUNITY PROGRAM INC. (85037) DENVER, CO
* 27-029-0246	GPR	02-18-88	CCFP, CHILDRENS WORLD INC. (85238) ENGLEWOOD, COLORADO
* 27-029-0247	GPR	12-04-85	CCFP, BOULDER COUNTY HEAD START (85019) BOULDER, CO
* 27-029-0248	GPR	10-08-85	CCFP, CATHOLIC COMMUNITY SER (85055) CO SPRINGS, CO
* 27-029-0249	GPR	12-31-85	CCFP, PUEBLO DAY NURSERY INC. (85090) PUEBLO, COLORADO
* 27-029-0250	GPR	02-07-88	CCFP, PARENT CHILD LEARNING CENTER (85388) LA SALLE, CO
* 27-029-0251	GPR	02-07-88	CCFP, JEFFERSON COUNTY COMM CENTER (85088) LAKEWOOD, CO
* 27-029-0252	GPR	11-01-85	CCFP, UNITED DAY CARE INC. (85074) FORT COLLINS, CO
* 27-029-0253	GPR	01-14-88	CCFP, DURANGO 4C COUNCIL INC. (85069) DURANGO, CO
* 27-029-0255	GPR	02-28-88	CCFP, UPPER ARKANSAS AREA CNCL (85059) CANON CITY, CO
* 27-029-0257	GPR	12-05-85	CCFP, ALAMOSA HEAD START (85012) ALAMOSA, COLORADO
* 27-029-0258	GPR	12-24-85	CCFP, UTE MOUNTAIN UTE HEAD START (85082) TOWAOC, CO
* 27-029-0259	GPR	02-07-88	CCFP, STRAWBERRY DOOR (85370) SALIDA, CO
* 27-029-0260	GPR	01-13-88	CCFP, COMMUNITY SVCS INC OF NW MO. (58847) MARYVILLE, MO
* 27-029-0261	GPR	01-10-88	CCFP, ECONOMIC OPPORTUNITY CORP. (58810) ST JOSEPH, MO
* 27-029-0262	GPR	02-18-88	CCFP, ALLEN CHAPEL AME CHURCH (81594) KANSAS CITY, MO
* 27-029-0264	GPR	01-13-88	CCFP, SAL ARMY WESTPORT TEMPLE DCC (57118) KC, MO
* 27-029-0265	GPR	01-10-88	CCFP, ANDERSON HAYES DAY CARE CENTER (53718) COLUMBIA, MO
* 27-029-0266	GPR	02-10-88	CCFP, CENTRAL MO CNTIES HUM DC (58812) COLUMBIA, MO
* 27-029-0267	GPR	02-18-88	CCFP, COMMUNITY NURSERY SCHL INC. (51278) COLUMBIA, MO
* 27-029-0268	GPR	03-13-88	CCFP, OZARK AREA COM ACT COR HS (58855) -SPRINGFIELD, MO
* 27-029-0269	GPR	02-07-88	CCFP, SPRINGFIELD AREA CNCL CRCH (81556) -SPRINGFIELD, MO
* 27-029-0270	GPR	01-13-88	CCFP, JEFFERSON CITY DCC INC. (51432) JEFF CITY, MO
* 27-029-0271	GPR	12-31-85	CCFP, NORTHEAST MO COM ACT AGENCY (85385) KIRKSVILLE, MO
* 27-029-0272	GPR	01-13-88	CCFP, EAST MO ACTION AGENCY, (58848) FLAT RIVER, MO
* 27-029-0273	GPR	03-13-88	CCFP, ECON SECURITY CORP HEAD START (58814) JOPLIN, MO
* 27-029-0274	GPR	02-07-88	CCFP, JEFFERSON FRANKLIN CAC (58831) HILLSBORO, MO
* 27-029-0275	GPR	02-18-88	CCFP, MISSOURI OZARKS ECON OPP HS (58851) RICHLAND, MO
* 27-029-0276	GPR	01-13-88	CCFP, MO VALLEY HUMAN RES DEV CORP. (58809) CORDER, MO
* 27-029-0277	GPR	02-07-88	CCFP, SOUTH CENTRAL MISSOURI EOC (58888) WINONA, MO
* 27-029-0278	GPR	11-27-85	CCFP, OZARK ACTION INC, (58854) WEST PLAINES, MISSOURI
* 27-029-0279	GPR	01-13-88	CCFP, DOUGLASS COMMUNITY CENTER (59741) HANNIBAL, MO
* 27-029-0279	WR	03-05-88	CCFP, 1985—WA STATE MIGRANT COUNCIL SUNNYSIDE, WA
* 27-029-0280	GPR	02-10-88	CCFP, N OMAHA GENE EPPLEY BOYS CLUB (81351) -OMAHA, NE
* 27-029-0280	WR	02-19-88	CCFP, 1985—CHRISTOPHER ROBIN DCC SUNNYSIDE, WA
* 27-029-0281	GPR	03-11-88	CCFP, NAREDS PEEWEE PALACE (85294) OMAHA, NEBRASKA
* 27-029-0281	WR	02-07-88	CCFP, 1985—CHILDHAVEN SEATTLE, WA
* 27-029-0282	GPR	03-13-88	CCFP, DEES DAY CARE INC. (85141) BEATRICE, NEBRASKA
* 27-029-0282	WR	02-07-88	CCFP, 1985—RAINBOW VALLEY SCHOOL BELLEVUE, WA
* 27-029-0283	WR	02-19-88	CCFP, 1985—DAY CARE CHILDRENS FOOD PROGRAM EVERETT, WA
* 27-029-0284	WR	02-07-88	CCFP, 1985—MID-WILLAMETTE VALLEY CAA SALEM, ORE
* 27-029-0285	WR	02-07-88	CCFP, 1985—ST VINCENT DE PAUL CDC PORTLAND, ORE

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* 27-029-0286	GPR	02-10-86	CCFP, OMAHA TRIBE OF NEBRASKA, (61450) MACY, NEBRASKA
* 27-029-0286	WR	02-07-86	CCFP, 1985—CHILD CARE SUPPORT SERVICES GRESHAM, ORE
* 27-029-0287	GPR	02-10-86	CCFP, MAGIC DOOR CHILD CARE INC, (59739), OMAHA, NE
* 27-029-0287	WR	02-07-86	CCFP, 1985—COLUMBIA CO. CHILDRENS COMMISSION HELENS, OR
* 27-029-0288	WR	02-07-86	CCFP, 1985—UMPQUA COMMUNITY ACTION NETWORK ROSEBURG, OR
* 27-029-0289	WR	02-07-86	CCFP, 1985—ALBINA MINISTERIAL ALLIANCE DCH PORTLAND, ORE
* 27-029-0290	WR	02-07-86	CCFP, 1985—WEST TUALITY CHILD CARE SVC. FOREST GVE, OR
* 27-029-0291	GPR	01-10-86	CCFP, KINGDOM HOUSE DCC (53710) ST. LOUIS, MO
* 27-029-0291	WR	02-07-86	CCFP, 1985—BLUE MTN ECON. DEV. COUNCIL PENDLETON, OR
* 27-029-0292	GPR	02-10-86	CCFP, NOBA STEWART MEM NUR SCHL, (51284) COLUMBIA, MO
