

Semiannual Report to Congress

April 1, 1987 - September 30, 1987



Office of
Inspector General

PLEASE RETURN TO: ROOM 13-E
MANAGEMENT OPERATIONS STAFF



United States
Department of
Agriculture

Office of
Inspector
General

Washington,
D.C.
20250

OCT 30 1987

Honorable Richard E. Lyng
Secretary of Agriculture
Washington, D.C. 20250

Dear Mr. Secretary:

I respectfully submit the eighteenth Office of Inspector General's Semiannual Report to Congress summarizing the activities of the 6-month period ending September 30, 1987.

The Office of Inspector General continued to emphasize coverage of potential or developing problems in areas vulnerable to fraud, waste, and mismanagement. Some of our more significant efforts involved food assistance programs, management of the rural loan portfolio, crop insurance, farm program payment limitations, and Forest Service timber sales activities. We also completed our strategy to provide early assistance to the Department in establishing and strengthening internal controls for new programs and changes required by the Food Security Act of 1985.

I appreciate the continued strong support you give to the Office of Inspector General in fulfilling our mission. With your support, I believe we have made continued progress in promoting economy, efficiency, and effectiveness in the Department and detecting and preventing fraud and other program abuse.

Sincerely,


ROBERT W. BEULEY
Inspector General

Enclosure

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Executive Summary

This is the 18th 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 April 1, 1987, through September 30, 1987. OIG has continued to emphasize fraud prevention and reporting to the Department where programs are vulnerable to losses or abuses.

During the past 6 months areas of emphasis have included nutrition programs, loans for rural areas,

crop insurance, farm support programs, management of the National Forests and the Department's continued efforts to improve its financial and management systems.

In our previous two Semiannual Reports, we reported on our strategy to review new programs and changes brought about by the Food Security Act of 1985. With release of our report on bases and yields established for production adjustment programs and the Conservation Reserve Program, we have completed the planned strategy.

Summary of Investigative Activities

Investigative Reports and Cases

Reports Issued.....	626
Cases Opened.....	1,052
Cases Closed.....	746
Cases Referred for Prosecution.....	270

Impact of Investigations

Indictments.....	348
Convictions ^a	299

Total Dollar Impact (millions)..... \$ 20.7

Recoveries/Collections.....	\$ 3.3
Restitutions.....	\$ 4.7
Fines.....	\$.8
Administrative Penalties.....	\$ 2.1
Cost Avoidance.....	\$ 9.8

10 INV. \$ 14.7 MILL
68%

Administrative Sanctions

Employees.....	36
Businesses/Persons.....	99

^aIncludes convictions and pre-trial diversions.

Summary of Audit Activities

Audit Reports Issued

Total Reports Issued	328
Internal and Special Purpose Reports	157
Audits Performed Under the Single Audit Act and Other Organization-wide Audits	64
Audits Under Contract	107

Audit Reports Resolved/Closed

Reports Resolved and/or Closed	473	
Internal Audit Recommendations Resolved	2,291	
Total Dollar Impact (millions)		\$523.7
Management Commitments to Seek Recoveries	\$ 20.6 ^{a b}	8 REPORTS = 6 OR \$14.2 M
Management Commitments to More Efficiently Use Funds	\$101.2 ^a	3 REPORTS = 95 OR \$96.7 MILL
Improper Agency Actions (Not Intended for Collection)	\$401.9 ^{c d}	11 REPORTS = 99 OR \$397.9 M

^a These were the amounts agreed to by the auditees at the time of resolution.

^b The recoveries realized could change as the auditees implement the agreed-upon corrective action plan and seek recovery of amounts recorded as debts due the Department.

^c Improper agency actions are monetary amounts identified by the audit as having been expended erroneously or improperly due to agency action and for which recovery is not possible. This also would include amounts incurred or earned in good faith by others, because they relied on incorrect or improper guidance, interpretations, or directions by agency personnel or instructions. If

statistical projections are used in determining the values, the midpoint estimate is used.

^d Of the total \$401.9 million, \$243 million represents the total Agricultural Stabilization and Conservation Service and Federal Crop Insurance Corporation payments made to delinquent Farmers Home Administration (FmHA) borrowers during 1984 for which FmHA had not obtained a security interest. Accordingly, the agency's debt management controls needed strengthening to ensure that a security interest in similar future program payments was routinely obtained. FmHA agreed to implement this recommendation, but the probability of collection of future payments cannot be reasonably estimated.

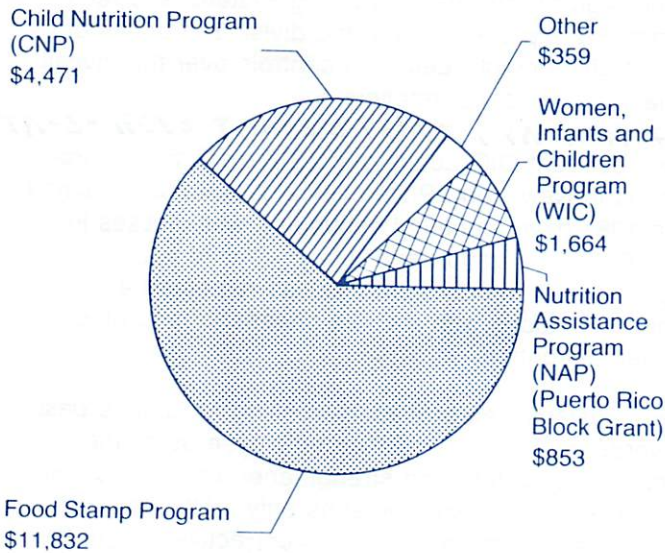
Food and Consumer Services

Food and Nutrition Service (FNS)

The Food and Nutrition Service administers 13 programs including: Child Nutrition; Special Supplemental Food for Women, Infants and Children; Food Stamps; Special Milk; and Food Donations. Estimated spending for Fiscal Year (FY) 1987 is \$19.2 billion of appropriated funds.

Food and Consumer Services Budget

In Millions of Dollars



Food Stamp Program (FSP)

Crackdown on FSP Fraud

In April 1987, OIG initiated an intensified nationwide investigative effort, code named "Project Wipeout," to combat fraud in the FSP. This effort is a coordinated investigative operation involving the Criminal Division of the Department of Justice, U.S. Attorney's Offices, and other Federal and State law enforcement agencies throughout the United States.

Investigative subjects of "Project Wipeout" have included authorized retail store owners, caseworkers, recipients, and other individuals not authorized to participate in the FSP. Besides uncovering food stamp fraud, "Project Wipeout" was designed to deter other would-be cheaters by assuring media

coverage of successful prosecutions and administrative sanctions. The following cases are examples of investigations developed as part of "Project Wipeout."

*29 INDIVIDUALS 2749 CASES
COOK CO., ILL. & LAKE CO., IN*

In Cook County, Illinois, and adjoining Lake County, Indiana, 29 people were charged with illegally receiving food stamps or public assistance which totaled in excess of \$500,000. OIG auditors and investigators used computers to match food stamp recipients' records in the two counties against Federal and State employment records. Eleven of the recipients indicted were Federal employees who allegedly underreported their incomes to receive food stamps or public assistance. Three others were charged with collecting food stamps and public assistance concurrently in Illinois and Indiana. The 15 other persons were indicted for allegedly not reporting income earned in Illinois in order to receive food stamps, public assistance, or both, in Indiana.

OPERATION DOUBLE STAMP ATLANTA, GA AT-2747-379

In Georgia, two meat company owners, a grocery store owner, and eight of their employees were indicted for food stamp trafficking violations. The indictments charged the individuals with illegally purchasing and redeeming approximately \$25,000 in food stamps between January and August of 1986. The meat company employees bought the stamps at 50 to 75 percent of their value and then redeemed them through the two meat companies at full value. The three firms redeemed more than \$1.2 million in food stamps between January 1986 and May 1987.

DIANE BRADO, DENVER, CO KC-2741-46

In Denver, Colorado, after a joint investigation by OIG agents and Denver Department of Social Services investigators, a Denver County FSP technician pled guilty to the establishment of bogus recipient files which netted about \$26,000 in fraudulent food stamp issuances. The technician was sentenced to 2 years in jail. An accomplice pled guilty to two counts of unauthorized possession of nearly \$14,000 in food stamps and one count of fraud for using false identification to obtain the food stamps. The accomplice was placed on probation for 5 years, ordered to make restitution of \$6,801, and perform 200 hours of community service.

PAUL L. THOMPSON WILMINGTON, NC AT-2741-65

In North Carolina, a former county employee who was responsible for certifying FSP recipients was indicted by a Federal Grand Jury on charges of creating numerous files under fictitious names, for which nearly \$30,000 in food stamps were issued

between 1979 and 1986. Two other individuals were also arrested by OIG agents and charged with conspiring with the former county employee. These two individuals posed as the authorized representatives of fictitious food stamp recipients and gave the stamps to the former employee.

JOSEPHINE S. ANDRADE DENVER, CO KC-2741-50
SHERRI L. GONZALES DENVER, CO KC-2741-51

Two mail room employees at the Colorado State Department of Social Services were arrested after they were observed stuffing food stamps in their clothing by OIG agents and Postal Inspectors. The investigation began after State officials reported a loss of nearly \$9,000 in food stamps over a 15-month period.

HIPOLITIE H. CHAVEZ & GRACIELA N. PERALES, LOS ANGELES, CA SF-2740-104

Two suspects, who owned and operated a grocery store in Los Angeles, California, were indicted for conspiracy and illegally purchasing \$35,885 in food stamps for \$16,010 in cash. During a search of the grocery store by OIG special agents and Los Angeles Police Department officers, agents recovered \$20,000 in food stamps, 3 pounds of marijuana, two stolen U.S. Treasury checks totaling \$1,216, and false identification documents.

From April 1, 1987, through September 30, 1987, 714 FSP investigations involving over 790 subjects have been opened by OIG.

FNS Employee and 10 Others Arrested in Major Fraud Scheme

DANNY RAMOS, NEW YORK CITY NY-2747-242

An OIG investigation of a large-scale food stamp fraud scheme in New York City resulted in the arrest of 10 persons associated with retail grocery stores and an FNS employee of the New York City Field Office. The investigation began in December 1986 when the FNS employee illegally sold a retailer food stamp authorization for \$3,000 to an undercover OIG agent posing as a grocery store owner. The FNS employee also required the undercover agent to pay him 5 percent of the value of the food stamps redeemed.

The FNS employee subsequently arranged for retail grocery store owners to purchase purportedly stolen food stamps from another OIG undercover agent. As his commission for arranging the deals, the FNS employee received 15 cents for every dollar of food stamps sold to the retailers from the OIG undercover agent. During the investigation, over \$500,000 in food stamps were purchased by the retailers in the scam.

The FNS employee resigned after being arrested. Of the 10 grocery store owners and employees arrested, 9 have pled guilty to charges of either conspiracy or food stamp trafficking, and charges were dropped against the remaining person. Sentencing is pending.

OIG has previously reported on the absence of adequate internal controls within the FNS Field Offices which afforded the New York employee the opportunity to both approve and to conceal improper retailer authorizations. In 1985, we reported that the FNS system for monitoring over 235,000 food retailers and wholesalers across the Nation that annually redeem over \$10 billion in food coupons could not always identify retailers who might have abused the FSP. At that time, OIG called for the redesign of the retailer tracking system, and recommended improvements in the division of duties of field office employees, and controls over the investigations of suspect retailers. *27649-*

27099-15-NY, 27099-52-NY, & 27091-2-AT

Subsequent OIG audits of FNS Field Office operations in New York, Philadelphia, Atlanta, and Tampa in 1987 have identified continuing weaknesses in FNS's authorization and retailer monitoring processes. The division of duties remained a concern, along with matters of security and other internal controls.

FNS established procedures calling for unique passwords for each Field Office employee using the computer system and strengthened controls to limit access to authorized persons only. FNS also established a task force to develop corrective actions to address the control weaknesses and vulnerable areas at Field Offices. This has resulted in the development of a corrective action guide which is being finalized for use by all Field Offices.

Improved Claims Collection Efforts Could Net Millions

A nationwide audit of States' accounts receivable systems for food stamp claims disclosed that the potential for large recoveries to the Government from collections has not been realized.

During this audit, we statistically estimated that there were 1,167,199 accounts receivable with unpaid balances of \$375.2 million. The audit found that FNS had not established adequate internal controls to effectively manage the \$375.2 million in outstanding claims. Our audit in 15 States disclosed that 9

CA, ID, IN, IA, KS, KY, IL, LS, NJ, ND, OH, PA, TN, TX, WI

PA, TX, KS, CA, IN, IL, WI, IA, KY

→ PA, KY, OH, IN, WI, KS, ND, CA

States' accounting systems did not meet all minimum requirements, 8 States' systems did not identify claims against participating households, and 10 States had no controls to assure the accuracy of claims information reported to FNS.

We estimated that there were 251,536 claims against participants who were not making payments on their claims. Of this number of claims, 160,646 were made against participants whose own error led to the overissuances. States could increase collection by \$31 million annually by reducing the food stamp allotments to those participants, as mandated by FNS. The remaining 90,890 claims were against participants whose overissuances were a result of agency errors. In these cases, States could further increase collections by about \$14.5 million annually if FNS obtained legislative authority to reduce the food stamp allotments to those participants.

Based on the audit, FNS agreed to strengthen internal controls over claims accounting, collection, and reporting systems and enforce States' compliance with the claims regulations. FNS also agreed to develop uniform guidelines for implementing and enforcing effective claims collection action, including the proposal for legislative authority to reduce benefits in claim cases involving agency error. We also recommended that FNS establish guidelines for States to standardize automated data processing (ADP) systems for handling FSP data and emphasize to States the benefits for developing fully automated claims operations.

Material Internal Control Weaknesses Disclosed in One State

PA 27013-78-4y

One State did not effectively manage certain food stamp functions; it did not properly supervise its claims and collections, correct its identified problems, or resolve its computer exception listings. This one State issued over \$500 million in benefits in FY 1986 and received over \$40 million for program administrative costs.

- Significant improvements were needed to collect claims so that the \$44 million recorded as of March 31, 1986, had a reasonable chance of collection. The State realized a 1-percent recovery rate while the national average was 20 percent. We estimated that \$4.1 million was not realized between January 1985 and August 1986 because offset procedures were not implemented.

- The State's validation unit was not accomplishing its goal of reducing the FSP quality control error rate. About 40 percent of the FSP cases were excluded from possible sample selection because only Aid to Families with Dependent Children cases receiving FSP benefits were sampled. We questioned whether FNS's reimbursement of \$311,000 for the unit's activities was justified.
- Measures were not developed to preclude the entry and/or ongoing use of invalid social security numbers. The State's records showed a total of 1.1 million numbers on file, with 57,000 recorded as zeros and 66,000 identified as invalid. No followup measures were taken to correct these known problems.
- Available computer capabilities were not utilized fully. For example, the computer was not used to identify dual participation (the same recipient participating in more than one household). Computer analysis of December 1985 participation showed 1,012 potential duplicate cases. A sample of 131 showed 19 had indeed received duplicate benefits of over \$72,000.
- Exception reports generated by the State's computer system were not used by local offices to resolve exceptions, and the State had no controls to provide assurance that corrective actions were taken on the exceptions. One exception report showed that \$105,000 in food stamps was issued for potentially ineligible participants. Another report showed \$156,000 was overissued between October 1984 and September 1986 because issuance records did not match participation records and multiple issuances were made. Even though these were not resolved, they were not reported to FNS as a State liability.