* 27-029-0292	WR	02-07-86	CCFP, 1985—AMERICAN RED CROSS EUGENE, OR
* 27-029-0293	WR	02-07-86	CCFP, 1985—DAYSPRING MINISTRIES PASCO, WA
* 27-029-0294	GPR	01-10-86	CCFP, GREEN HILLS AREA HEAD START (56665) TRENTON, MO
* 27-029-0294	WR	02-07-86	CCFP, 1985—COWLITZ FAMILY HEALTH CENTER LONGVIEW, WA
* 27-029-0295	GPR	12-31-85	CCFP, CARR SQUARE TENANT MGMT COR. (65376) ST LOUIS, MO
* 27-029-0295	WR	02-07-86	CCFP, 1985—ALBINA MINISTERIAL ALLIANCE, CCC PORTLAND, OR
* 27-029-0296	GPR	03-04-86	CCFP, CHILD DAY CARE ASSOCIATION (59751) ST LOUIS, MO
* 27-029-0296	WR	02-07-86	CCFP, 1985—KIDS AND KIN HEAD START EUGENE, OR
* 27-029-0297	GPR	02-10-86	CCFP, EARLY CHILD DEVELOPMENT (54496) ST. LOUIS, MO
* 27-029-0297	WR	02-07-86	CCFP, 1985—WALLA WALLA CAMP FIRE WALLA WALLA, WA
* 27-029-0298	GPR	03-13-86	CCFP, HUMAN DEVELOPMENT CORP. (56618) ST LOUIS, MO
* 27-029-0298	WR	02-07-86	CCFP, 1985—BEN FRANKLIN HEAD START RICHLAND, WA
* 27-029-0299	WR	02-02-86	CCFP, 1985—WALLA WALLA COMMUNITY HEALTH WALLA WALLA, WA
* 27-029-0300	WR	02-07-86	CCFP, 1985—NORTHWEST NUTRITION EVERETT, WA
* 27-029-0301	WR	02-07-86	CCFP, 1985—FAMILY COUNSELING SERVICE SPOKANE, WA
* 27-029-0302	WR	02-27-86	CCFP, 1985—OLYMPIC CHILDRENS FOUNDATION BREMERTON, WA
* 27-029-0303	WR	02-07-86	CCFP, 1985—GRANT CO. COMMUNITY ACTION COUNCIL MOSES, WA
* 27-029-0304	GPR	12-31-85	CCFP, ST MARTIN S CHILD CENTER (54497) KINLOCH, MO
* 27-029-0304	WR	02-07-86	CCFP, 1985—CATHOLIC CHARITIES YAKIMA, WA
* 27-029-0305	WR	02-07-86	CCFP, 1985—EDU-CARE SPOKANE, WA
* 27-029-0306	WR	02-07-86	CCFP, 1985—ESD NO 121 HEAD START SEATTLE, WA
* 27-029-0307	WR	02-07-86	CCFP, 1985—NEIGHBOR HOUSE SEATTLE, WA
* 27-029-0308	WR	02-07-86	CCFP, 1985—SUNSHINE DAY CARE TOPPENISH, WA
* 27-029-0309	GPR	02-07-86	CCFP, STELLA MARIS CHILD CENTER (51317) ST. LOUIS, MO
* 27-029-0309	WR	02-07-86	CCFP, 1985—REC. SERVICES CCC MCCHORD AFB, WA
* 27-029-0310	GPR	02-10-86	CCFP, CNSI (51371) SAINT LOUIS, MISSOURI
* 27-029-0311	GPR	02-14-86	CCFP, JEWISH COMMUNITY CENT ASSN. (51382) ST. LOUIS, MO
* 27-029-0312	GPR	01-15-86	CCFP, SOUTHSIDE DAY NURSERY, INC. (53508) ST. LOUIS, MO
* 27-029-0313	GPR	01-13-86	CCFP, HELPING HAND DAY CARE CENTER (53688) ST. LOUIS, MO
* 27-029-0313	WR	03-07-86	CCFP, 1985—HICKAM CHILD CARE CENTERS HA
* 27-029-0314	GPR	02-10-86	CCFP, NORTHWEST DCC (56920) WELLSTON, MO
* 27-029-0315	GPR	03-13-86	CCFP, JVL HOUSING CORPORATION (59729) ST. LOUIS, MO
* 27-029-0316	GPR	02-07-86	CCFP, SOULARD ASSN FOR FAM SERVICE (60565) ST. LOUIS, MO
* 27-029-0316	WR	03-18-86	CCFP, 1985—MAUI ECONOMIC OPPORTUNITY COMMISSION HA
* 27-029-0318	GPR	11-13-85	CCFP, ADAMS COUNTY COMM CENTER (65001) DENVER, COLORADO
* 27-029-0318	WR	03-18-86	CCFP, 1985—PATCH HA
* 27-029-0319	GPR	02-07-86	CCFP, ALL SAINTS EPISCOPAL CHURCH (65033) DENVER, CO
* 27-029-0320	GPR	03-12-86	CCFP, CHILDREN'S ENRICHMENT, INC. (65206) DENVER, CO
* 27-029-0321	GPR	02-18-86	CCFP, HARRISON STREET DC, INC. (65301) DENVER, COLORADO
* 27-029-0322	GPR	03-13-86	CCFP, CHILD GUIDANCE CENTER (65303) DENVER, COLORADO
* 27-029-0323	GPR	11-13-85	CCFP, BOULDER DAY NURSERY ASSN. (65020) BOULDER, CO
* 27-029-0324	GPR	02-18-86	CCFP, LOVELAND DAY CARE CENTER (65072) LOVELAND, CO
* 27-029-0457	NAR	10-17-85	ROOMS AND SETTLEMENT BROOKLYN, NEW YORK
* 27-029-0489	NAR	02-24-86	CCFP, THE NEW YORK FOUNDLING HOSPITAL
* 27-029-0494	NAR	01-22-86	CCFP, UTOPIA CHILDREN CENTER
* 27-029-0497	NAR	02-24-86	CCFP, CHAM MORNINGSIDE CC
* 27-029-0498	NAR	02-20-86	CCFP, UNION SETTLEMENT ASSOCIATION DC
* 27-029-0508	NAR	02-24-86	CCFP, EAST HARLEM NURSERY INC
* 27-029-0509	NAR	01-22-86	CCFP, EAST RIVER CHILDREN CENTER
* 27-029-0510	NAR	02-21-86	CCFP, EAST HARLEM COUNCIL FOR HUMAN SERVICES
* 27-029-0511	NAR	02-24-86	CCFP, LEXINGTON CHILDREN CENTER
* 27-029-0512	NAR	02-11-86	CCFP, MORNINGSIDE COMM CENTER-MORNINGSIDE HEADSTART -1

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* 27-029-0513	NAR	03-14-86	CCFP, DEWITT REFORMED CHURCH
* 27-029-0514	NAR	03-17-86	CCFP, CONCILIO PUERTORRIQUENO DCC
* 27-029-0515	NAR	03-14-86	CCFP, EDUCATIONAL ALLIANCE INC. CHILD CARE AND HEADSTART
* 27-029-0519	NAR	03-13-86	CCFP, HENRY STREET SETTLEMENT DCC
* 27-029-0520	NAR	03-14-86	CCFP, GRAND STREET SETTLEMENT INC.