Some of these conditions had been reported by OIG and identified through FNS management reviews in the past. We believed the conditions represented material weaknesses and made appropriate recommendations to address the control problems. We also recommended that FNS withhold administrative funds if the State did not develop an acceptable plan to correct the weaknesses.

State Agency Billed \$840,000

SC 27018-3-AT

FSP administrative costs claimed by one State resulted in significant overclaims for Federal reimbursements. Our audit found that the costs claimed

were not properly allocated to benefiting programs and that contracting practices were not in accordance with procurement procedures. FNS billed the State for \$840,632 in overpayments and took prompt action on our recommendations to correct the following conditions:

- Duties performed by 73 of 97 designated issuance employees we reviewed in 11 counties were improperly charged to the food stamp issuance account. We estimate that statewide USDA may have been overcharged \$840,012 in personnel costs for the audit period. These overcharges caused the State to have the highest issuance cost per food stamp household of the eight States comprising the Southeast Region. *AL, GA, KY, FL, NC, SC, MS, TN*
- The cost of designated claims workers and certain equipment was improperly charged to enhanced funding fraud control activities. Only costs incurred by the direct investigation of intentional program violations are eligible for enhanced funding. OIG estimated that statewide these kinds of overcharges could amount to \$473,673 for the period audited.
- The State did not follow required procurement procedures in awarding four contracts for consultant services to two contractors. The contracts, totaling about \$472,000, were awarded based on questionable sole source and emergency justifications and without preaward review and approval by the Federal funding agencies. Because the contracts were not competitive, there was no assurance that the services were obtained at the best prices.

FNS is working closely with the State to ensure that these problems are corrected and that adequate measures are implemented to prevent any such reoccurrences.

National School Lunch Program

Inaccurate Meal Counts Result In Overpayments

27099-45-AT

For the last several years, OIG audits of school lunch programs administered by local school districts have included a common objective to evaluate controls over meal counts and claims for Federal reimbursement. We summarized the results of the last 13 audits of School Food Authorities and found several common conditions that FNS should consider for improving future program operations.

The conditions were that controls by School Food Authorities over meal counts and claims were inadequate and that State reviews could be strengthened to better appraise controls over school meal counts and claims for reimbursement. Conditions noted include:

- Inadequate procedures for counting free and reduced price meals served to eligible children and for preparing claims for reimbursement were found in schools at 11 of the 13 School Food Authorities audited. Meal count and claim problems were detected in 280 (71 percent) of the 395 schools audited at the 11 Authorities. The audits documented over \$1.9 million of overclaimed Federal reimbursement made by 10 of the School Food Authorities. FNS recovered the overclaims. The audits showed that: (a) schools did not follow the School Food Authorities' free and reduced price meal count procedures; (b) School Food Authorities did not establish effective meal count procedures; and (c) School Food Authorities did not effectively monitor or enforce compliance with program requirements.



- The State review is a primary control prescribed by FNS for States to monitor the National School Lunch Program. State reviews are conducted every 4 years at a sample of schools in each School Food Authority. However, reviews conducted by States would not necessarily disclose material meal count and overclaim conditions. The overclaims generally occurred because the School Food Authorities had no effective systems of internal control to ensure that school claims were based on accurate meal

counts. We recommended that State review performance standards should: (a) require an evaluation of School Food Authority control and monitoring procedures over school meal counts; (b) make precise tests of the accuracy of schools' meal claims; and (c) include assessments of the School Breakfast Program operations.

FNS is formulating corrective actions to improve controls over School Food Authority meal counts and claims and is determining any necessary revisions to State review procedures.

Other Assistance Programs

Child Care Feeding Arrest *ROBERTO CLEMENTE DAY CARE CENTER BROOKLYN, NY NY-2752-40-51*

A woman who ran a Brooklyn, New York, day care center food program was arrested and charged with embezzling \$117,000 by giving impoverished children half-portion lunches. The alleged billing scam involved issuing checks to a phantom employee and a phony food purveyor. Trial is pending.

Charges Filed in Donated Cheese Fraud

CRAIG MURPHY PHOENIX, AZ SF-2730-45

The director of a nonprofit welfare rights coalition and an associate were arrested for the theft and sale of 1,500 pounds of USDA-donated cheese. The

coalition is the largest distributor of USDA-donated commodities in the Phoenix metropolitan area, serving 30 local churches and more than 6,000 households. The surplus Government cheese was intended for distribution to needy people. The two individuals face from 5 to 15 years in prison if convicted of the theft and trafficking in stolen property. Trial is pending.

Sentences Handed Down in a \$2.3 Million Fraud Case in Women, Infants, and Children (WIC) Program

GARCIA GROCERY BROOKLYN, NY NY-2753-31

In the outcome of a previously reported fraud case, three brothers who owned and/or worked at a Brooklyn, New York, supermarket were found guilty of fraud in the WIC program, and another three associates pled guilty to the same charges. The defendants, not authorized to accept and transact WIC vouchers, used invalid WIC vendor numbers to deposit over \$2.3 million worth of vouchers in numerous bank accounts. They were also charged with inflating the actual purchase price of vouchers to reflect the maximum potential value of these vouchers. Two of the defendants had also been charged with conspiracy to counterfeit food stamps.

The three defendants who pled guilty and cooperated during the investigation were fined, sentenced to 5 years' probation, and 1 year of weekend imprisonment. The three defendants found guilty at trial received sentences ranging from 6 to 10 years imprisonment, and fines ranging from \$30,000 to \$50,000

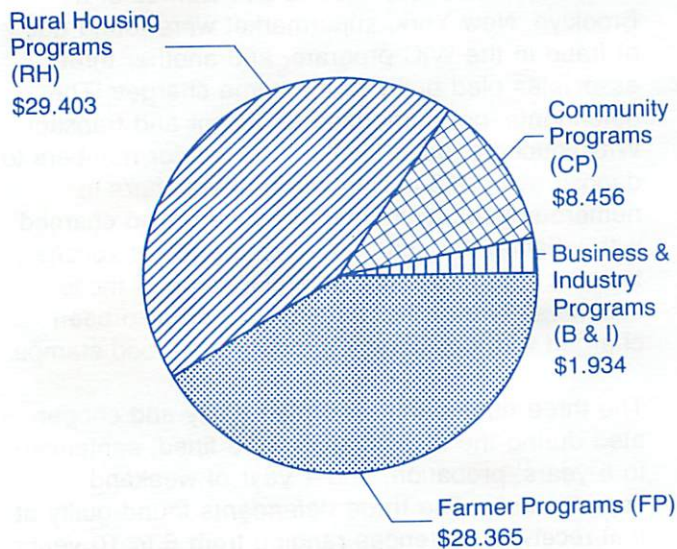
Small Community and Rural Development

Farmers Home Administration (FmHA)

FmHA is the Department's credit agency for rural development and agriculture. As of June 30, 1987, FmHA had about 1.4 million active borrowers and a loan portfolio of about \$68.2 billion, including \$3.8 billion in guaranteed loans.

FmHA Outstanding Loan Portfolio

In Billions of Dollars



Housing Programs

Graduation Can Be an Effective Tool

04091-8-FM
04091-10-FM

We reviewed FmHA's sale of Rural Housing (RH) Loans, mandated by the Omnibus Reconciliation Act of 1986, and concluded that for about half of the most saleable RH loans, the sale would be much more costly than efforts to graduate the loans.

We found that over half the borrowers in the non-delinquent, noninterest credit RH loans portfolio had interest rates of 9 percent or more, and thus may have had a high potential for graduation to outside credit sources. When loans are graduated to another credit source, FmHA receives approximately 100 percent of the outstanding loan. Furthermore, borrowers do not retain, and FmHA is not liable for, any borrower rights after graduation. However, in

selling the same loans, the sales price thus far has been significantly discounted below face value due to market forces, and borrowers have retained all rights provided under their current FmHA loan agreements.

Although there are administrative costs relating to loan graduation, the administrative and sale costs involved in note sales are substantially higher. By selling RH loans, FmHA has incurred significant costs relating to the financial advisor and underwriter, maintained a substantive contingent liability by guaranteeing borrower rights, and incurred costs of external insurance and overcollateralization (internal insurance pledged to investors on loans sold).

In past audits, we have reported the need for FmHA to emphasize graduation. In 1983, we projected 04631-1-KC FmHA could graduate \$1.3 billion in RH loans, and in 1985 we estimated that an additional \$1 billion 0441-1-14 had a high potential for graduation. Accordingly, we recommended that FmHA:

- Request that proceeds from increased loan graduation be counted toward note sale goals for FY 1988 and future years; and
- Continue to explore avenues available to maximize benefits of graduation.

Based on our findings and recommendations, FmHA included in their FY 1988 budget submissions a request that proceeds from increased RH loan graduations be counted toward loan sales goals. They also are continuing to explore ways to maximize proceeds from RH loan graduation, and will exclude from RH sales all loans having interest rates greater than market rate. Among these initiatives is a pilot project to implement graduation through the use of contractors in several States in FY 1988.

Rural Housing Loans for Manufactured Housing Were Not Being Made

04099-261-AT

Although the Housing Amendments of 1983 (P.L. 98-181) authorized loans for manufactured homes, FmHA had not approved manufactured home loans

nor manufactured home dealers or contractors before March of this year. The absence of loan activity appeared to result from a lack of publicity for the program to either the industry or the general public.

In response to our review, FmHA said it had issued a news release to inform the public and industry of the availability of loans to finance manufactured homes and that the program has been discussed with manufactured home industry organizations. They further advised that training has now been provided to State office personnel and that a training package has been sent to all State offices. In August 1987, FmHA notified us that it had 21 approved dealers and 71 applications on file.

Probe Into Corruption and Fraud Continues in Rural Rental Housing Program

The joint Federal Bureau of Investigation (FBI)/OIG Rural Rental Housing Task Force in the Midwest continues its probe into corruption and fraud in FmHA's Rural Rental Housing Program. Recent notable court actions include the following:

JAMES GIEBERT CITEYBOGAN, MI CH-423-38

- A Michigan attorney was convicted of submitting false statements to FmHA about a rural rental housing project. The attorney misrepresented project costs and received a \$48,000 kickback from the general contractor. The attorney was sentenced to 6 months in prison with 2 months to be served. *THOMAS W. BREAKLEY, WILLIAM E.*

BREAKLEY & DAVID GREEN, MASON, MI CH-423-19

- A Michigan architect and two developers of FmHA rural rental housing projects were indicted by a Federal Grand Jury for conspiring to defraud the Government and making false statements. The six-count indictment charged the three individuals with overstating the amount of architectural services by about \$25,000 for two apartment projects. The indictment also charged the two developers with receiving kickbacks from a subcontractor and misrepresenting subcontracting costs by about \$33,900 to FmHA. Trial is pending. *EAST LANSING REALTY & DEVELOPMENT CO., EAST LANSING, MI CH-423-15*
- Two Michigan rural housing developers were each sentenced to 5 years' probation, a \$3,000 fine, and 5 years' debarment from any Government construction program after pleading guilty to the conversion of Government monies. The two developers escalated the costs of materials and labor on FmHA-funded projects by about \$940,000 and also paid \$163,000 for private

construction work with FmHA loan funds. The corporation owned by the two developers pled guilty to conspiracy to defraud FmHA and was fined \$10,000.

Farm Programs

Loan Funds Were Improperly Transferred From One Program to Another

50099-19-AT

FmHA transferred approximately \$3 billion in FYs 1985 and 1986 appropriated funds among different loan programs. These transfers were made primarily from Emergency Disaster and Business and Industrial (B&I) Loan Program funds to the Farm Operating Loan Program which had no funds remaining. These transfers represented about 53 percent of the original appropriation level. The Secretary utilized the interchange authority cited in 7 USC 2257 to authorize the transfers based on the advice of USDA's Office of the General Counsel (OGC). The Department also notified Congress of the transfers.

We questioned whether 7 USC 2257 allowed such transfers because of the substantial amounts involved and because the Comptroller General has ruled in similar cases that such transfers were improper. The Comptroller General was requested to clarify some earlier opinions on the Department's use of the interchange authority contained in 7 USC 2257. His response concluded that the emergency exception to the 7-percent limit to Section 2257 only applies to the receiving appropriation. This section limits transfers from an appropriation to a maximum of 7 percent of the amount of the appropriation. This opinion provides a clear delineation of the limits of the interchange authority and should resolve any questions on this issue. Agencies are not allowed to transfer more than 7 percent from the donor fund appropriation, even in an emergency. We notified FmHA and other Departmental agencies of the Comptroller General's decision. The Department's General Counsel stated that future transfer decisions will be guided by the Comptroller General's decisions.

FmHA Policies and Procedures for Managing and Leasing Acquired Farm Properties Need Strengthening

04654-2-TE

FmHA did not have adequate internal control systems at the national, State, or county office levels

to adequately manage the large volume of inventory properties. The management and leasing of acquired farm properties was left to State and county office personnel and was essentially limited to periodically determining the number of acquired farm properties in inventory. State office systems for tracking acquired property generally did not include information regarding property condition, lease terms, or status of lease payments. State office personnel did not evaluate the establishment of lease terms and collection of lease payments or visit acquired properties.

FmHA had no formal system to monitor whether acquired properties were leased and whether lease payments had been collected. We estimated that about 700 of the 965 unleased properties, valued at \$176 million in the 10 States reviewed, were not adequately maintained. FmHA accounting records showed that \$2.5 million in lease payments were outstanding.

FmHA leased acquired farm properties to individuals who used the properties to grow surplus crops. We identified 55 properties that were leased for about \$475,000 to individuals who received USDA program payments or crop loans totaling about \$600,000. This conflicts with Government programs and policies designed to reduce production of surplus crops and thereby stabilize farm income. We estimated that USDA program payments and loans totaled \$5 million for surplus crops grown on FmHA inventory properties in 1985 for the 10 States reviewed.

We also found that reports on acquired properties prepared by FmHA's Finance Office were not used by national, State, and county offices because the system of accounting for and reporting on acquired properties contained duplicate lease records, lease agreements for the wrong lessee, and lease payments applied to the wrong account. In addition, the Finance Office system did not provide feedback information for State and county offices to verify the accuracy of transactions processed or provide exception reports such as overdue lease payments. Further, the system did not properly account for asset values, lease income, and lease receivables.