* 27-029-0521	NAR	03-31-86	CCFP, CHINATOWN DCC
* 27-029-0522	NAR	03-31-86	CCFP, ACTION FOR PROGRESS INC.
* 27-029-0523	NAR	01-23-86	CCFP, FRANK D WHALEN CC
* 27-029-0524	NAR	01-23-86	CCFP, WEST SIDE DAY NURSERY INC.
* 27-029-0525	NAR	01-23-86	CCFP, EMBASSY DCC
* 27-029-0526	NAR	12-06-85	CCFP, ARCHDIOCESE NY HEADSTART PROGRAM
* 27-029-0527	NAR	01-23-86	CCFP, SHARON BAPTIST HEADSTART
* 27-029-0528	NAR	01-23-86	CCFP, ANNA LEFROUITZ DCC
* 27-029-0529	NAR	12-17-85	CCFP, TRABAJAMOS COMMUNITY HEADSTART INC.
* 27-029-0530	NAR	10-31-85	CCFP, BETRANCES EARLY CHILDHOOD DEVELOPMENT CENTER
* 27-029-0531	NAR	01-23-86	CCFP, CARDINAL MCCLOSKEY CHILDREN'S AND FAMILY SERVICES
* 27-029-0532	NAR	01-23-86	CCFP, UNITED BRONX PARENTS
* 27-029-0533	NAR	01-13-86	CCFP, THE HUMAN RESOURCES CENTER OF ST. ALBANS INC.
* 27-029-0534	NAR	02-24-86	CCFP, SOUTH JAMAICA CTR FOR CHILDREN & PARENTS
* 27-029-0535	NAR	01-08-86	CCFP, JAMAICA DAY NURSERY INC.
* 27-029-0536	NAR	02-24-86	CCFP, JAMAICA DAY NURSERY INC., JAMAICA FAMILY DCC
* 27-029-0537	NAR	03-13-86	CCFP, JAMAICA CHILD CARE CENTER INC
* 27-029-0538	NAR	01-08-86	CCFP, MALCOLM X DCC AND FAMILY DCC
* 27-029-0539	NAR	02-24-86	CCFP, COMMITTEE FOR EARLY CHILDHOOD DEVELOPMENT DCC INC.
* 27-029-0540	NAR	02-12-86	CCFP, THE LEAGUE FOR BETTER COMMUNITY LIFE INC.
* 27-029-0541	NAR	02-12-86	CCFP, CLIFFORD GLOVER DCC INC., STARLIGHT DCC
* 27-029-0542	NAR	02-12-86	CCFP, CONCERNED PARENTS OF JAMAICA
* 27-029-0543	NAR	03-17-86	CCFP, 198 ALBANY AVE DCC INC.
* 27-029-0544	NAR	01-22-86	CCFP, ST JOHNS DCC
* 27-029-0545	NAR	02-11-86	CCFP, UNITED INTERFAITH ACTION COUNCIL
* 27-029-0546	NAR	03-21-86	FORT GREEN SENIOR CITIZENS COUNCIL
* 27-029-0547	NAR	01-22-86	CCFP, OHEL SARAH DCC INC.
* 27-029-0548	NAR	02-24-86	CCFP, JOHN EDWARDS BRUCE DCC
* 27-029-0549	NAR	01-22-86	CCFP, SALVATION ARMY SUTTER
* 27-029-0550	NAR	01-08-86	CCFP, BETHEL WEEKSVILLE CDC
* 27-029-0551	NAR	02-12-86	CCFP, UNITED TALMUDICAL ACADEMY
* 27-029-0552	NAR	03-24-86	CCFP, FRIENDS OF CROWN HEIGHTS DCC
* 27-029-0553	NAR	01-08-86	CCFP, EAST BRONX CHAPTER OF NAACP DCC FAMILY, DC CLUSTER
* 27-029-0554	NAR	01-22-86	CCFP, SUSAN E WAGNER DCC
* 27-029-0555	NAR	12-10-85	CCFP, UPPER BRONX NAPRA INC., BATHGATE DCC
* 27-029-0556	NAR	12-02-85	CCFP, PAMELA C TORRES DCC INC.
* 27-029-0557	NAR	01-22-86	CCFP, FRIENDSHIP COMMUNITY CHURCH
* 27-029-0558	NAR	12-02-85	CCFP, EAST TREMONT HS ALUMNI DAY CARE CENTER INC.
* 27-029-0559	NAR	03-11-86	CCFP, TREMONT LEARNING CENTER
* 27-029-0560	NAR	01-22-86	CCFP, TREMONT MONTEREY DCC
* 27-029-0561	NAR	02-11-86	CCFP, NORTH BRONX NATIONAL COUNCIL OF NEGRO WOMEN
* 27-029-0562	NAR	01-22-86	CCFP, ANDREWS DAY CARE CENTER
* 27-029-0563	NAR	01-28-86	CCFP, BUSHWICK UNITED HEADSTART
* 27-029-0564	NAR	12-02-85	CCFP, SALVATION ARMY BUSHWICK DCC
* 27-029-0565	NAR	01-28-86	CCFP, 200 CENTRAL AVE DAY CARE
* 27-029-0566	NAR	02-11-86	CCFP, BEDFORD STUYVESANT EARLY CHILDHOOD DEV CENTER
* 27-029-0567	NAR	01-13-86	CCFP, EMANUEL PROGRESSIVE CHILD DEV CENTER INC.
* 27-029-0568	NAR	02-25-86	CCFP, WIL LO HAVEN DAY CARE CENTER
* 27-029-0569	NAR	12-02-85	CCFP, ROUND TABLE CHILD CARE CENTER
* 27-029-0570	NAR	01-28-86	CCFP, PUTNAM DCC
* 27-029-0571	NAR	01-13-86	CCFP, CORNERSTONE DC INC.