We recommended that FmHA strengthen its management of acquired properties to help ensure that properties are adequately maintained, that lease payments are timely collected, and that the Finance Office establish controls to maintain accurate and reliable system information. We also recommended that FmHA establish a policy regarding the production of surplus crops on FmHA-owned properties.

FmHA agreed to take corrective action to strengthen controls over the management and leasing of acquired farm properties. It established a policy that it will not lease inventory farms unless an analysis shows it is clearly in the best financial interest of the Government to do so. The analysis will consider the cost of Government farm programs.

Internal Controls

Coordinated Assessment Reviews Were Not Meeting Their Objectives

04099-259-AT

FmHA designated Coordinated Assessment Reviews (CARs) to evaluate internal controls, as required by the Federal Managers' Financial Integrity Act of 1982 (the Act) and Office of Management and Budget (OMB) Circular A-123. However, the CARs did not fully meet the requirements for alternative internal control reviews prescribed by the Act. We found that: (a) there were no FmHA guidelines describing how CARs fit into the internal control review process; (b) CARs did not identify and evaluate internal controls over the programs and activities reviewed; (c) deficiencies were not fully reported for corrective actions; (d) there was no effective followup system to ensure corrective actions on identified weaknesses; and (e) CARs were not adequately documented to validate the review conclusions.

The CARs were not fully documented to support the review procedures, coverage, conclusions, and reports. A compliance review guide is used to assess each program area or activity and to document the results. The review guides were generally not retained and were not adequately documented to show the scope and pertinent details of the review coverage, or to support conclusions and reported findings.

FmHA's response to our audit of CARs was generally positive, but FmHA did not agree with our recommendations to establish uniform reporting requirements or to allow additional time to perform the individual reviews. We are working with the agency to achieve audit resolution of these issues.

Investigations Thwart Attempts to Defraud or Abuse FmHA Programs KENDALL L. SEATON LEXINGTON, KY AT-417-8'

- A joint investigation by the FBI and OIG led to the indictment of the former FmHA State Director in Kentucky on bribery and conflict of interest

AK
CA
GA
ID
IN
KS
LA
MD
NC
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charges. The former State Director was charged with accepting goods and services from an RH contractor who performed work for FmHA. He subsequently resigned office, pled guilty to the conflict of interest charge, and was sentenced to serve a year and a day in prison (suspended) with 3 years' probation, pay a fine of \$1,000, and make restitution of \$6,600.

LONNIE DUNN RAYVILLE, LA TE - 417-13

- An FmHA Assistant County Supervisor in Louisiana was sentenced to serve 1 year in prison, placed on 5 years' probation, and ordered to make restitution of \$800. The former FmHA official pled guilty to two counts of conflict of interest charges for requiring an FmHA farm program borrower to make cash payments to him in order to continue his normal business relationship with FmHA. The official resigned his position with FmHA.

BILLY HARTNESS, BRENDA KEENER, MONTICELLO, AR TE-417-9-J

- As reported in our previous Semiannual Report, a homebuilder and a real estate broker in Arkansas were each indicted by a Federal Grand Jury on charges of conspiracy and making false statements. Since then each has been convicted and sentenced to serve 2 years in prison for defrauding the FmHA RH program. In addition to the jail term, the homebuilder was ordered to give 2 years of community service, given 3 years' probation, and fined \$50,000. The real estate broker was ordered to give 2 years of community service, placed on 3 years' probation, and fined \$5,000.

JIMMY L. LASSETER, JESSE L. ROGERS, BYRON, GA AT-440-185

- In Georgia, a dairy farmer and a former county agent for the Georgia Cooperative Extension Service were charged in a 31-count indictment with converting at least \$162,000 in cattle pledged to FmHA. According to the indictment, the two men received \$260,904 in FmHA loans over a period of 4 years before abandoning the farm and leaving 267 cattle and other FmHA collateral missing. Trial is pending.

OWL CONSTRUCTION CO. GRETA, LA TE-461-20

- As noted in our previous Semiannual Report, two construction company officials in Louisiana were indicted on charges of conspiracy and making false statements. One of the officials was found guilty of conspiring to defraud the Government and mail fraud. The second official pled guilty to two counts of making false statements. The two officials submitted false purchase invoices totaling \$856,800 in connection with an FmHA-guaranteed B&I loan of \$3,227,000. The first official was sentenced to 4 years in prison, and the second official to 3 years in prison, and fined \$11,000.

DONNA MINTZ, FORT STOCKTON, TX Guilty Pleas In Embezzlement and Forgery Cases

TE - 401-225

- An FmHA county program technician in Texas pled guilty to wire fraud charges. The former employee embezzled approximately \$69,000 from FmHA-supervised bank accounts and FmHA borrower payments. The embezzlements were accomplished by forging the signatures of the FmHA County Supervisor and FmHA borrowers to Government checks and then depositing the proceeds into a personal checking account. The employee also charged more than \$3,100 in personal expenses to her Government credit card while employed by FmHA.

Sentencing is pending. *PATRICIA L. COGDILL*

NEBRASKA CITY, NE + SALEM, OH KC-401-137

- An FmHA county office clerk pled guilty to embezzlement and forgery in connection with the theft of RH funds and cash deposits from FmHA offices in Nebraska and Ohio. The clerk began to steal Government funds while assigned to a county office in Nebraska, and then continued the thefts upon transfer to an office in Ohio. The clerk, who resigned her position with FmHA, was sentenced to 5 years' probation and ordered to make restitution of \$14,734 to FmHA.

FRANK HAMILTON GREENSBURG, IN CH - 499-44

- In Indiana, in a joint investigation with the FBI, a former FmHA escrow attorney pled guilty to embezzling \$150,000 in FmHA escrow funds over a 10-year period. As a result of the conviction, the attorney gave up his law practice, made restitution of \$150,000, and is currently serving 5 years' probation.

Nonprogram Real Estate Loans Were Made Without Adequate Verification of Financial Information

04099-259-AT

We reviewed FmHA's nonprogram real estate loans and found that FmHA's Finance Office accounting system could not distinguish between program and nonprogram loans, and that FmHA had not adequately evaluated nonprogram borrowers' repayment ability. Nonprogram farm real estate loans are generally made to applicants who are not eligible for FmHA program loans, to finance the sale of surplus real estate owned by FmHA, or to assume program loans from eligible borrowers. Nonprogram borrowers are not entitled to FmHA program benefits such as limited resource interest rates, reamortization, rescheduling, consolidation, deferral, and appeal rights.

Because FmHA's Finance Office accounting system could not identify nonprogram loans, these loans

were indistinguishable from program loans. Due to increases in FmHA-owned real estate properties, there is a potential for substantial increases in the number of nonprogram loans. We recommended that FmHA establish procedures and instructions to enable identification and retrieval of data on these nonprogram loans from the Finance Office.

Concerning nonprogram borrowers' repayment ability, procedures did not require verification of financial information and credit checks. We recommended that FmHA amend its procedures to identify the type of financial information needed from nonprogram loan applicants and that FmHA require verification of financial information. FmHA agreed to implement programming changes to its system to identify these loans, but did not agree that program procedures should be revised. We are working with FmHA to resolve this matter.

FmHA Needs to Strengthen Its Compliance Review Procedures to Test for Consistency and Treatment of Applicants/Borrowers

04099-253-AT

→ HOLMES Co, MS BLADEN Co, NC
We received a request to continue a 1985 survey, performed by a Congressional work group, on racial discrimination against FmHA loan applicants. The work group reviewed the processing of farm operating loan applications in two FmHA county offices in two States. We continued the survey in four county offices in three Southeast States cited in the request. BLADEN Co, NC BOLIVER Co, MS
HOLMES Co, MS TERRELL Co, GA

We determined at the locations visited for the period of our review, that opportunities to participate in FmHA programs and the assistance provided to participants were afforded in a consistent manner. In 1986, all four county offices processed operating loans for black applicants in less time than they processed loans for white applicants and had improved their processing time from 1985 levels. We attributed some of the improvement in the processing time for both black and white applicants/borrowers to the Food Security Act of 1985 which requires faster processing time for loans.

We did find that FmHA had not established and enforced adequate controls for reviewing or testing for possible discrimination. Rather, FmHA relied on the complaint and the appeal process to assure that discrimination was not being practiced. We concluded that FmHA's cyclic compliance reviews needed to include examinations of direct assistance programs, be better documented, and that reporting be improved. FmHA's compliance review guide

provided minimal coverage of direct assistance programs, such as Farm Loan Programs, and FmHA needed to develop and strengthen its compliance review procedures for direct assistance programs.

FmHA agreed to strengthen its civil rights compliance monitoring and has begun preparing a revised compliance review guide.

FmHA Needs to Provide Greater Assurance That Grant Amounts Are Correct

04091-5-FM

We conducted a nationwide review to analyze the adequacy and effectiveness of grant determinations within the FmHA Water and Waste Disposal Grants Program.

OIG estimated that of the \$144.7 million grant obligations in Calendar Year 1985, funds obligated exceeded actual need by about \$19.1 million. Internal administrative controls were weak because procedures needed to be more specific and because more detailed management reviews were needed.

Subsequent to the audit, FmHA officials informed us that OIG's estimate of \$19.1 million in over obligations may have been excessive. In their position, the latitude in the regulations provided for various interpretations regarding allowable revenue and expense projections and that OIG's basis may not have always been correct. Nonetheless, FmHA has initiated corrective action to clarify its regulations and strengthen internal controls.

Guaranteed Loans

FmHA Debt Management of Defaults on Guaranteed Loans Needs Improvement

04099-118-TE

FmHA guaranteed loans are made and serviced by commercial financial institutions. FmHA as guarantor reimburses the financial institution for a percentage (usually 90 percent) of any loss the lender incurs due to borrower default on the loan. Since the program's inception in FY 1975, FmHA had paid lenders \$435 million for loss claims on defaulted guaranteed loans.

Our review of FmHA's management of debts arising from defaulted guaranteed loans revealed that FmHA had no policies or procedures to establish and collect debts incurred when borrowers default on

guaranteed loans. FmHA considered guaranteed loans satisfied when it settled with the lending institution on the loan guarantee and did not establish receivables for loss claims paid on guarantees. After FmHA paid a financial institution for its losses on guaranteed loans, FmHA did not monitor lender recoveries on guaranteed loans from borrowers. Thus, FmHA did not know if subsequent recoveries were made by lenders and if payments on the loan guarantee were due FmHA. Borrowers who defaulted on guaranteed loans received subsequent USDA payments for participation in farm programs of \$10.3 million without any deductions from payments as a result of failure to repay \$4.9 million in guaranteed loans. Also, FmHA did not timely and accurately report to the Department of Treasury on the status of accounts due from the public.

To ensure that FmHA receives its proper share of subsequent collections from borrowers, FmHA agreed to issue instructions to State and county offices to monitor the recovery and collection actions of lending institutions after FmHA pays loan guarantee loss claims. However, FmHA stated that it was not its policy to establish and collect debts for defaulted guaranteed loans because guaranteed loans are not subject to the same debt establishment and collection provisions as direct loans to borrowers made and serviced by FmHA. OIG's conclusion is that FmHA guaranteed loan programs are subject to the terms and requirements of OMB Circular A-129. Thus, FmHA should pursue collection of defaulted guaranteed loans. We are continuing to work with FmHA to resolve this issue.

Business and Industrial (B&I) Loan Was Improperly Approved

04099-131-Te NEW MEXICO

A meatpacking plant received a \$10 million B&I loan in September 1978 to refinance existing debts, purchase equipment, and provide working capital. FmHA guaranteed the loan at 90 percent. In July 1980, the borrower filed for Chapter 11 reorganization bankruptcy (22 months after loan closing) and in March 1987, filed for Chapter 7 liquidation bankruptcy. FmHA paid holders of the guaranteed loan notes \$8.5 million in August 1980.

Our audit reported problems with loan approval, certification, servicing, and liquidation. FmHA publicly announced the loan approval before the borrower submitted the loan application, processed the loan application ahead of other applicants, and approved the use of over \$7.3 million of the loan proceeds to pay off the borrower's major creditors

*SEN. DOMENICI, N.
ASST. SEC. MERCURE
ROBERT STRAUSS,
CARTER'S ECON ADVISOR.*

and reduce the borrower's impending losses. FmHA also waived personal guarantees from two major stockholders of the borrower, even though the guarantees should have been required. At loan closing the lender provided FmHA with inaccurate information regarding conflicts of interest by the borrower; appraisal of loan collateral, which was overstated by \$5.3 million; and the borrower's financial condition, which had deteriorated further. The lender also did not properly service the loan, which resulted in improper expenditures totaling over \$568,000; did not remit over \$2.2 million in liquidation proceeds to FmHA, which cost the Government over \$537,000 in lost interest; and still has not filed a report of loss, although the borrower was substantially liquidated in 1981.

We recommended that FmHA adhere to established internal control procedures over the approval of loan guarantees and determine the extent of enforceability of the loan note guarantee. In addition, we recommended that the unauthorized expenditures cited be disallowed and that the liquidation proceeds, along with accrued interest, be recovered from the lender. The agency has collected over \$2 million in liquidation proceeds.

Federal Crop Insurance Corporation (FCIC)

FCIC is a wholly owned Government corporation created to promote the economic stability of agriculture through a sound system of all-risk, all crop insurance. The act creating FCIC also encouraged FCIC to provide insurance through an all-private delivery system and mandated FCIC to offer a program of reinsurance to insurers in the private sector.

FCIC Implements System to Review Reinsurance Loss Adjustments

05608-2-Te

FCIC enters into reinsurance agreements with private insurance companies under which FCIC assumes most of the risk of loss on multiple-peril crop insurance. We reviewed this operation focusing on whether reinsured companies' loss adjustment activities were administered according to applicable laws and regulations and whether FCIC's controls over loss adjustment activities were adequate.

We tested 125 larger dollar indemnity claims, totaling \$10.2 million, adjusted by 11 reinsured companies for Crop Years 1984, 1985, and 1986. Excessive

indemnities of \$5.1 million were paid to about 69 percent of the cases tested. The following types of errors were found:

- Insured acreage was incorrectly determined.
- Production was guaranteed at the wrong rate.
- All production was not counted.
- Crop shares were determined incorrectly.
- Farming practices were not considered.
- Loss determinations were not documented properly.
- Conflicts of interest existed.

Over 40 percent of the cases with errors contained more than one of the above discrepancies.

Under the FCIC reinsurance agreements, FCIC ultimately pays most of the indemnity claims based on loss adjustments performed by employees of the reinsured companies. Prior to July 1986, FCIC generally lacked effective oversight to assure compliance with its loss adjustment procedures. However, the new FCIC Manager recently established a compliance division and is in the process of obtaining staff, developing procedures, and implementing reviews of reinsured company operations. When fully operational, FCIC controls over reinsurance operations should be significantly improved.

Our audit also reported that over \$400,000 in overpayments which had been identified in compliance reviews had neither been collected nor recorded as receivables in FCIC accounting records. FCIC has no procedures for establishing debts arising from audits or compliance reviews, administratively offsetting debts, or for assessing interest and penalties. Further, the standard reinsurance agreement does not specifically require that excessive indemnities be refunded to FCIC. Without specific procedures to recover overpayments, there is little or no incentive for reinsured companies to improve loss adjustment activities.

Procedures and controls are also necessary to preclude FCIC debtors from obtaining crop insurance from reinsured companies. Under FCIC regulations, debtors are ineligible for crop insurance. However, FCIC has not restricted reinsured companies from issuing policies to persons indebted to FCIC or other reinsured companies. We identified 117 insureds who owed FCIC over \$400,000 and who had obtained 1985 crop insurance. Of these, 56 debtors owing FCIC about \$200,000 were paid about \$1.2 million in 1985 indemnities.

FCIC generally agreed with the audit recommendations and has initiated action to correct conditions disclosed by our review.

Six Arrested In Insurance Fraud Conspiracy

AT - 530-17

M. J. EASON, ALMA, GA

An OIG investigation in Georgia resulted in the arrest of two bank presidents, a bank vice-president, and the owner and two operators of a grain company for allegedly conspiring to defraud the Government with respect to FCIC crop insurance. The arrests followed an OIG investigation of allegations of the concealment of crop production and the filing of false insurance claims by farmers in Southern Georgia. The farmers were allegedly abetted in their actions by grain company officials who set up false accounts and by banking officials who allowed the farmers to negotiate checks written to fictitious names. The investigation is continuing.

Farmer Indicted For Submitting False Reports

KC - 599-74 KC - 599-76

DENNIS L. LAND, MARQUETTE, NE

A Nebraska farmer was indicted on three counts of submitting false reports to FCIC. According to the indictment, the farmer underreported his corn production on two units of land and falsified the final corn planting date on a third unit of land. Each of these actions would have the effect of increasing his crop insurance indemnity claims. Over a 2-year period, the farmer and individuals whose land he farmed allegedly submitted almost \$800,000 in crop indemnity claims to FCIC. Trial is pending.

International Affairs and Commodity Programs

Agricultural Stabilization and Conservation Service (ASCS)

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.

FY 1987 net outlays for ASCS are estimated at \$232 million for conservation programs and the dairy indemnity program, and for CCC at \$23.1 billion for all other operations.

Payment Limitations Exceeded by \$1 Million

3630-1-TE

Our last Semiannual Report discussed audit results from our audit of the \$50,000 payment limitation provision in eight States. We concluded that corrective measures taken or planned by ASCS should help minimize abuses for 1987 and future program years. In the meantime, we have undertaken reviews of past years based on ASCS's requests and information developed from other sources. Audits completed during this period have identified about \$1 million in payments exceeding the limitation due to improper ASCS decisions or producer noncompliance.

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One State office requested an audit of what appeared to be the sale of "paper" corporations to producers by an agricultural management firm. Our ongoing review confirmed that many of the new corporations were indeed "paper" changes. The producer groups had not made substantive changes in their operations which would justify increasing the number of "persons."

AR

Another State office requested OIG's review of 11 farming operations where landlord-tenant relationships existed. Our initial inquiry indicated bogus cash-rent tenants were used to establish additional "persons." These instances are currently under investigation. Significant irregularities were also found in other cases. These have been reported to ASCS for corrective action.

Payment Limitation Provisions for the Conservation Reserve Program Need Clarification

03099-112-TE

The Conservation Reserve Program is a voluntary program that allows producers to take highly erodible land out of production for 10 years in exchange for annual payments from ASCS. As in production adjustment programs, any one individual or entity may not exceed \$50,000 per year in payments. For payment limitation purposes a "person" is identified as an individual or legal entity that has a separate and distinct interest in the land or crop. While a large, one-person farming operation is limited to \$50,000 per year, partners in a similar operation could each receive up to \$50,000 a year. State and county committees are responsible for reviewing farm operating units and assuring that payment limitation provisions are not evaded or abused.

NM, OK

We conducted reviews in two States to determine if controls and procedures were in place to control payment limitations in the Conservation Reserve Program. Operating plans were not obtained to make "person" determinations because of confusion by State and county officials on when the plans should be obtained. Some officials thought the plans were not required until October 1, and others thought they were not required until payments were made. For 1987 program year contracts, payments would be made after October 1, 1987. Without the plans it is not possible to assess if all parties would be eligible for scheduled payments.

When informed of these conditions, ASCS took steps to issue clarifying procedures. "Person" determinations in the Conservation Reserve Program will now be made concurrently with "person" determinations for the production adjustment programs.

Improved Compliance Operations and Reporting Requirements Could Provide More Effective Program Administration

3632-2-KC

ASCS's compliance operations are its primary administrative control feature over programs used to disburse over \$25 billion (FY 1986) in direct payments and price support loans. OIG evaluated these operations to determine ASCS compliance with internal control requirements of the Federal

Managers' Financial Integrity Act of 1982 and OMB Circular A-123. Administrative controls are necessary to provide managers with reasonable assurance that program obligations and costs comply with applicable laws and regulations and that funds and other assets are adequately safeguarded against waste, loss, unauthorized use and misappropriation.

We found the following major weaknesses requiring corrective action:

- Key compliance duties and responsibilities were not separated from program responsibilities, thus preventing objectivity in compliance reviews and reporting.
- Compliance operations were not adequately supervised to provide reliable compliance test results.
- The scope of compliance operations was not sufficient to evaluate all material program areas and issues.
- Controls were not established to assure timely completion of compliance tests.
- Compliance review results and related program information were not reported to the managers responsible for program administration.
- Compliance sampling techniques and related controls were not developed to provide reliable national, State, and county projections of county office test results.

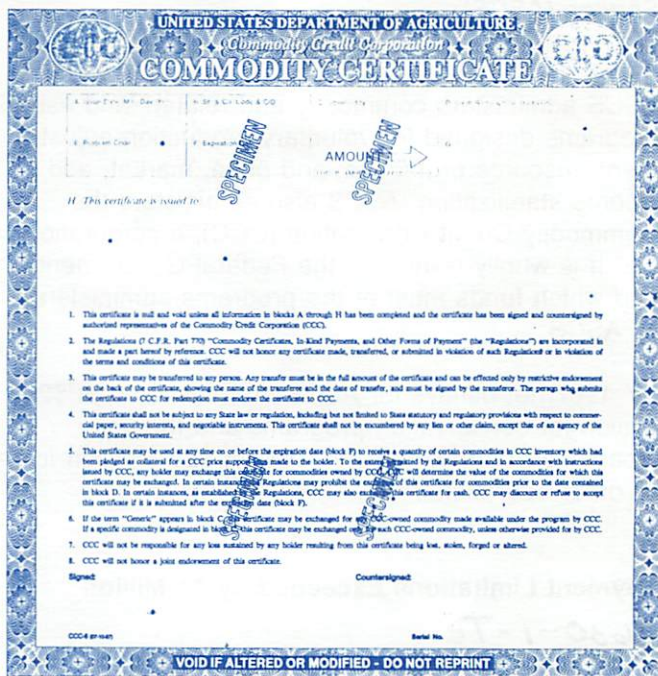
ASCS agreed with our conclusions that internal administrative controls and reporting requirements should be improved to more effectively administer its programs.

Further Actions Taken to Control Commodity Certificates

03530-27-FM

The Food Security Act of 1985 authorizes noncash payments for producers and their entities earning payments under specified programs. Commodity certificates accomplish this by entitling the holder to obtain CCC-held commodity stocks for the dollar value printed on the certificate. The certificates are designed to be readily transferable. Original holders may redeem the certificates with CCC for cash, redeem them for outstanding commodity loans, or sell or trade them to other producers or commercial

institutions. Subsequent holders have the same options except they may not redeem the certificates with CCC for cash, but can redeem them for CCC-held stocks. As of July 31, 1986, an estimated \$10 billion in commodity certificates had been issued.



COMMODITY CERTIFICATE PAYMENT STATEMENT

TE-328-14 STILLWATER, OK
 RONALD & SHEILA GARRETT

In our previous Semiannual Report, we reported that an ASCS District Director in Oklahoma and his wife, an ASCS County Office Program Assistant, pled guilty to charges of counterfeiting ASCS commodity certificates. Both husband and wife resigned their positions with ASCS. The former District Director was sentenced to serve 2 years in jail, ordered to make \$15,356 restitution, and ordered to pay a \$100 assessment. His wife was sentenced to serve 18 months in jail and ordered to pay a \$50 assessment. An accomplice, who cooperated during the investigation, was sentenced to serve 6 months in jail. Counterfeit commodity certificates with a face value of \$1,047,748 were recovered during the investigation.

We have continued our reviews of custody, control and accounting for unissued and redeemed certificates. We reported to ASCS the following deficiencies, with appropriate recommendations:

3530-27-FM

- Control records and inventory logs were not accurate.

- Duties were not adequately separated over key activities.
- Procedures and controls at the USDA warehouse were not sufficient to preclude loss or theft of certificates.
- Certificate record counts for entry into the accounting system were not reconciled to the issuance system output totals.
- An audit trail was not developed to identify certificates issued and voided through the issuance system.
- Procedures used to print, mail, receive and store sample certificates, printing plates and negatives were weak.

ASCS has taken steps to remedy these problems as recommended. In addition it took measures, based on OIG's previous recommendations, to redesign commodity certificates to make them less vulnerable to alterations and counterfeiting. The redesigned certificates are scheduled to be used for payments beginning about December 1, 1987.

Additional Control Features Needed Over Commodity Loans Redeemed with Certificates

3642-1-KC

A separate review was undertaken where producers elected to repay their commodity loans with commodity certificates. Producers obtain commodity loans at the annual loan rate, but they may redeem, or pay off, the loans at market prices, which have recently been lower than the loan rates.

Commodity loans are subject to spot check to assure that the commodity exists, sufficient quantity is on hand and it is in storable condition. ASCS permitted producers to obtain commodity loans and immediately redeem them with commodity certificates. These loans were not subject to spot check, thus eliminating an agency control feature designed to assure that producers have sufficient collateral for loans they obtain. Under the ASCS practice an unscrupulous producer could obtain an uncollateralized loan and redeem it with certificates at the market rate.

ASCS immediately implemented spot-checking provisions which will require that loans selected are spot checked before the producer redeems the loan.

Commodity Loan Investigations Focus on Mortgaged Grain

Investigations into violations of the commodity loan program show that a common type of abuse involves producers who illegally sell, or "convert," grain mortgaged to the CCC. OIG continues to investigate allegations of "conversions" in the commodity loan program, as well as allegations that ASCS employees are not administering the program properly.

- A producer in Nebraska disposed of about 22,000 bushels of corn and grain sorghum which were pledged as collateral for CCC farm-stored price support loans. He was indicted and found guilty by jury trial on six felony counts of conversion. He was sentenced to serve 30 days in jail, placed on 5 years' probation, and ordered to pay \$69,997 restitution. *KC - 332 - 264*
ORVILLE KLECAN, DILLER, NE
- A producer in Iowa was sentenced to 30 days in jail, placed on 5 years' probation, and ordered to pay restitution of \$104,759. The sentence was handed down after the producer was convicted by jury trial of converting about 32,000 bushels of corn and about 4,300 bushels of soybeans which were mortgaged to the CCC. *KC - 332 - 554*
FOLKERTS FARMS, INC. ALLISON, IA
- A father and son in Iowa were convicted by jury trial for conversion of grain mortgaged to CCC, conspiracy, and false statements. The father and son sold or otherwise disposed of over \$60,000 in corn pledged to CCC. The son tried to conceal the conversion by falsely identifying a third party's corn to agency officials as the CCC-mortgaged grain. Further inquiry by OIG determined that the father and son had no interest in the grain. Sentencing is pending. *CH - 332 - 179*
WENDELL & JAMES GRADY DUNLAP, IA
- An Indiana ASCS County Executive Director was indicted and convicted of making false grain inspection reports and of concealing grain conversions committed by two CCC price support loan borrowers. He entered a guilty plea and was sentenced to 5 years' probation and removed from his position. As reported in our previous Semiannual Report, the two Indiana borrowers each pled guilty to charges that they had converted security for their CCC loans and one borrower, as part of a plea bargain agreement, was ordered to pay restitution of \$836,000 plus interest, repay \$1.1 million to two banks he defrauded, and sentenced to 3 years in prison. The other borrower has been sentenced to 5 years' probation as a result of his guilty plea to charges that he had converted \$500,000 worth of corn mortgaged to CCC.

Burley Tobacco Marketing Indictment

*ROY G. AMMONS + BIG BURLEY WAREHOUSE
MARS HILL, NC AT - 362-610*

In North Carolina, a Federal Grand Jury charged a tobacco producer and member of the Board of Directors of the Burley Tobacco Stabilization Corporation, with conspiring with a tobacco warehouse owner and a warehouse employee to falsely identify and market 13,832 pounds of burley tobacco. The Burley Tobacco Stabilization Corporation assists USDA in administering the burley tobacco price support program. The tobacco in question, which was sold by using burley tobacco marketing cards issued to the producer, was owned by the warehouse owner. The indictment charged that tobacco sales checks were made payable to fictitious individuals and were later cashed by the warehouse owner or his representative. The tobacco sold for about \$20,200. It was further alleged that for permitting the warehouse owner to illegally use his burley tobacco marketing cards, the producer received \$9,611. Trial is pending.

Sentences Handed Down for Selling

Contaminated Feed *VALLEY FEEDS, INC.*

VAN BUREN, AR TE - 118-1-J

As reported in our last Semiannual Report, four persons in Arkansas associated with a gasohol manufacturing and feed operation were indicted on charges of racketeering, mail fraud, violations of the Federal Food, Drug, and Cosmetic Act, water pollution violations, and making false statements. Three of the four individuals were convicted by jury trial and the fourth pled guilty during trial. The charges were filed after the four sold to farmers a feed grain that was actually a distillery byproduct which was contaminated with various chemicals, including dieldrin, chlordane, and heptachlor. The four individuals were sentenced as follows: the first to 3 years in jail and a fine of \$7,500; the second to 1 year and a day in jail; the third to 1 year and a day in jail and a fine of \$7,500; and the fourth to 3 years' probation and a fine of \$5,000. The investigation was conducted jointly by OIG, FBI, Food and Drug Administration, the Environmental Protection Agency, and the Arkansas State Police.

Review Results Prompt County Executive Director Resignation

03099-52-SF

A joint audit-investigation was made of a county office because of allegations by a former employee that the County Executive Director had mismanaged

the office and because of administrative and program problems uncovered by State office reviews.

The County Executive Director had not deposited \$314,102 in cash and check collections (one check was dated as far back as July 26, 1985). Redeemed commodity certificates with face values of \$273,790 had not been submitted to the Kansas City Management Office (KCMO) for entry into the accounting system.

The County Executive Director also made payments of \$1,595,693 before obtaining or completing proper documents. In two other cases disbursements of \$61,305 were made several years after the crop year ended. In addition, spot checks of production adjustment programs had not been completed, resulting in potential overpayments of \$36,057.