* 27-029-0574	NAR	02-25-86	CCFP, CONGREGATION BETH ELISHAMA DAVID
* 27-029-0575	NAR	02-24-86	CCFP, BROOM COUNTY CHILD DEV.
* 27-029-0576	NAR	01-08-86	CCFP, SCEOP INC. HEAD START
* 27-029-0577	NAR	02-24-86	CCFP, TOMPKINS COUNTY HEAD START
* 27-029-0578	NAR	02-24-86	CCFP, ECONOMIC OPPOR INC. CHEMUNG COUNTY FDC
* 27-029-0579	NAR	01-08-86	CCFP, WAYNE COUNTY ACTION PROGRAM INC.

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• 27-029-0580	NAR	02-21-88	CCFP, ECONOMIC OPORTUNITY COUNCIL OF SUFFOLK COUNTY
• 27-029-0581	NAR	02-24-88	CCFP, WHISPERING WONDER PRE SCHOOL
• 27-029-0582	NAR	02-24-88	CCFP, GLASP
• 27-029-0583	NAR	02-24-88	CCFP, HI-HELLO CHILD CARE CENTER
• 27-029-0584	NAR	02-24-88	CCFP, GLEN COVE CHILD DC HEAD START INC.
• 27-029-0585	NAR	02-12-88	COUNCIL OF JEWISH ORGANIZATION COJO HEADSTART
• 27-029-0586	NAR	01-08-88	CCFP, DAY CARE COUNCIL OF NASSAU COUNTY INC.
• 27-029-0587	NAR	02-24-88	CCFP, NASSAU COUNCIL OF BLACK CLERGY
• 27-029-0588	NAR	02-24-88	CCFP, CHILD CARE COUNCIL OF SUFFOLK
• 27-029-0589	NAR	02-24-88	CCFP, BAYSHORE DAY CARE CENTER
• 27-029-0590	NAR	01-13-88	CCFP, WYANDANCH DCC INC.
• 27-029-0591	NAR	03-21-88	THE ELIM GOSPEL TABERNACLE QUINCY, LEX OPEN DOOR CC
• 27-029-0593	NAR	02-24-88	CCFP, BLANCHE COMMUNITY PROGRESS
• 27-029-0594	NAR	12-17-85	CCFP, ASTORIA CHILD CARE CENTER
• 27-029-0596	NAR	01-17-88	CCFP, ORLEANS COMM ACTION HEAD START PROGRAM
• 27-029-0597	NAR	01-28-88	CCFP, BOCKPORT CHILD DCC
• 27-029-0598	NAR	01-13-88	CCFP, BADEN STREET SETTLEMENT
• 27-029-0599	NAR	02-11-88	CCFP, LEWIS STREET CENTER INC.
• 27-029-0600	NAR	02-12-88	CCFP, EDGERTON DCC
• 27-029-0602	NAR	02-21-88	CCFP, EASTSIDE COMM OF ROCHESTER INC.
• 27-029-0603	NAR	01-08-88	CCFP, DOWNTOWN CHURCH DCC
• 27-029-0604	NAR	02-28-88	CCFP, ROCHESTER CHILDREN NURSERY
• 27-029-0605	NAR	03-28-88	CCFP, COMMUNITY CHILD CARE CENTER
• 27-029-0608	NAR	02-12-88	CCFP, PILGRIM COVENANT CHURCH
• 27-029-0610	NAR	02-20-88	CCFP TRUE LIGHT HERALD DCC
• 27-029-0615	NAR	03-14-88	CCFP ONEIDA COUNTY COMMUNITY ACTION INC
• 27-029-0621	NAR	03-31-88	CCFP TALBOT PERKINS CHILDRENS SERVICES
• 27-029-0622	NAR	03-14-88	THROGS NECK CHILD CARE CENTER
• 27-029-0624	NAR	03-28-88	CCFP, HISPANOS UNIDOS DAY CARE CENTER
• 27-029-0625	NAR	03-14-88	CCFP, VIRGINIA DAY NURSERY INC.
• 27-029-0626	NAR	03-13-88	CCFP, LA HERMOSA DCC INC.
• 27-029-0627	NAR	03-28-88	CCFP, OLD 80TH PRECINCT COMMUNITY COUNCIL, ST MARKS DAY CC
• 27-029-0631	NAR	03-14-88	CCFP, ESCUELA HISPANA MOTESSORI
• 27-029-0633	NAR	03-14-88	CCFP, MFY GROUP CHILD CARE INC.
• 27-029-0634	NAR	03-13-88	CCFP, PUERTORICAN ASSOCIATION FOR COMM AFFAIRS
• 27-029-0635	NAR	03-11-88	CCFP, HOLY CROSS HEAD START PROGRAM
• 27-029-0636	NAR	03-17-88	CCFP, NIAGARA COUNTY YOUTH BUREAU
• 27-029-0637	NAR	03-17-88	CCFP, LONGVIEW NIAGARA DAY CARE
• 27-029-0638	NAR	02-28-88	CCFP, CATHOLIC CHARITIES OF BUFFALO, NY
• 27-029-0639	NAR	03-24-88	CCFP, COMMUNITY ACTION ORGANIZATION OF ERIE
• 27-029-0641	NAR	03-11-88	CCFP, ST. AUGUSTINE'S CENTER AFRICAN CHILD & FAMILY
• 27-029-0642	NAR	02-12-88	CCFP, TINY TOT'S DAY CARE CENTER
• 27-029-0644	NAR	01-22-88	CCFP, ST. JOSEPH CHILDREN SERVICES FDC
• 27-029-0645	NAR	03-21-88	CCFP, ASSOCIATION OF BLACK SOCIAL WORKERS
• 27-029-0646	NAR	03-17-88	CCFP, CHILD DEVELOPMENT SUPPORT CORPORATION
• 27-029-0647	NAR	01-08-88	CCFP, FENNEL DAY CARE CENTER
• 27-029-0648	NAR	01-22-88	CCFP, LEADERSHIP COUNCIL OF OPEN
• 27-029-0649	NAR	03-21-88	CCFP, URBAN STRATEGIES HS
• 27-029-0650	NAR	03-24-88	CCFP, ALIANZA DE DAMAS
• 27-029-0651	NAR	03-25-88	CCFP, JULES D MICHEALS DAY CARE CENTER
• 27-029-0652	NAR	03-11-88	CCFP, CATHOLIC GUARDIAN SOCIETY FDC
• 27-029-0653	NAR	02-28-88	CCFP, LEARNERS HAVEN DCC
• 27-029-0654	NAR	01-22-88	CCFP, BILLY MARTIN CHILD DEVELOPMENT
• 27-029-0655	NAR	02-21-88	CCFP, KENWOOD DCC
• 27-029-0657	NAR	03-11-88	CCFP, MATERSON CHILD DEVELOPMENT CENTER
• 27-029-0658	NAR	01-22-88	CCFP, ALBANY COUNTY DEPT OF SOCIAL SERVICES
• 27-029-0659	NAR	02-24-88	CCFP, SCHENECTADY COMMUNITY ACTION PROGRAM
• 27-029-0660	NAR	03-11-88	CCFP, CHRIST CHURCH DAY CARE CENTER
• 27-029-0661	NAR	12-02-85	CCFP, WASHINGTON COUNTY ECONOMIC OPPORTUNITY COUNCIL
• 27-029-0662	NAR	01-08-88	CCFP, WARREN HAMILTON CDS ACED INC.
• 27-029-0663	NAR	03-11-88	CCFP, WARREN COUNTY DEPT OF SOCIAL SERVICES FDC

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* 27-029-0664	NAR	01-08-86	CCFP, COMMITTEE FOR ECONOMIC IMPROVEMENT
* 27-029-0665	NAR	03-11-86	CCFP, COMMISSION ON ECONOMIC IMPROVEMENT OF ESSEX COUNTY
* 27-029-0666	NAR	12-02-85	CCFP, SETON DAY NURSERY
* 27-029-0667	NAR	02-21-86	CCFP, JOINT COUNCIL ECONOMIC OPPORTUNITY OF PLATTSBURG
* 27-029-0669	NAR	02-24-86	CCFP, GAN DAY CARE CENTER
* 27-029-0670	NAR	03-11-86	CCFP, THE MIRACLE MAKERS INC.
* 27-029-0673	NAR	03-11-86	CCFP, BUILDERS FOR THE FAMILY AND YOUTH DIOCESE
* 27-029-0676	NAR	02-11-86	CCFP, SALVATION ARMY DCC
* 27-029-0677	NAR	03-11-86	CCFP, PEACE INC.
* 27-029-0680	NAR	02-11-86	CCFP, STATEN ISLAND MENTAL HEALTH SOCIETY
* 27-029-0681	NAR	02-11-86	CCFP, SOCIETY FOR SEAMENS CHILDREN
* 27-029-0682	NAR	02-11-86	CCFP, STATEN ISLAND CC ASSOC INC.
* 27-029-0683	NAR	02-11-86	CCFP, SILVER LAKE TEACHER MOTHERS ORGANIZATION
* 27-029-0684	NAR	03-11-86	CCFP, STATEN ISLAND CHILDRENS CNCL
* 27-029-0688	NAR	03-11-86	CCFP, CHILDRENS CIRCLE PLANNING CORP.
* 27-029-0689	NAR	02-24-86	CCFP, VICTOR DAY CARE INC.
* 27-029-0691	NAR	02-24-86	CCFP, LA PENINSULA COMMUNITY ORGANIZATION INC.
* 27-029-0693	NAR	02-11-86	CCFP, FUND FOR SUNSHINE NURSERY SCHOOL
* 27-029-0694	NAR	03-11-86	CCFP, BRONX RIVER NEIGHBORHOOD INC.
* 27-029-0695	NAR	03-11-86	CCFP, KIRYAS JOEL HEAD START PROGRAM
* 27-029-0696	NAR	02-20-86	CCFP, INTERCOMPANY RELATIONS COUNCIL
* 27-029-0697	NAR	03-11-86	CCFP, NEWBURGH COMMUNITY ACTION
* 27-029-0698	NAR	03-11-86	CCFP, ASTOR HOME FOR CHILDREN
* 27-029-0699	NAR	03-26-86	CCFP, SULLIVAN COUNTY COMMUNITY ACTION
* 27-029-0701	NAR	01-23-86	CCFP, MOUNT VERNON DCC
* 27-029-0702	NAR	02-20-86	CCFP, WHITE PLAINS CHILD DAY CARE ASSN.
* 27-029-0703	NAR	02-24-86	CCFP, WESTCHESTER COMMUNITY OPPORTUNITIES
* 27-029-0704	NAR	01-08-86	CCFP, DAY CARE COUNCIL OF WESTCHESTER
* 27-029-0705	NAR	02-11-86	CCFP, UNION CHILD DAY CARE
* 27-029-0706	NAR	01-23-86	CCFP, ST. PETER'S SOUTH PRESBYTERIAN
* 27-029-0707	NAR	01-23-86	CCFP, QUEENS DAUGHTERS DCC
* 27-029-0709	NAR	02-28-86	CCFP, MARTIN LUTHER KING CHILD DEVELOPMENT CENTER
* 27-029-0711	NAR	12-10-85	CCFP, SEVENTH AVENUE MEMMONITE CHURCH
* 27-029-0712	NAR	01-23-86	CCFP, SHELTERING ARMS CHILDREN FAMILY AND SERVICES
* 27-029-0713	NAR	02-20-86	CCFP, CHILDRENS HOPE IN LEARNING DEVELOPMENT HS
* 27-029-0716	NAR	02-12-86	CCFP, ORIGINALS OF JAMAICA DAY CARE INC.
* 27-029-0717	NAR	01-08-86	CCFP, ST. MARGARET EPISCOPAL CHURCH
* 27-029-0718	NAR	12-02-85	CCFP, EAST TREMONT CC DEVELOPMENT
* 27-029-0719	NAR	02-24-86	CCFP, BROOKLYN KINDERGARTEN SOCIETY
* 27-029-0720	NAR	02-11-86	CCFP, WILLIAMSBURG Y HEAD START
* 27-029-0721	NAR	02-24-86	CCFP, COMMUNITY AND PARENTS FOR CHILD WELFARE INC.
* 27-029-0723	NAR	02-24-86	CCFP, UNITED COMMUNITY DAY CARE CENTER INC.
* 27-029-0725	NAR	03-11-86	CCFP, HOWARD O. WALKER DAY CARE CENTER
* 27-029-0726	NAR	03-11-86	CCFP, AGUADILLA DAY CARE CENTER
* 27-029-0727	NAR	03-11-86	CCFP, SPRING CREEK EARLY CHILDHOOD CENTER
* 27-029-0728	NAR	03-11-86	CCFP, MISSION FOR TODAY HOLY TABERNACLE WORK CYC
* 27-029-0729	NAR	03-11-86	CCFP, BOULEVARD NURSERY SCHOOL
* 27-029-0730	NAR	03-17-86	CCFP, EAST NEW YORK DAY CARE SOCIETY INC.