The State office was aware of problems at the county and also reviewed exception listings from KCMO indicating program problems, but it did not properly monitor the situation. For example, one exception report in November 1986 showed that 17 checks, totaling \$723,925, which were issued by the county did not match up with records at the KCMO showing program participation. The discrepancy remained unreconciled for at least 90 days after the checks had been cashed. The State office had not followed up with the county office to obtain assurance that corrective actions had been taken.

Based on the results of OIG's review, the County Executive Director opted to resign from her position.

Foreign Agricultural Service (FAS)

FAS is primarily responsible for the expansion and maintenance of foreign export markets for U.S. agricultural products. FAS is also responsible for foreign market intelligence and access, development of foreign markets for U.S. agricultural products, and representation of U.S. agricultural interests abroad.

Cost Reductions Possible

07099-7-Hy

Title I of P.L. 480 provides for CCC to finance the sale of U.S. agricultural commodities but stipulates that at least 50 percent (75 percent during the years 1986 through 1988) of the commodity tonnage must be shipped on U.S. flag commercial vessels. Because of this stipulation, P.L. 480 also provides for CCC to finance the difference between the

prevailing foreign flag vessel rate and the U.S. flag vessel rate.

We found some practices that appeared to increase commodity and freight rates: Government-to-Government Title I agreements were not being completed in a timely manner; FAS's method of calculating ocean freight differentials overstated CCC's share of the expense; and U.S. flag vessel

rates were excessive because of loading and discharging rates and other provisions contained in charter party agreements approved by FAS. OIG estimates that vessel costs could be reduced as much as \$13.3 million. FAS agreed to implement our recommendations except for those pertaining to the loading and discharging rates. We are continuing to work with FAS on this unresolved issue.

Natural Resources and Environment

Forest Service (FS)

The Forest Service manages over 191 million acres of National Forest System lands and related resources, conducts a State and private forestry program in cooperation with States, and provides national leadership in forest and range research. For FY 1987, the FS budget authority exceeded \$2.36 billion and estimated receipts were \$1.13 billion.

PHOTOGRAPH NOT AVAILABLE
FOR REPRINT

During this period OIG continued to provide coverage of problems emanating from the high-priced timber sales of the late 1970s, particularly in the Pacific Northwest. We completed an audit of timber purchasers in financial jeopardy and a survey of the collection of damages on defaulted timber sale contracts. Major audit attention was given to timber purchases, road construction, automated data processing and microwave communications systems, and several aspects of FS financial management.

Improved Controls and Procedures Were Needed to Increase the Government's Protection Against Timber Contract Defaults and to Enhance Collection of Default Damages

08636-1-SF

During the late 1970s, the prospect of continued inflation led to aggressive bidding by the timber

industry and, in turn, increasingly higher bids for National Forest timber. A subsequent economic recession resulted in a severely depressed market for lumber, and purchasers were left with high-priced timber contracts. In spite of Government efforts to ease these conditions until markets improved, timber purchasers are still obligated to harvest about 6 billion board feet of timber, valued at contract prices of \$1.3 billion, which is unprofitable now and will be in the foreseeable future. As a result, hundreds of timber sales contracts are in default, and more are expected.

Because of the absence of a servicewide methodology for determining purchasers' financial ability, FS contracting personnel were not fully aware of the magnitude of risk facing those purchasers we identified as being in financial jeopardy. From our sample of 209 timber purchasers which we identified as potentially being in financial jeopardy, we found 83 that had combined estimated losses on existing contracts and unpaid default damages totaling about \$374 million.

We also found that the FS continues to award contracts to purchasers in financial jeopardy. Sixteen of the 83 purchasers we identified had inadequate financial resources to cover estimated losses on current contracts, as well as actual or projected default damages (the total of which for each purchaser ranged up to \$41.5 million). Nevertheless, 15 of these purchasers had been awarded a total of 144 sales contracts during FY 1986, with a total value of \$118.6 million.

We recommended that the FS establish data bases that would allow contracting officers to identify purchasers who default on FS contracts and the amount of damages due, and to make reasonable estimates of purchasers' profits or losses on their total current contract portfolios. We also recommended that the FS base its financial ability determinations on a purchaser's total FS contractual obligations, and require additional financial guarantees before awarding new contracts when a purchaser's financial ability appears weak.

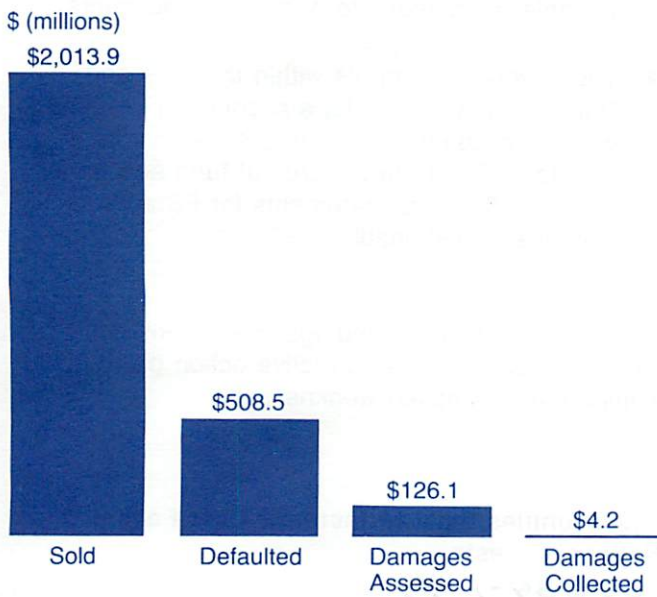
FS officials generally agreed with our recommendations and are currently strengthening their method of determining purchasers' financial ability and withholding new sales until additional guarantees are provided.

08099-76-SF

We also reviewed the adequacy of controls the FS had established to manage collection of damages. The Department has emphasized pursuing default damage collections in order to encourage contract performance rather than default. During FYs 1984 through 1986, purchasers defaulted on 1,339 timber sales, with FS assessed damages of \$126 million. Damages of \$23 million were forgiven under provisions of the Federal Timber Contract Payment Modification Act, but of the remaining \$103 million, the Government had collected only \$4 million. The limited collection to date has occurred because purchasers had exercised their right to judicial or administrative appeal on many contracts.

Forest Service Timber Sales FY 1984-86

Sold, Defaulted, and Damages Collected



The FS is modifying its collection practices in response to the growing default problem, but we found that controls needed to be improved. The proposed nationwide system for tracking defaults did not accurately define the collections problem, planning lacked effective due dates, and the collections strategy relied heavily on the resources of agencies outside the FS. In addition, we found minimal management controls over the collection process, minimal use of administrative procedural alternatives to resolve collection of damages, and no method to track administrative costs.

We recommended that the FS improve its tracking system, plan its collection activities, and monitor claims more effectively. We also recommended the FS consult the OGC concerning the FS's legal authority to compromise claims. The FS agreed with

our recommendations and is taking appropriate corrective actions.

Investigation Discloses Bid Rigging in Timber Sales *PORTAC INC., HOH RIVER TIMBER CO & ASTORIA PLYWOOD, CALLAM CO, WA SF - 899-58*

As reported in our previous Semiannual Report, three Washington State timber companies were indicted on charges of bid rigging in connection with a FS timber sale of more than 8 million board feet of lumber worth about \$515,000. An official of one of the indicted companies was also charged with perjury as a result of his testimony before the Federal Grand Jury investigating the case. Two of the companies pled guilty to antitrust charges and each was ordered to pay \$100,000 in fines and \$100,000 in restitution for unjust enrichment resulting from the rigged bids. The third company was convicted of antitrust violations and its principal log-buying representative was convicted of perjury. Sentencing of the third company and its representative is pending. The maximum penalty for a conviction of violating the Sherman Antitrust Act is a fine of up to \$1 million or twice the financial gain derived from the rigged sale. The maximum penalty for perjury in a Grand Jury proceeding is 5 years in prison and/or a \$10,000 fine. FS has debarred two of the companies from purchasing National Forest timber for 18 months and the other for 6 months. The third company involved did not purchase timber directly from the FS.

The FS Has Made Significant Progress in Reducing Road Construction Costs

08635-02-At

A 1982 OIG audit disclosed major opportunities for the FS to save money by reducing timber purchaser road standards. The FS undertook a major effort to achieve that goal. However, a 1985 review reported that at least one FS Region had not adequately implemented the abbreviated/simplified road standards the FS had developed.

A followup audit was performed to determine whether this was a common problem. We found it was not. The FS had generally corrected adverse conditions cited in our prior reports, and as a result, road construction costs have decreased dramatically since our last audit. In FY 1983, the FS constructed 6,395 miles of purchaser credit/elect roads at an average cost of about \$23,000 per mile. For FY 1986, the average cost was down to about \$18,000 per mile for 5,086 miles of road construction.

According to FS records, this represented a cost reduction/savings of approximately \$25 million for FY 1986 alone. FS estimated total cost savings in its road construction programs for FYs 1984 through 1986 to be about \$64.6 million.

The Microwave Communications Systems Approval Process and Controls Over Property and Procurement Need to Be Strengthened

08099-21-AT

JEFFERSON NF, VA
OZARK NF, AR

We performed an audit survey to evaluate the planning and development of the FS's microwave communications systems (MCS). The two National Forests visited had spent almost \$1.4 million for MCS development, and the regional office for those Forests had provided over \$1.5 million in MCS funding regionwide. We found the following problems:

- The regional office approved MCS's for six National Forests without having made adequate feasibility studies. The region has not made required cost comparisons between in-house procurement and operation of MCS's through commercially available services, nor did it provide adequate assistance and oversight for procurement, installation, and system additions. As a result, two forest supervisors' offices have projected cost overruns totaling about \$1.4 million, and one has not met its completion schedule.
- During our review of MCS property management, we found that inventories were not conducted; property management systems did not identify individual equipment items; equipment valued at \$59,937 at the two National Forests could not be located; and one National Forest had not added MCS equipment purchases totaling over \$400,000 to its property record system.

ASHVILLE, NC
MONTGOMERY, AL

JEFFERSON
OZARK

The FS generally agreed with the reported conditions and will take action agencywide to provide the necessary direction and guidance.

Accounting Controls Over Prior Years' Unliquidated Obligations Were Weak

08099-20-AT

Reviews were made of the liquidation of FS obligations from prior years' appropriations. The FY 1985 statement showed that FS had a postclosing unex-

pected balance of about \$1.2 billion from all appropriations. The statement also showed about \$678 million in unpaid obligations, of which about \$35.6 million applied to expired appropriations.

- The FS could not provide documentation to support unliquidated obligations for expired appropriations, totaling about \$35.6 million, reported in the FY 1985 "Year-End Closing Statement."
- The FS could not provide documentation to support the need for \$16.4 million in FY 1985 restorations to prior years' expired appropriations. Because the FS permitted the National Finance Center to automatically request the restoration of funds, \$2.3 million was restored unnecessarily and \$3.8 million represented questionable restorations to prior years' accounts.
- There were no controls within the FS's and National Finance Center's accounting systems to validate accounting adjustments (fund/cost transfers). Thus the integrity of fund accountability and financial statements for FS appropriations was questionable.

FS concurred with our findings. FS actions either taken or proposed in a corrective action plan should eliminate the identified weaknesses.

Opportunities Exist to Increase User Fees at National Forests

08634-1-Hy

The FS should act to ensure that the Government obtains fair market value for the use of its lands and other resources. Public laws have prohibited the FS from raising fees in some cases; in other cases, the FS had not taken steps to recover administrative costs or to obtain fair market value for the services or resources it provides. As a result, concessionaire and user fees are significantly lower than fair market value. We estimate that the FS had lost or could save over \$25 million annually if fees were increased and/or if administrative procedures were changed. The FS recently issued regulations to increase the fees charged for linear rights-of-way across National Forest land. Also, it recently initiated updated fee schedules for electronic sites and is in the process of issuing new rules covering administrative cost recovery and recreation residences.

Agency	April-September 1987		Total for FY 1987	
	Indictments	Convictions ¹	Indictments	Convictions ¹
Agricultural Marketing Service	8	3	12	7
Animal and Plant Health Inspection Service	2	1	3	8
Agricultural Research Service	0	0	2	4
Agricultural Stabilization and Conservation Service	20	31	58	57
Economic Research Service	1	1	1	1
Foreign Agricultural Service	1	1	2	7
Farmers Home Administration	49	69	129	128
Federal Crop Insurance Corporation	1	0	3	0
Food and Nutrition Service	253	177	417	313
Food Safety and Inspection Service	6	3	12	12
Forest Service	4	7	8	7
Office of Operations	0	0	1	1
Soil Conservation Service	0	1	1	1
Multiple Agencies	3	5	5	5
Totals	348	299	654	551

(1) Includes Pre-trial Diversions

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

Whistleblower Complaints

The USDA/OIG Hotline serves as a national receiving point for the reporting of suspected incidents of fraud, waste, and abuse in USDA programs and operations for both Departmental employees and the general public. The Inspector General Act of 1978 provides that employees may report such incidents with the assurance of anonymity and protection from reprisal.

During this reporting period, the OIG Hotline received and analyzed 832 complaints, and processed 398 from Departmental employees and the general public (including Congressional and other agency referrals). Twenty-one percent of these complaints were referred to OIG Audit or Investigations while the majority of the remainder are referred to the administering USDA agency for resolution and response to OIG.

The 24-hour toll-free telephone number continues to be the major source for receipt of complaints. The majority of complaints are allegations of program violations and fraud, waste, mismanagement and abuse. Following is a breakdown of the various types of allegations received:

Program Violations	387
Fraud, Waste, Mismanagement, Abuse	370
Misconduct	44
Personnel Irregularities	19
Health Safety	6
Opinion/Information	6

Freedom of Information and Privacy Act Activities

OIG processed 276 requests under the Freedom of Information Act (FOIA), compared to 261 for the previous 6 months. The following schedule outlines FOIA data over the past two reporting periods.

	Last Period	This Period
Number of Requests	261	276
Number of Favorable Responses	156	196
Number of Unfavorable Responses	105	80
Unfavorable Responses Due to:		
No Records Available	28	25
Requests Denied in Full	16	25
Requests Denied in Part	61	30
	105	80

Other data not directly affected by the number of requests:

Appeals Granted	0	1
Appeals Denied in Full	0	2
Appeals Denied in Part	0	0
Number of OIG Reports Released in Response to Requests	398	292

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

Debts Arising From OIG Activities

USDA agencies established 80 new claims during this reporting period arising from OIG audits and investigations.

This amounted to more than \$1,970,000, with over \$683,000 collected against these and other prior claims, and \$1,788,000 waived, compromised or reduced because of postaudit justification.

Single Audit Activities and Audit Quality

OIG monitors the work performed by non-Federal auditors and takes steps to ensure it meets the standards established by the Comptroller General. Where OIG has been assigned cognizance for single audits of State and local governments, it works very closely with the independent auditors to assure that the single audit work performed by non-Federal auditors meets the requirements of OMB Circular A-128, Audits of State and Local Governments and the standards promulgated by the Comptroller General. OIG conducts either quality control reviews or desk reviews of all A-128 audit reports processed.