* 27-029-0731	NAR	03-11-86	CCFP, UNITED COMMUNITY OF WILLIAMSBURG DAY CARE CENTER
* 27-029-0732	NAR	03-14-86	CCFP, EAST NEW YORK FAMILY DAY CARE PROCESSING CENTER INC
* 27-029-0733	NAR	02-11-86	CCFP, COMMUNITY REDEMPTION FDN INC., GEORGIA LIVONIA DC
* 27-029-0734	NAR	03-14-86	CCFP, UNITED PARENTS COMMUNITY CORP., NEW LOTS SCHENICK DCC
* 27-029-0735	NAR	01-22-86	CCFP, BNOS YERUSHALAYIM HEADSTART
* 27-029-0736	NAR	01-22-86	CCFP, SALVATION ARMY BROWNSVILLE FAMILY DAY CARE CENTER
* 27-029-0737	NAR	03-14-86	CCFP, SALVATION ARMY BROWNSVILLE DAY CARE CENTER
* 27-029-0738	NAR	02-24-86	CCFP, UNITED TALMUDICAL ACADEMY OF BORO PARK
* 27-029-0739	NAR	03-24-86	CCFP, ASTORIA LONG ISLAND CITY NAACP FAMILY CHILD FUND
* 27-029-0740	NAR	03-13-86	CCFP, NEW YORK CITY HOUSING AUTHORITY
* 27-029-0741	NAR	03-24-86	CCFP, WESTERN QUEENS NURSERY SCHOOL INC.
* 27-029-0742	NAR	02-11-86	CCFP, ROCKAWAY COMMUNITY CORPORATION HEADSTART CENTER
* 27-029-0743	NAR	03-24-86	CCFP, ECONOMIC OPPORTUNITY OF NASSAU COUNTY COMMUNITY

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AGENCY - FNS FOOD AND NUTRITION SERVICE—Continued			
* 27-029-0744	NAR	03-24-86	CCFP, QUEENS COUNTY EDUCATORS TOMORROW
* 27-029-0745	NAR	03-24-86	CCFP, BETHEL BAPTIST DCC
* 27-029-0746	NAR	03-24-86	CCFP, LAURELTON SPRINGFIELD COMMUNITY CDD
* 27-029-0747	NAR	03-24-86	CCFP, AFRO AMERICAN PARENTS DAY CARE CENTER
* 27-029-0748	NAR	03-24-86	CCFP, JAMAICA NAACP DAY CARE CENTER
* 27-029-0749	NAR	02-24-86	CCFP, ST MARKS FSC HEADSTART
* 27-029-0750	NAR	03-11-86	CCFP, NUESTROS NINOS DAY CARE CENTER INC.
* 27-029-0751	NAR	03-11-86	CONSELYEA STREET BLOCK ASSOCIATION, INC., SW-DCC
* 27-029-0752	NAR	02-20-86	CCFP, SALVATION ARMY FIESTA DAY CARE CENTER
* 27-029-0753	NAR	03-11-86	CCFP, AMERICAN ITALIAN COALITION OF ORGANIZATIONS INC
* 27-029-0754	NAR	03-11-86	CCFP, COMMUNITY PARENTS HEADSTART
* 27-029-0755	NAR	03-11-86	CCFP, SHIRLEY CHISHOLM DAY CARE CENTER
* 27-029-0756	NAR	02-20-86	CCFP, ADVENT COMMUNITY SERVICES DAY CARE CENTER
* 27-029-0757	NAR	02-24-86	CCFP, BROOKLYN NATIONAL COUNCIL OF JEWISH WOMEN
* 27-029-0758	NAR	03-11-86	CCFP, IRVING PLACE CHILD DEVELOPMENT CENTER
* 27-029-0764	NAR	03-27-86	CCFP, HIGHBRIDGE ADVISORY COUNCIL DAY CARE CENTER AND FDCC
* 27-029-0765	NAR	03-21-86	CCFP, GRAMERCY BOYS CLUB DAY CARE CENTER
* 27-029-0766	NAR	03-27-86	CCFP, SEABURY DAY CARE CENTER
* 27-029-0767	NAR	03-11-86	CCFP, SOUTHEAST BRONX NEIGHBORHOOD
* 27-029-0768	NAR	03-11-86	CCFP, CONCOURSE DAY CARE CENTER INC.
* 27-029-0774	NAR	02-12-86	EDGERTON DAY CARE SATELLITE
* 27-029-0776	NAR	01-08-86	CCFP, OUR LADY OF PEACE DAY CARE CENTER
* 27-029-0777	NAR	03-17-86	CCFP, MOSDOTH DAY CARE CENTER
* 27-029-0778	NAR	02-24-86	CCFP, CONEY CDC
* 27-029-0779	NAR	03-17-86	CCFP, FIVE BLOCK DAY CARE CENTER
* 27-029-0780	NAR	03-17-86	CCFP, HUNTS POINT MULTI-SERVICE FAMILY DAY CARE
* 27-029-0782	NAR	03-25-86	CCFP, CRAWFORD COMMUNITY DAY CARE CENTER
* 27-029-0783	NAR	03-24-86	CCFP, QUICK START
* 27-029-0784	NAR	03-24-86	CCFP, SHELDON R. WEAVER DAY CARE CENTER
* 27-029-0785	NAR	03-24-86	CCFP, SALVATION ARMY INC., RICH/EDGEWOOD DAY CARE CENTER
* 27-029-0786	NAR	03-24-86	CCFP, EAST BROOKLYN DAY CARE CENTER, INC.
* 27-029-0787	NAR	03-24-86	CCFP, RECREATION ROOMS SETTLEMENT
27-031-0007	NAR	11-13-85	AUDIT OF CONNECTICUT WIC PROGRAM HARTFORD, CT
27-031-0014	MWR	12-23-85	SPEC. SUPPLEMENTAL FOOD PROGRAM WIC STATE AGENCY, COLUMBU
* 27-031-0018	NER	01-17-86	DEL. DEPT OF HEALTH AND SOCIAL SERVICES
* 27-031-0037	SWR	01-24-86	NEW MEXICO WOMEN INFANTS AND CHILDREN PROGRAM
* 27-033-0001	SER	10-21-85	COMMODITY SUPPLEMENTAL FOOD PROGRAM NASHVILLE, TN
27-097-0002	SER	12-05-85	COST CONTAINMENT, INC. RALEIGH, NC.
27-099-0028	SWR	01-23-86	CCFP, FDCH OPNS QUAD AREA COM ACT AGENCY HAMMOND, LA
27-099-0029	SWR	10-07-85	CCFP, FDCH OPNS LA HOUSING ASST. CORP. ALEXANDRIA, LA
27-099-0031	SWR	10-09-85	CCFP, FDCH OPNS CENLA COMM ACT AG ALEX, LA
27-099-0044	SER	12-16-85	OIC COLUMBIA, SC
27-099-0072	MWR	02-12-86	AUDIT OF CHI CHI FOODS LTD ELK GROVE, ILLINOIS
27-541-0002	NAR	10-16-85	FSP EPFT SYSTEM NEW YORK, NY
27-541-0002	NER	01-09-86	ELECTRONIC BENEFITS TRANS DEMO PROJECT READING, PA
27-541-0006	SWR	03-06-86	NONFEDERAL ADP PROCUREMENT AND SYS MONITORING DALLAS, TX
27-545-0006	MWR	02-27-86	AUDIT OF JOB SEARCH CONTRACT OHIO DEPT OF HUM SVS
27-545-0013	SER	11-08-85	SFSP AUDIT OF METRO GOVERNMENT OF NASHVILLE AND DAVIDSON CO.