Since the last Semiannual Report, OIG has reviewed 64 Single Audit Act audit reports. Of these, four reports were not issued until major changes to the audit report were made and/or concerns for substandard performance in the audit work as noted by our quality review were addressed. Accordingly, we did not find any audits to be unacceptable nor did we refer any Certified Public Accountant (CPA) firms to State Boards of Accountancy for major inadequacies of substandard performance in this reporting period. Examples of the deficiencies found in our quality control or desk reviews are: unreported compliance findings as noted in review of workpapers; outstanding loans not considered when determining "major programs"; reports that did not conform with accepted language for the compliance and internal control statements; reports that did not contain comments on the status of prior findings or corrective actions; and an inaccurate schedule of Federal assistance.

We also have oversight responsibility for the quality of work of independent auditors performed for program agencies. In our last Semiannual Report, we reported on an audit of FmHA's and REA's use and review of non-Federal auditors, mostly CPAs. FmHA and REA use non-Federal auditors to monitor the operations of borrowers receiving financial

assistance. As a result of these deficiencies, we referred 15 CPA firms to State public accountancy boards and we advised the American Institute of Certified Public Accountants of our action. For example, we noted that one firm did not qualify its opinion to recognize a material change in accounting for revenue, which resulted in reflecting 13 months of revenue against 12 months of expenses. Consequently, an operating profit of almost \$200,000 was shown in the financial statements instead of an operating loss of \$390,000. This same CPA firm's working papers did not always contain required documentation of auditing procedures applied, testing performed and conclusions reached.

Because FmHA had a seriously deficient system, the work of the non-Federal auditors generally was not questioned. Our review disclosed numerous questionable items in the auditors' reports and/or work. Two deficiencies frequently recurred. First, CPA firms did not indicate whether generally accepted accounting principles were applied on a basis consistent with that of the preceding period. Secondly, CPA firms did not properly qualify their opinions when financial statements were not prepared in accordance with generally accepted accounting principles. These qualifications should have been made concerning nongenerally accepted accounting principles treatment of bad debts, depreciation, revenue, and leases. In addition, we noted that: firms did not include required disclosures in the financial statements regarding accounting financial statements audited; a firm did not indicate in its opinion whether the financial statements were presented in accordance with generally accepted accounting principles; and a firm lacked independence from the entity audited, since a partner in the CPA firm had acquired a limited partnership interest in the entity under audit.

Indictments and Convictions

Between April 1, 1987, and September 30, 1987, we completed 626 investigations, of which 270 were referred for prosecution.

During the reporting period, our investigations led to 348 indictments and 299 convictions. Fines, recoveries/collections, and restitutions resulting from our investigations totaled about \$8.8 million. Administrative penalties of \$2.1 million were established and costs of \$9.8 million were avoided.

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

1. **Maximum Payment Limitation 1984-1985, Jefferson County, Arkansas, issued January 26, 1987**

Maximum Payment Limitation 1984-1985, Desha County, Arkansas, issued January 22, 1987

Maximum Payment Limitation 1984, 1985, Chicot County, Arkansas, issued January 27, 1987

OIG performed a joint review in Arkansas with ASCS officials to determine the adequacy of 1987 "person" determinations made on a sample of payment limitation cases cited in each of the three audits. ASCS is preparing its decision on each of the cases reviewed to submit to OIG. OIG will review the decisions to determine if resolution can be achieved.

2. **Eligibility of 1985 Rice for Commodity Loans, issued March 25, 1987**

Twenty-six producers delivered their grain to a private company and cancelled rice sales agreements to obtain loans from CCC. ASCS initially agreed the loans were ineligible but later redetermined the loans to be eligible. ASCS is in the process of providing documentation, including an OGC opinion, that would justify the redetermination.

3. **Guaranteed Loan to Sanders Equipment Co., Inc., issued July 28, 1986**

We recommended that our findings of noncompliance with the terms of the conditional commitment of guarantee and the lender's agreement be referred to OGC to determine if FmHA has recourse against the lender or its receiver and liquidator, Federal Deposit Insurance Corporation (FDIC). FDIC provided an opinion showing FDIC is only an insurer and cannot be held responsible for the lender's liabilities. OGC is continuing to review this position.

4. **Guaranteed Loan to Owl Construction Co., Inc., issued July 22, 1986**

The audit recommended referring the violations of the lender's agreement to OGC to determine how much of the guarantee may be enforced. FmHA would then recover losses not covered by the guarantee. The case is awaiting OGC's review.

5. **Guaranteed Loan to Oil Well Labor Crews and Services, Inc., issued July 7, 1986**

As recommended, FmHA referred the case to OGC to determine the extent of enforcing the loan guarantee since the lender violated its agreement. Once the OGC review is completed, FmHA may seek recovery of losses not enforceable under the guarantee. OGC has not completed its review.

6. **Guaranteed Loan to Nicolosi Enterprises, Inc., and Concentric Pipe Rentals, Inc., issued April 15, 1986**

We recommended that our findings of noncompliance with terms of the conditional commitment of guarantee and the lender's agreement be referred to OGC to determine whether FmHA has recourse against the lender or its receiver and liquidator, FDIC. FDIC provided a similar opinion to that indicated in number 4. OGC is continuing to review that position.

7. **Guaranteed Loans to Louisiana Marine Protein, Inc., issued March 19, 1986**

The audit recommended that violations of the lender's agreement be referred to OGC to determine the extent of enforcing the loan guarantee. We also recommended recovery of losses to the extent the guarantee was not enforceable and the improperly expended loan funds be disallowed from the loss claim.

FmHA submitted the case to OGC to seek recovery of \$2.6 million in loan funds plus accrued interest estimated at \$1 million minimum. OGC referred the case to the United States Attorney and resolution is pending action by the Attorney.

8. **Oversight of Program Operations Through the Use of Certified Public Accountants, issued March 31, 1987**

REA requires an annual financial audit to be conducted by public accounting firms in conformity with generally accepted auditing standards of its approximately 2,000 borrowers. We recommended that REA modify its annual requirement to fulfill the requirements of generally accepted governmental auditing standards as required by the Inspector General Act of 1978 and OMB Circular A-73.

Audit Resolution and Followup

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

Unresolved Audits Pending Agency Action

Agency	Date Issued	Title of Report	Dollar Value Unresolved
ASCS	1/26/87	1. Maximum Payment Limitation 1984-1985, Jefferson County, Arkansas (03630-17-Te)	\$ 8,276,381
	1/22/87	1. Maximum Payment Limitation 1984-1985, Desha County, Arkansas (03099-97-Te)	\$ 2,190,983
	1/27/87	1. Maximum Payment Limitation 1984-1985, Chicot County, Arkansas (03630-16-Te)	\$ 1,453,000

Unresolved Audits Pending OGC Action or Opinion

ASCS	3/25/87	2. Eligibility of 1985 Rice for Commodity Loans (036335-2-Te)	\$ 465,508
FmHA	7/28/86	3. Guaranteed Loan to Sanders Equipment Co., Inc. (04099-115-Te) ¹	\$ 4,884,569
	7/22/86	4. Guaranteed Loan to Owl Construction Co., Inc. (04099-122-Te) ¹	\$ 2,476,361
	7/7/86	5. Guaranteed Loan to Oil Well Labor Crews and Service, Inc. (04099-121-Te) ¹	\$ 1,803,039
	4/15/86	6. Guaranteed Loans to Nicolosi Enterprises, Inc., and Concentric Pipe Rentals, Inc. (04099-113-Te) ¹	-0-

Unresolved Audits Pending Action Outside the Department

FmHA	3/19/86	7. Guaranteed Loan to Louisiana Marine Protein, Inc. (04099-104-Te) ¹	\$ 5,180,109
REA	3/31/87	8. Oversight of Program Operations Through the Use of Certified Public Accountants (50659-3-Ch)	\$ 1,500,000

¹Reported in last Semiannual Report.

Resolution and Statistical Data

Audit Reports Resolved

OIG closed and/or resolved 473 reports during the period covered by this report. The monetary values associated with the findings of these audits were as follows:

	(Millions)	(Millions)
Questioned Costs Recommended for Collection	\$ 170.3	
Questioned Loans Recommended for Collection	\$ 14.8	
Total Costs and Loans Questioned at Issuance		<u>\$ 185.1</u>
Less: Post Audit Justification Accepted by OIG	\$ 164.5 ^a	
Management Commitment to Seek Recoveries		<u>\$ 20.6 ^{b/c}</u>
Other Monetary Impacts Agreed to:		
Management Commitments to More Efficiently Use Funds	\$ 101.2 ^b	
Improper Agency Action	\$ 401.9 ^{d/e}	
Total Other		<u>\$ 503.1</u>
Total Dollar Impact		<u>\$ 523.7</u>

^a In the category "post audit justification 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 audit, and once received, is analyzed and evaluated by OIG and appropriate adjustments to the reported amounts are made. The dollar amount displayed is the net of the post audit justification accepted by OIG and the increase in collections above questioned costs and questioned loans recommended for collection.

^b These were the amounts agreed to by the auditee at the time of resolution.

^c The recoveries actually realized could change as the auditees implement the agreed-to corrective action plans and seek recovery of amounts recorded as debts due the Department.

^c Improper agency actions are monetary amounts identified by the audit as having been expended erroneously or improperly due to the agency action or for which recovery is not possible. This also would include amounts incurred or earned in good faith by others, because they relied on incorrect or improper guidance, interpretations, or directions by agency personnel or instructions. If statistical projections are used in determining the values, the midpoint estimate is used.

^e Of the total \$401.9 million, \$243 million represents the total ASCS and FCIC payments made to delinquent FmHA borrowers during 1984 for which FmHA had not obtained a security interest. Accordingly, the agency's debt management controls needed strengthening to ensure that a security interest in similar future program payments was routinely obtained. FmHA agreed to implement this recommendation, but the probability of collection of future payments cannot be reasonably estimated.

was not properly restricted. Non-IDMS access to data sets containing IDMS files were not properly controlled with system access control rules. These problems were amplified due to agencies' lack of effective procedures to assist managers in fulfilling their security and control responsibilities. We also found a general lack of separation of duties and employees given security privileges did not always have a critical-sensitive security clearance.

Department and agency officials generally concurred with the audit results. These agencies implemented or planned to strengthen IDMS security by implementing security features and controlling access to system functions and data base information. We plan to assist the agencies throughout the audit resolution process to ensure that proper corrective actions are taken.

The Office of Information Resources Management (OIRM) Needs to Prepare Departmental Guidelines on How to Contract for Software Development

50665-1-FM

We reviewed ADP software development contracting within the Department and found that agencies had not effectively planned and managed these activities. This resulted in an increase from initial estimates of \$16.7 million to \$33.4 million for the contracts reviewed. Agencies were not always prepared to contract for software development and were operating with insufficient guidance on how to develop software under contract.

We recommended that the OIRM prepare Departmental guidelines for software development contracts and exercise more control through the technical approval process to help assure that agencies are prepared to contract for software development. We also recommended that improvements be made in contract management. Departmental officials generally agreed with our audit results and have initiated corrective action.

Audits of Contracts

OIG contract auditing is performed to assist USDA procurement offices in the negotiation, administration, and settlement of USDA contracts and subcontracts. OIG performed or arranged for audits of 13 pricing proposals, cost reimbursement contracts, or contractor claims. These audits resulted in questioned costs or potential savings of more than \$1 million. Also, during this period, 19 contract audits were resolved or closed, resulting in savings of about \$1.7 million.

Overstated Computer Rental and Maintenance Costs

03099-69-CH

We audited a proposed contract modification to complete a Processed Commodities Inventory Management System. The modification for over \$18 million dollars consisted of eight cost components. Our audit reported that some computer rental and maintenance costs were not fully supported by invoices and lease agreements. We identified over \$50,000 in overstated computer rental and maintenance costs. We are working with agency officials to ensure that the modification is reduced by the overstated amount.

Contractor Withdraws a \$171,780 Claim Against USDA

23545-1-SF

As a result of an audit of a contractor's claim against USDA, the claim was settled in favor of USDA, resulting in savings of \$171,780 to the Department. The audit was conducted at the request of the USDA Board of Contract Appeals to assist in settling the \$171,780 claim against the Office of Operations, which had entered into the contract to lease computer hardware and software for the Washington Computer Center. After it was determined that the contractor had been sufficiently compensated for services provided, the contractor withdrew its claim.

- SCS had not considered the CAMPS data management system to be subject to the Privacy Act and, as a result, had not implemented the required controls to ensure data integrity and security and prevent misuse of individuals' privacy information. Based on our audit results, SCS agreed to declare CAMPS a system of records subject to the Privacy Act.
- Progress reports from the SCS staff assisting the contractor did not adequately address specific contract requirements, thus causing difficulty in assessing contractor performance. Some tasks were paid prior to completion. Some deliverables were canceled, but the contractor had billed for these services and SCS officials had approved payment. During our review, SCS developed a new progress report which addressed each deliverable and its status. Comparison of these progress reports with contractor invoices should reduce the likelihood of premature payments.

FmHA Needs Better Control Over Development of the Automated Multi-Housing Accounting System (AMAS)

04555-1-FM

We continued our review of FmHA's development of the AMAS to determine how effectively the project was being developed. We found that managers of the project had not developed a detailed plan to control the project. Priorities, target dates, and staffing had not been decided. Testing procedures, including lack of formal sign-offs by users, were inconsistent. Because FmHA emphasized meeting implementation deadlines, the software was not thoroughly tested prior to implementation and did not fully meet user needs.

We believe the weaknesses we found contributed to the delays in completing the AMAS projects. Currently, AMAS costs are approximately \$5 million over budget and 2½ years behind schedule, with approximately 80 percent of the computer processes implemented.

FmHA management has initiated corrective action to address the problems identified in our audit.

FmHA Managers Need to Evaluate Training and Software Development for Their Automated Field Management System (AFMS)

04350-23-FM

Our monitoring of FmHA's AFMS disclosed that the automated equipment placed in field offices is gener-

ally underutilized. Major software applications development is behind schedule and the most effective training approaches are not always used. As a result, projected benefits of about \$14.2 million anticipated through automating field offices may only be partially realized. We also determined that FmHA field personnel do not always follow agency guidelines in establishing physical security and in some instances security guidelines need to be expanded.

Actions taken by FmHA should eliminate the problems found.

Controls for the Custody of Access Codes Need to be Strengthened

03530-29-FM

To fulfill telecommunications needs, USDA has contracted to use public data network telephone lines, dish transmitters, receivers, and satellites. The service is used primarily for electronic mail and electronic data transfer. Because the systems are available to other users, USDA maintains security over its programs through access codes.