27-545-0028	NAR	10-09-85	CONTRACT AUDIT FSP POLICY STUDIES ABT ASSOCIATES
* 27-545-0036	NER	10-01-85	PRAWARD AUDIT-THE URBAN INST., WASHINGTON, DC
* 27-545-0037	NER	02-11-86	INTERIM INCURRED COST AUDIT-PRC GOVT INFO SYS. MCLEAN, VA
* 27-545-0039	NER	02-21-86	PRAWARD AUDIT ABEL, DAFT, AND EARLEY, INC. DC
27-649-0001	MWR	10-30-85	FSP REDEMPTION CENTER OPERATIONS
27-650-0001	MWR	03-13-86	FSP FNSRO MWR QC ERROR RATE REDUCTION SYSTEM

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AGENCY - FNS FOOD AND NUTRITION SERVICE—Continued				
27-854-0001	NER	02-27-86	AUDIT SECURITY ACCOUNTABILITY OVER FS PRINTING	
27-855-0001	SER	03-19-86	FOOD STAMP WAGE MATCHING SOUTHEAST FNS REGIONAL OFFICE	
27-858-0002	MWR	11-19-85	CHILD CARE FOOD PROGRAM ACD LANSING, MICHIGAN	
27-858-0004	MWR	11-08-85	CHILD CARE FOOD PROGRAM, SLEEPY HOLLOW DETROIT, MI	
TOTAL: FNS - FOOD AND NUTRITION SERVICE				- 400
AGENCY - FSIS FOOD SAFETY AND INSPECTION SERVICE				
* 38-092-0018	NER	03-10-86	MARYLAND INDIRECT COSTS RATES	
TOTAL: FSIS - FOOD SAFETY AND INSPECTION SERVICE				- 01
AGENCY - FS FOREST SERVICE				
08-099-0002	FMS	01-22-86	TIMBER SALE ACCOUNTING SYSTEMS INTERNAL CONTROLS	
08-099-0005	FMS	03-12-86	TIMBER SALE ACCOUNTING SYSTEMS-INTERNAL CONTROLS-FCCC REVIEW	
08-099-0012	SER	12-16-85	REGION 8 CONTROL OVER DISBURSEMENTS AND RECEIPTS	
08-099-0083	WR	10-31-85	CONCESSIONAIRE FEE MAMMOTH MT SKI AREA INYO NF	
08-099-0086	WR	11-20-85	CONTROLS OVER RECEIPTS AND DISBURSEMENTS IN REGION 8-1985	
08-099-0088	WR	02-03-86	WINTER SPORTS GRATUITY POLICY NATIONWIDE	
08-099-0089	WR	02-20-86	IMPLEMENTATION OF TIMBER BUYOUT PROVISIONS	
* 08-545-0020	WR	01-30-86	AUDIT OF TERM FOR CONVENIENCE CLAIM-ELLIS LOOKOUT WASH	
* 08-545-0021	WR	11-05-85	AUDIT OF EQUITABLE ADJUSTMENT CLAIM-CANYON CR RD MT BAKER	
08-827-0002	WR	01-24-86	TIMBER SALES MANAGEMENT NATIONWIDE AUDIT	
08-827-0003	WR	01-24-86	TRANSACTION EVIDENCE APPRAISALS	
08-830-0001	WR	02-24-86	PLANNING AND ALLOCATION OF KV FUNDS IN REGION 8	
TOTAL: FS - FOREST SERVICE				- 12
AGENCY - OFM OFFICE OF FINANCE AND MANAGEMENT				
* 43-545-0003	NER	10-01-85	INCURRED COST-ACUMENICS RESEARCH & TECH. FAIRFAX, VA	
* 43-545-0004	NER	12-13-85	DIRECT COST AUDIT MACRO SYSTEMS INC. SILVER SPRINGS, MD	
TOTAL: OFM - OFFICE OF FINANCE AND MANAGEMENT				- 02
AGENCY - OO OFFICE OF OPERATIONS				
23-801-0001	FMS	12-11-85	USE OF SBA SECTION 8A PROGRAM ON THE MAJOR DASD PROCUREMENT	
TOTAL: OO - OFFICE OF OPERATIONS				- 01

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AGENCY - SEA SCIENCE AND EDUCATION ADMINISTRATION			
40-099-0003	NER	01-30-86	ARS COOPERATIVE AGREEMENT, HOWARD UNIV. DC
* 40-545-0034	NER	10-01-85	PREAWARD AUDIT-BENDIX FIELD ENGINEERING CORP. COLUMBIA, MD
* 40-545-0035	NER	12-27-85	PREAWARD AUDIT-UPDATE, INC. BELTSVILLE, MD
* 40-545-0036	NER	11-07-85	PREAWARD AUDIT-EG&G WASHINGTON ANALYTICAL SERVICES,
* 40-545-0037	NER	10-29-85	PREAWARD AUDIT-BENDIX FE CORP. COLUMBIA, MD
* 40-545-0038	NER	10-31-85	PREAWARD AUDIT-PROGRAM RESOURCES, INC. ANNAPOLIS, MD
TOTAL: SEA - SCIENCE AND EDUCATION ADMINISTRATION			06
AGENCY - SCS SOIL CONSERVATION SERVICE			
10-545-0019	NER	12-27-85	CONT. CLAIM-ALLEGHENY MTN CONST. CO. INC. GALETON, PA
* 10-545-0020	NER	10-01-85	PREAWARD AUDIT GEO-CON, INC. PITTSBURG, PA
10-610-0002	SER	03-06-86	STATE OFFICE SITE PREPARATION FOCAS
TOTAL: SCS - SOIL CONSERVATION SERVICE			03
AGENCY - MULT MULTI-AGENCY/DIVISION CODE			
50-010-0001	NER	10-01-85	DEBT MGMT & COLLECTION ACTIVITIES OF SELECTED AGENCIES
50-099-0001	NAR	10-09-85	VERIFICATION OF COLLATERAL PROPERTY ASCS AND FMHA ME SO
50-099-0009	SER	12-28-85	ASCs AND FMHA ACCOUNTABILITY FOR SECURITY PROPERTY
50-099-0026	NER	10-01-85	AUDIT, USDA GRADUATE SCHOOL SPECIAL REQUEST
50-099-0029	NER	10-01-85	SURVEY OF DEPARTMENTAL AND AGENCY'S FORMS PROGRAMS
50-099-0032	FMS	02-12-86	CENTRAL ACCOUNTING SYSTEM NEW ORLEANS, LA
50-545-0004	NER	02-21-86	INCURRED COSTS PEACE CORPS AGREEMENTS, USDA GRAD SCHOOL DC