During our examination of charges for June 1987, we found 61 access codes which were charged for calls which were not used to connect to other Departmental computer facilities. We reviewed in detail six access codes used for direct access by the agency involved and concluded that the codes were probably used by "hackers." The cost for the month to the Government for abuse of the network was more than \$6,000 for the six codes.

We recommended immediate action to cancel the compromised codes and that procedures be established for timely identification and cancellation of compromised codes. In addition, we recommended that the agency and contractor involved reduce vulnerability to unauthorized use of the data transmission network and provide for timely identification of questionable activities.

The Kansas City Computer Center Needs Better Security and Control Over the Integrated Database Management System (IDMS)

03530-25-FM

We evaluated security features of the IDMS and two of the user agencies at the Kansas City Computer Center. Generally, insufficient emphasis was placed on securing and controlling the IDMS. Available IDMS security features were not implemented, and access to system tasks and data base information

security and modify present menus to prevent bypassing application software to modify data files; (4) modify a software package to remove unnecessary and risky commands; (5) implement procedures for maintaining an information library of record descriptors and report and spreadsheet programs; (6) evaluate the use of common access keys and determine if the use of unique user identification is practical; and (7) establish procedures for maintaining a file containing all changes in user profiles and activities of users not controlled by menu security.

ASCS officials agreed with our audit results, except menu security issues. ASCS officials advised us that they would evaluate the extent to which they can modify existing applications.

ASCS's Automation of Peanut Buying Locations Caused Internal Control Weaknesses

03530 - 12 - AT

During the 1986 marketing season, ASCS tested the capability of a computer system to electronically transmit peanut marketing data from 46 buying locations through 4 State offices to the KCMO. ASCS provided the 46 buying locations with microcomputer hardware and software to telecommunicate the data and to test the replacement of farmers' paper marketing cards with "Smart Cards." A "Smart Card" is a plastic card similar to a credit card that contains a microchip for recording peanut marketing data. During the 1986 marketing year, approximately 15,000 peanut marketing transactions were electronically telecommunicated to ASCS State offices and relayed to the KCMO.

In 1987 over 400,000 marketing transactions will be transmitted from 563 buying locations directly to KCMO for retransmission to the respective 400 ASCS county offices and to the three peanut associations. The data will be used by KCMO to manage the national peanut price support program, by the ASCS county offices to maintain individual farm marketing records, and by the peanut associations to account for price support loan transactions, peanut inventories, and restricted use peanuts.

Internal controls at the buying locations were not adequate. The buying locations have full control over the computer system, data entry, CCC drafts, and transmission of transaction data to KCMO for retransmission to county offices and peanut associations. Previously, Federal State Inspection Service personnel certified on the transmittal form that the transactions were recorded correctly. In the automated system, the transaction data will be electroni-

cally transmitted to the users without a second-party confirmation. This will limit the effectiveness of the inspector as an internal control.

The software had several deficiencies that weakened internal controls over the system. Duplicate serial numbers for the transaction forms could be accepted by the ASCS microcomputer. Duplication of the transaction forms' serial numbers will make it difficult for the peanut associations to reconcile their accounts and for the ASCS county offices to reconcile transactions with the Farm Producer's Marketing Card.

ASCS agreed to tighten controls over the system.

Forest Service Needed to Develop a Detailed Test Plan for the National Information Requirement Projects

08530 - 4 - FM

The FS lacked a necessary detailed test plan to ensure that some important aspects of the projects were adequately tested prior to implementing the system. In addition, FS management did not ensure that sufficient coordination existed between project personnel and groups involved in implementing high speed communications capabilities from field units and the National Finance Center. Formal documentation standards had not been established to ensure sufficient information was available for users and FS management to make key decisions.

We recommended that the project group: (1) develop a test plan to ensure that all key aspects of the projects are fully tested prior to implementation; (2) implement procedures to ensure adequate coordination between the projects' development group and telecommunications personnel; and (3) develop documentation standards to ensure that sufficient information is available to system users and agency management. The FS has taken the recommended actions.

Office Communication and Automation System Should be Subject to the Privacy Act

10610 - 4 - AT

The initial field office application software, Computer Assisted Management and Planning System (CAMPS), was recently tested at 24 test sites. We assessed the software test plan and concluded that it was well designed and that the majority of systemic problems in the initial version of CAMPS were identified and corrected. During our review, we identified two concerns;

Administrative Systems and Processes

Financial Management

The Department Needs to Improve Internal Controls Over Its Purchase Order and Over-the-Counter Purchase Systems

50099-3 - FM

As part of our financial systems reviews, we analyzed the Department's internal controls over its purchase order and over-the-counter systems. USDA agency managers did not always maintain controls to ensure data accuracy. During FY 1986, we estimated the Department spent in excess of \$155,000 researching and correcting erroneous payment requests because approximately 44 percent of the over-the-counter purchase documents submitted to the National Finance Center failed to pass system edit checks. In addition, we found that the use of system validation release codes was not controlled, computer program documentation was incomplete, and over-the-counter purchases in excess of the \$2,500 limit were approved and paid.

We also estimated that about \$9 million in purchases were incorrectly classified due to inaccuracies in the systems.

Timeliness in reporting was also weak. Vendor payments cannot be made until a receiving report and vendor invoice are received at the National Finance Center. The Department incurred about \$408,900 in interest penalties in FY 1986 because agency officials did not transmit receiving reports in a timely manner after the receipt of merchandise.

Departmental officials initiated corrective actions.

The System of Internal Control Over the Use of Electronic Funds Transfer (EFT) Needs Strengthening

50664-1 - FM

Departmental standards had not been established for the acquisition and implementation of EFT processes, and guidelines had not been established for employee background reviews. With these weaknesses in the system, errors or unauthorized transaction processing may not be detected and corrected in a timely manner.

Departmental officials are currently implementing recommended corrective EFT procedures and standards.

The Office of Budget and Program Analysis (OBPA) Agreed to Account for Personal Service Costs

39099-1 - TE

USDA agencies did not include budgeted amounts for the use of temporary and intermittent personal service contractors, other than consultants, in their annual budget explanatory notes nor did they specify the intended uses of these contractors. In addition, accounting data was not compiled to enable tracking of these expenditures. USDA's National Finance Center reported expenditures of \$120 million as "nonemployee compensation" for FY 1985.

OBPA agreed to establish a new object classification code for tracking expenditures related to personal service contracts. It has requested that USDA agencies provide historical data for personal service contracts to provide a better basis for future evaluation of funding needed.

Automated Data Processing (ADP)

ASCS's State and County Office Automation Project (SCOAP) Needs Better Security Controls

03530-24 - FM

We continued to monitor ASCS's SCOAP during this reporting period. Controls were not adequate to provide data and system integrity, and no risk or vulnerability assessment of the SCOAP system had been made. Our audit reported that: (1) State and county office users were not restricted to required operations; (2) users can bypass application controls using approved software to modify data files; (3) access keys were not assigned to individuals only; and (4) the security and system files were not separated from normal operations.

We recommended that ASCS: (1) perform risk analyses of the SCOAP system to ensure compliance with Departmental security requirements; (2) establish control procedures to assign responsibilities and provide adequate training; (3) implement menu

Conservation Reserve Program (CRP) Generally Well Administered

The Food Security Act of 1985 also establishes a voluntary CRP to address soil erosion. Under the CRP, the Soil Conservation Service (SCS) identifies highly erodible land which producers could offer to remove from agricultural production for 10 years in return for an annual rental payment. Such land is then to be devoted to permanent cover to check further erosion.

Our audit evaluated the propriety of producer and land eligibility for 290 of 1,227 1986 CRP bids submitted or approved in 56 counties in 18 States. We found only isolated cases in which producers were ineligible or land did not meet soil erosion criteria. However, we did report that field boundary redefinitions resulted in an excessive number of ineligible acres being incorporated into acreage accepted into the CRP. This occurred when highly erodible acreage did not coincide with producers' field boundaries. To compensate the producer for acceptance of only part of the field, SCS developed a two-thirds "predominance factor." If for example, a producer's field of 78.1 acres contained 20.6 acres of highly erodible land, the eligible acreage would be divided by 0.667 to arrive at the enrolled acreage of 30.8 (20.6 acres/0.667). While we recognize that land other than highly erodible acreage may need to be enrolled so producers can maintain manageable field units, the "predominance factor" permitted excess acreage compared to other factors such as natural field boundaries.

ASCS agreed that field boundary redefinitions should minimize the acceptance of ineligible land and will coordinate with SCS to clarify instructions.

Emergency Feed Program

Early Work Identifies Program Weaknesses

When emergency conditions arise, the Emergency Feed Program (EFP) pays eligible livestock owners 50 percent of the cost of feed purchased, not to exceed 5 cents per pound, to replace feed normally grown on the farm. In 1986, ASCS administered the EFP to provide assistance to producers who suffered livestock feed losses due to 1986 drought conditions.

OIG reviewed the EFP as it was implemented to provide early assistance to the Department in identifying internal control items and vulnerabilities that should be addressed. Reviews were made in 21 ASCS county offices in five States designated to administer the EFP and included reviews of 117 producer case files.

We found errors in 58 of the 117 cases reviewed, with excessive approvals totaling \$117,980. Since the cases reviewed were among the first approved, the agency had only disbursed \$11,267. The excessive approvals were largely due to agency errors in calculating production losses, livestock on hand, livestock sales during the eligible feeding period, eligible feeding periods and remaining daily feed allowances. Errors also occurred because producers had not accurately reported either the number of animal units and the amount of feed on hand, or changes to their farming operations during the eligible feeding periods.

Most of these types of errors could have been precluded if counties had performed spot checks required by the internal control system. OIG found that the county spot-check requirements had not been met by District Directors in 11 of the 21 counties and by 14 of 21 county offices.

We recommended ASCS recover the overpayments, correct the approvals which were made in error, and ensure its spot-checking system was in place. ASCS agreed to take the recommended corrective actions.

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Prevention Activities

Implementation of The Food Security Act of 1985

In previous Semiannual Reports we reported on our strategy to provide early assistance to the Department in establishing and strengthening internal controls for new programs and changes required by the Food Security Act of 1985. The Dairy Termination Program, Conservation Reserve Program, and certain aspects of production adjustment programs had been identified as priorities. With issuance of the report on Conservation Reserve Program and production adjustment programs, our efforts on identified priorities have been completed.

ASCS Implements Remaining Recommendations for the Dairy Termination Program (DTP)

3632-3-CH

In our last Semiannual Report, we reported the results of our audit to determine if ASCS had implemented adequate controls to provide reasonable assurance that DTP objectives were met. While ASCS had acted to correct most of the reported problems, two issues remained unresolved at that time: (1) controls were needed to ensure leased dairy facilities entered into the DTP were not used for dairy operations during the contract period; and (2) the agency needed to identify and act on producers who may have resumed dairy operations.

We recommended that ASCS: (1) identify participating producers with leased milk production facilities and make periodic site visits to ensure producer compliance prior to release of program payments; and (2) periodically check with other agencies such as FmHA and AMS to identify participating producers who may have resumed dairy operations during the contract period or obtained an interest in a dairy operation. ASCS has now agreed to implement these recommendations.

In FY 1988, we plan to followup on ASCS's actions and producer compliance.

ASCS Notified of Potential DTP Contract Violations

03097-3-SF

A newspaper advertisement was referred to OIG showing that a DTP participant proposed to sell or

trade 800 dairy cattle to anyone outside the United States. Our review of the situation disclosed that the proposed transactions included the sale of about 300 head of dairy cattle to the producer's adult children, in exchange for an unsecured note, and to a group of U.S. investors for the purpose of flushing and freezing embryos for possible reentry into the United States. Since these transactions may have permitted the producer to maintain control over some of his dairy cattle and their offspring, a violation of the \$900,000 DTP contract could occur.

We reported the facts of the proposed transactions to ASCS. ASCS agreed to withhold payment to the producer until satisfactory evidence is presented showing disposal of the entire dairy herd.

Some Crop Bases and Yields Established Incorrectly

3634-1-KC

Production adjustment programs are designed to adjust crop acreage and production to a level compatible with demand until supplies and prices stabilize. Producer deficiency and diversion payments are calculated using crop acreage bases and yields established for the farm. The Food Security Act of 1985 contains revised procedures for establishing bases and yields using extended farm averages. The calculation of these bases and yields was, therefore, the focus of our review.

We reviewed bases and yields established for the 1986 crop year for 1,585 farms. These were selected from 120,000 farms in those 22 States with greater proportions of crop bases. Incorrect bases and yields had been established for about 20 percent of the farms reviewed resulting in overstated or understated payments totaling \$236,000.

ASCS did not correctly apply its procedures authorizing exchange and adjustment of prior year acreages, and controls were not effective in identifying these problem areas. In addition, ASCS's reporting system did not capture data, such as the original base acres and subsequent acreage adjustments, which would permit ASCS to assess the effectiveness of revised procedures.

ASCS agreed to the audit's recommendations.

*AR, CA, CO, GA, IL, IN, IA, KS,
LA, MN, MO, MT, NE, NM, NC, ND,
OK, OR, SD, TN, TX, WA*

Economics

National Agricultural Statistics Service (NASS)

Quality Assurance of Data to Determine Average Wheat Market Prices Is Not Adequate

26001-1-TE PERFORMED NASS Hq

OK STATE STATISTICAL SER.

Farm subsidies are based on the difference between the target price established by Congress and the higher of the loan rate or the average market price, which is determined by NASS. For FYs 1982 through 1985, wheat deficiency payments accounted for \$3.8 billion (42 percent) of the \$8.9 billion in deficiency payments for small grain crops. A review of NASS internal controls over the data used in the computation of the 1985 average market price of wheat revealed that internal controls were inadequate to ensure the accuracy of data submitted by mills and

grain elevator operators. A quality measurement system designed to determine the effect of inaccurate data on the average market prices had not been implemented as recommended by GAO and consultants hired by NASS. In addition, NASS survey questionnaires used by State Statistical Offices were not standardized to eliminate reporting bias.

NASS initiated a budget submission to the Department to provide resources to implement a quality measurement system for market price surveys. NASS also agreed to implement internal controls to detect and correct data errors prior to computing average market prices. In addition, NASS implemented a system to monitor survey questionnaires to ensure standardization of questions used to gather data.

believes that testing for radiation contamination would be unnecessary. However, AMS agreed to continue monitoring documented test results from the European Community. Corrective actions have been planned on the report's remaining recommendations.

Indictment in a Case of Adulterated Egg Products

*STEFAN ILY dba SUNNYSLOPE FARMS,
CHERRY VALLEY, CA SF-121-67*

In California a businessman was named in a 24-count indictment which charged that he produced and sold more than 8,000 pounds of adulterated liquid eggs for human consumption. The liquid eggs were allegedly processed under unsanitary conditions in a shed behind the defendant's shell egg plant and were not inspected by AMS as required by Federal law. The indictment charged that the eggs were sold to bakeries and commercial kitchens in Los Angeles and Orange Counties. Laboratory tests of samples seized by OIG showed much of the product was contaminated with salmonella bacteria. Trial is pending.