50-560-0002	NAR	12-10-85	PUERTO RICO RECREATIONAL DEVELOPMENT CO. SB1P51-00486-01
50-560-0010	MWR	11-25-85	A-102 ATT P AUDIT OF THE OHIO DEPT. OF AGRICULTURE
50-560-0015	NER	12-24-85	PA A102 PUBLIC UTILITY COMMISSION
50-560-0018	NER	10-01-85	PA A102 COMMISSION ON CRIME
50-560-0019	NER	11-21-85	W. VA DEPT OF AGRICULTURE A:102P FY ENDED 6/30/84
50-560-0019	GPR	01-10-86	A-102, COLORADO DEPT. OF SOCIAL SERVICES (FY84)—DENVER, CO
50-560-0020	NER	02-04-86	MD102P KENT CO. COMMISSIONERS YEAR ENDED 6/30/85
50-560-0020	SER	10-15-85	A-102 ATT P AUDIT OF FLORIDA DEPT OF AGRICULTURE
50-560-0021	NER	10-01-85	PA A102P PA DEPT OF AGRICULTURE, 7/1/81-6/30/83
50-560-0021	SER	02-03-86	A-102, ATT P AUDIT OF MS DEPT OF AGRICULTURE AND COMMERCE
50-560-0022	NER	10-01-85	PA A102P PA DEPT COMMUNITY AFFAIRS, 7/81-6/83
50-560-0023	NER	10-04-85	PA A102P DEPT OF AGING, 7/1/81-6/30/83
50-560-0023	SWR	10-08-85	A-102 ATT P DEPT OF HUMAN SERVICE-SERVICES FOR THE BLIND
50-560-0024	SWR	01-22-86	A-102 ATT P OKLAHOMA STATE DEPT OF AGRICULTURE
50-560-0025	NER	12-11-85	PA A102P DEPT OF TRANSPORTATION 7/1/81-6/30/83
50-560-0025	SWR	10-18-85	A-102 ATT P DEPT OF HUMAN SERVICES DIV OF COMMUNITY SERVICES
50-560-0026	SWR	10-18-85	A-102 ATT P ARKANSAS FORESTRY COMMISSION
50-560-0027	NER	10-29-85	PA A102P PA EMERGENCY MGMT AGENCY 7/1/81-6/30/83
50-560-0027	SWR	10-17-85	A-102 SINGLE AUDIT CITY OF WOODBRANCH YE JUNE 30 1985
50-560-0027	GPR	11-12-85	A-102 IOWA DEPARTMENT OF AGRICULTURE (FY 84)—DES MOINES, IA
50-560-0028	SWR	10-29-85	A-102 ATT P ST JAMES PARISH POLICE JURY
50-560-0028	GPR	10-22-85	A-102 IOWA DEPARTMENT OF SOIL CONSERVATION (FY84)—IOWA
50-560-0029	SWR	12-19-85	A-102 ATT P ARK DHS DIV YOUTH SERVICES
50-560-0029	GPR	12-31-85	A-102 WYOMING DEPARTMENT OF AGRICULTURE (FY84) CHEY., WY

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AGENCY - MULT MULT-AGENCY/DIVISION CODE—Continued			
50-560-0030	SWR	01-03-86	A-102 ATT P ST HELENA PARISH POLICE JURY
50-560-0031	NER	10-29-85	PA A102P DEPT OF MILITARY AFFAIRS, 7/1/81-8/30/83
50-560-0031	SWR	12-23-85	A-102 ATT P ARKANSAS DHS TITLE XX SERVICES
50-560-0032	SWR	12-23-85	A-102 ATT P ARKANSAS DHS MENTAL HEALTH SERVICES DIVISION
50-560-0033	SWR	01-07-86	A-102 ATT P FRANKLIN PARISH POLICE JURY
50-560-0034	SWR	01-03-86	A-102 ATT P WEST CARROLL PARISH POLICE JURY OAK GROVE, LA
50-560-0035	SWR	02-13-86	A-102 ATT P NEW MEXICO LIVESTOCK BOARD
50-560-0036	NER	10-11-85	A-102P TOWN OF RIDGELY MARYLAND YEAR ENDED 8/30/85
50-560-0037	NER	10-04-85	VA SINGLE AUDIT, VA DEPT OF AGRICULTURE, JUNE 30, 1983
50-560-0046	WR	01-09-86	A-102 FNS-FS CALIFORNIA EMPLOYMENT DEVELOPMENT DEPT
50-560-0057	WR	11-01-85	A-102 AUDIT REPORT ON THE ALASKA DEPT. OF NATURAL RESOURCES
50-560-0059	WR	02-07-86	A-102 REPORT ARIZONA LIVESTOCK BOARD
50-562-0001	SWR	12-31-85	A-110 SINGLE AUDIT TIERRA DEL SOL HOUS CORP-LAS CRUCES, NM
50-562-0001	WR	12-02-85	A-110 REPORT ON THE FIRST A.M.E. CHILD CARE PROGRAM—SEATTLE
50-615-0178	NER	12-24-85	A-88 AUDIT OF PA STATE UNIVERSITY
50-651-0001	GPR	10-24-85	FNS, SECURITY OVER NON-FEDERAL ADP SYSTEMS-FNSRO DENVER, CO
50-651-0002	NER	10-01-85	AUDIT OF NON-FEDERAL ADP SYSTEMS DELAWARE
50-651-0002	MWR	10-25-85	SPEC. IMPACT AUDIT OF SEC. OVER NON-FEDERAL ADP SYSTEMS
50-651-0002	GPR	11-26-85	FNS, SECURITY OVER NON-FED ADP SYS-GEN GOVT CENT DENVER, CO
50-651-0003	NER	10-01-85	AUDIT OF NON-FEDERAL ADP SYSTEMS PA
50-651-0003	SWR	10-07-85	FNS, FSP SECURITY OVER NON-FEDERAL ADP SYSTEMS OKLAHOMA
50-651-0003	GPR	10-22-85	FNS, SECURITY—NON-FED ADP SYS-DEPT OF HEALTH—LINCOLN, NE
50-655-0005	FMS	03-31-86	AUDIT OF MANAGEMENT AND SECURITY AT THE WASH. DC COMP CENTER
50-607-0004	NER	12-09-85	FY 1985 EVALUATION OF INTERNAL CONTROL PROCESS
TOTAL: MULT - MULTI-AGENCY/DIVISION CODE			- 55
TOTAL: RELEASED NATIONWIDE			- 647
TOTAL: UNDER CONTRACT			- 380

**OIG
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