Seven Charged with Violations of Meat Grading and Inspection Programs

As a result of OIG investigations in the State of Illinois, four persons were charged by a Federal Grand Jury with violations of the meat grading and inspection programs and three persons were

RICHARD W. RUDNICKI, CHICAGO (CH-2401-42)

WALTER MANDER dba LINCOLN MEAT Co., CHICAGO (CH-121-41)

SIGFRIED MANNHEIMER, dba CENTRAL MEAT Co., CHICAGO (CH-121-42)

LUDWIG MANNHEIMER, dba L. MANNHEIMER, INC. & FRANK PIKE, CHICAGO (CH-121-43)

SEYMOUR SACKS, dba WINDY CITY MEAT Co., CHICAGO (CH-121-44)

charged in criminal informations. Two of those charged were USDA employees who retired during the investigation; one was a meat grader who was charged with accepting cash bribes to upgrade lower grades of meat, and the other was a food inspector who accepted gifts of meat from a plant he inspected.

The five other persons that were charged were either the owners or management officials of four Illinois meat plants. Trials are pending.

Animal and Plant Health Inspection Service

**(APHIS) MICHAEL BAKER, NORBERT FLECK,
WILLIAM WHITE, dba EVANSVILLE
LIVESTOCK MARKET, EVANSVILLE, IN
Transportation of Diseased Cattle**

CH-3335-2

In Indiana, a joint investigation by OIG agents and USDA-APHIS Veterinary Service compliance officers resulted in the arrest of three officials of an interstate livestock sales corporation. The livestock dealers allegedly sold a herd of calves exposed to brucellosis to numerous cattle buyers who were not aware the animals had been exposed. A search warrant was used to seize records which were later used to trace the diseased animals to several different States to halt the further spread of the disease. The subjects were the first individuals charged with a new Indiana statute prohibiting such sales. The defendants' trial is pending.

Marketing and Inspection Services

Agricultural Marketing Service (AMS)

Pesticide Residues Discovered in Imported Tobacco

50099-18-AT

The Food Security Act of 1985 provides that all flue-cured or burley tobacco offered for import will be accompanied by a certification from the importer that the tobacco does not contain any prohibited pesticide residue. Any such tobacco not accompanied by this certification shall be inspected to see that it meets pesticide residue requirements. Tobacco that does not meet the pesticide residue requirements shall not be permitted entry into the United States.

We issued a report to the AMS Administrator noting that the procedures AMS had placed into effect to comply with the law did not always ensure that AMS and private companies identify prohibited pesticide residues. Problem areas reported included:

- AMS needed to evaluate the list of pesticides established and the pesticide residue levels permitted. AMS established a list of 16 pesticides to be tested based on data available at two universities. Some of the pesticides had been canceled, suspended, or revoked while others had not been approved or sanctioned by the Environmental Protection Agency (EPA) for use on tobacco. The tolerance levels were not based on documented test results, but on a combination of factors, primarily by analogy to levels established by EPA for other agricultural commodities.
- Importers are permitted to self-certify that tobacco does not exceed maximum allowable tolerances without presenting any support of the certification. One importer certified that eight shipments did not exceed maximum pesticide levels, whereas the tobacco was found to contain four times the permitted levels of DICAMBA.
- In October 1986 one importer's tobacco was found to include prohibited residue levels. A prompt action had not been initiated to inform the importer to dispose of the tobacco. Not only is such tobacco prohibited from entry into the United States, but AMS is required to monitor its disposition.

- Sampling procedures did not appear sufficient to detect pesticide problems. Only four samples per 1 million pounds were required when importers certified tobacco did not exceed permitted pesticide residue levels, and one sample per 50,000 pounds where importers certified that tobacco would not move in commerce until test results were obtained.
- Only flue-cured and burley tobaccos must be tested, yet more than 177 million pounds of oriental tobaccos were imported in 1986. Independent tests have shown some cigars, manufactured primarily from imported tobaccos, contained excessive levels of DDT and TDE.
- Imported tobaccos were not being tested for possible radiation resulting from the Chernobyl accident. World trade reports and officials of FAS and the U.S. Customs Service have expressed concerns in this area.
- Two tobacco importers had not reported about 1.4 million pounds of imported tobacco to AMS, and therefore the tobacco was not inspected at the time of importation. One company had used about 394,000 pounds of this tobacco when the violation was discovered.

OIG recommended that AMS coordinate with other USDA agencies including the Agricultural Research Service and ASCS, and the EPA and FDA, to evaluate which pesticides should be tested for and the appropriate residue standard. AMS should also obtain detailed, current information on chemicals foreign countries use on tobacco. Appropriate revisions and standards should be made to the list of pesticides which require testing.

AMS felt that the methods used to establish the pesticide residue levels were reasonable and prudent. It agreed to consolidate the methodology used into one document, and to seek and evaluate new methods for establishing tolerance levels. AMS also agreed to continue its evaluation of pesticide residue levels for imported tobacco under the new testing procedures which require a higher sampling rate. If tests indicate unacceptable levels, AMS will reassess its position for not seeking legislative authority to test other than flue-cured and burley tobaccos. Based on available information, AMS

Debts Owed to the Department of Agriculture

In accordance with a request in the Senate Committee on Appropriations' report on the Supplemental Appropriations and Rescission Bill of 1980, the following chart shows unaudited figures provided by the agencies to the Department's Office of Finance and Management on the amounts of money owed and overdue during this 6-month period. All amounts are expressed in thousands of dollars.

	As of March 31, 1987 (Actual)		Written Off 3/31/87	As of September 30, 1987 (Estimated)		Written Off 9/30/87
	Owed	Overdue		Owed	Overdue	
Farmers Home Administration	\$71,696,078	\$9,964,713	\$(193,174)	\$66,940,000	\$8,700,000	\$(937,500)
Rural Electrification Administration	38,221,774	1,481,529	(694)	37,580,556	1,690,550	(694)
Agricultural Stabilization and Conservation Service/ Commodity Credit Corporation	36,651,369	702,752	(296,580)	36,905,411	707,290	(296,580)
Forest Service	177,765	131,688	(1,843)	213,745	179,514	(4,200)
Federal Crop Insurance Corporation	42,614	27,690	(812)	41,597	28,136	(2,283)
Food and Nutrition Service	442,320	438,707	-0-	469,783	468,533	(114)
Soil Conservation Service	7,718	2,979	-0-	7,335	2,519	(5)
Federal Grain Inspection Service	3,482	731	-0-	3,556	145	(1)
Office of International Cooperation and Development	25	20	-0-	36	34	-0-
Agricultural Marketing Service	15,271	2,312	(79)	8,708	7,516	(172)
Food Safety and Inspection Service	6,267	2,059	(15)	5,330	1,277	(43)
Agricultural Research Service	810	682	-0-	755	632	-0-
Cooperative State Research Service	9	5	-0-	5	5	-0-
Extension Service	192	156	-0-	135	132	-0-
National Agricultural Library	7	6	-0-	7	7	-0-
Animal and Plant Health Inspection Service	1,210	701	(3)	1,857	831	(22)
Working Capital Fund-Dept'al Administration	76	72	-0-	176	124	-0-
Office of Governmental and Public Affairs-Dept'al Admin.	4	4	-0-	3	3	-0-
Office of the Secretary Dept'al Admin.	2	2	-0-	15	8	-0-
Foreign Agricultural Service	10	7	-0-	14	9	-0-
National Agricultural Statistics Service	162	157	-0-	69	64	-0-
Economic Research Service	25	19	-0-	22	16	-0-
Office of Inspector General	10	3	-0-	8	4	-0-
Office of the General Counsel	2	1	-0-	2	1	-0-
Office of Transportation	1	1	-0-	1	1	-0-
Packers and Stockyards Administration	1	-0-	-0-	1	-0-	-0-
World Agricultural Outlook Board	2	-0-	-0-	1	1	-0-
Totals	\$147,267,206	\$12,756,996	\$(493,200)	\$142,179,128	\$11,787,352	\$(1,241,614)

Notes: (1) The REA receivables have been reduced by approximately \$960 million due to prepayments in accordance with Section 306 of the REA Act.

(2) The FmHA receivables have been reduced by approximately \$4.8 billion due to portfolio sales: \$1.9 billion of Community loans and \$2.9 billion of Rural Housing loans.

**Appendix
Listing of Audit Reports Issued
April 1, 1987 through September 30, 1987**

During the 6-month period from April 1, 1987, through September 30, 1987, the Office of Inspector General issued 328 audit reports, including 107 performed under contract by certified public accountants.

The following is a list of those audits:

	AGENCY	AUDITS RELEASED
AMS	Agricultural Marketing Service	5
ARS	Agricultural Research Service	3
ASCS	Agricultural Stabilization and Conservation Service	61
FmHA	Farmers Home Administration	29
FCIC	Federal Crop Insurance Corporation	4
ES	Extension Service	1
FAS	Foreign Agricultural Service	2
FS	Forest Service	21
SCS	Soil Conservation Service	4
CSRS	Cooperative State Research Service	1
NASS	National Agricultural Statistics Service	1
FNS	Food and Nutrition Service	109
FSIS	Food Safety and Inspection Service	5
OBPA	Office of Budget and Program Analysis	1
OICD	Office of International Cooperation and Development	1
MULT	Multi-Agency/Division Code	77
OIRM	Office of Information Resources Management	2
NFC	National Finance Center	1
	Total Completed:	
	Single Agency Audit	251
	Multiagency/Division	77
	Total Released Nationwide	328
	Total Completed Under Contract*	107
	Total Single Audit Issued**	64

*Indicates audits completed under Certified Public Accountant contracts.

**Indicates audits completed as single audits (OIG Cognizant).

UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF INSPECTOR GENERAL—AUDIT
AUDIT REPORTS RELEASED
BETWEEN APRIL 01, 1987 AND SEPTEMBER 30, 1987

AUDIT NUMBER	REGION	RELEASE DATE	TITLE	
AGENCY - AMS AGRICULTURAL MARKETING SERVICE				
*01-041-0042	SWR	05-01-87	AMS MILK MARKETING ORDER NEW ORLEANS AND ATLANTA	
01-099-0014	SER	05-28-87	AMS GRAPEFRUIT MARKETING ORDER REFERENDUM, WINTER HAVEN, FL	
01-099-0023	NER	07-01-87	AMS EGG MARKETING ORDER REFERENDUM, WASHINGTON, D.C.	
01-099-0045	WR	07-16-87	AMS PAPAYA MARKETING ORDER REFERENDUM BALLOT COUNT—CA	
01-099-0046	WR	08-18-87	AMS IRISH POTATO BALLOT COUNT PORTLAND OR	
TOTAL: AMS - AGRICULTURAL MARKETING SERVICE				— 05
AGENCY - ARS AGRICULTURAL RESEARCH SERVICE				
02-545-0005	NER	04-09-87	AG RESEARCH CTR BELTSVILLE OMB A-76 COST ESTIMATE NW-239	
*02-545-0005	GPR	07-07-87	ARS AUDIT OF PRICING PROP. (DCAA), G. GESSNER, INC., KAN MO	
*02-545-0006	NER	04-13-87	INFO. MGMT. CONSULTANTS, FALLS CHURCH, VA. -PREAWARD AUDIT	
TOTAL: ARS - AGRICULTURAL RESEARCH SERVICE				— 03
AGENCY - ASCS AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE				
03-002-0047	MWR	08-05-87	ASCS INTERNAL CONTROLS OVER COMMODITY CERTIFICATES WISC.	
03-012-1101	GPR	04-13-87	ASCS BURT COUNTY OFFICE TEKAMAH NEBR	
03-012-1102	GPR	06-23-87	ASCS COUNTY OFFICE OPERATIONS WEST POTTAWATTAMIE IOWA	
03-012-1103	GPR	06-24-87	ASCS COUNTY OFFICE OPERATIONS AUDUBON CO IOWA	
03-091-0102	SWR	05-07-87	ASCS-PEANUT-MONITORING ASSOCIATION AUDIT	
03-097-0002	SWR	09-18-87	ASCS MAXIMUM PAYMENT LIMITATION NORTHERN LA	
03-097-0003	WR	07-17-87	ASCS DAIRY TERMINATION PROGRAM HUMBOLDT CO, CA	
03-099-0003	FMS	08-28-87	BIDDING PROCEDURES AND AWARDS FOR PROCESSED COMMODITIES	
03-099-0040	NER	09-23-87	ASCS-PEANUT GROWERS COOPERATIVE MARKETING ASSN FRANKLIN VA	
03-099-0041	NER	06-26-87	WORLD UPLAND COTTON AND RICE PRICES	
03-099-0052	WR	07-06-87	SURVEY OF ASCS COCONINO-MOJAVE COUNTY OFFICE—ARIZONA	
03-099-0069	MWR	08-07-87	PROCESSED COMMODITY INVENTORY MANAGEMENT SYSTEM CONTRACT	
03-099-0096	GPR	07-21-87	ASCS SURVEY OF PROTECTION OF SUGAR PRODUCERS, ADAMS CO, CO	
03-099-0103	SWR	05-14-87	ASCS MAX PMT LIMIT 1984 1986 FG R UP& WH WHITE CO ARKANSAS	
03-099-0104	GPR	04-01-87	ASCS, WHISTLEBLOWER COMPLAINT IN CARROLL COUNTY IOWA	
03-099-0107	GPR	06-25-87	ASCS CONSERVATION RESERVE PROGRAM BOX ELDER CO UTAH	
03-099-0110	SER	09-30-87	ASCS DROUGHT RELATED FEED PROGRAMS, WASHINGTON, DC	
03-099-0110	GPR	07-31-87	ASCS SURVEY OF PAYMENT LIMITATION IN EASTERN MONTANA	
03-099-0112	SER	07-14-87	ASCS SURVEY OF CCC COMMODITY LOANS	
03-099-0112	SWR	06-29-87	ASCS CRP PMT LIM SURVEY	
03-099-0113	SER	04-17-87	ASCS CROP YIELDS ESTABLISHED FOR FCIC COVERAGE, GEORGIA	
03-099-0115	SER	07-21-87	ASCS DISASTER PAYMENT PROGRAM SURVEY- TEXAS	
03-099-0116	SER	07-14-87	ASCS SURVEY OF CCC COMMODITY LOANS IN KENTUCKY	
03-099-0116	SWR	07-20-87	ASCS SURVEY OF DISASTER PMTS IN QUAYCO NM	
03-099-0125	SWR	09-24-87	ASCS MCCULLOCH CO, BRADY TX	
03-530-0012	SER	06-11-87	ASCS—AUTOMATION OF PEANUT BUYING POINTS	
03-530-0024	FMS	06-30-87	SECURITY OF DATA IN SCOAP OPERATING SYSTEMS	
03-530-0025	FMS	06-19-87	REVIEW OF IDMS CONTROLS	
03-530-0026	FMS	09-25-87	PRICE SUPPORT SOFTWARE AND SIZING REQUIREMENTS FOR ASCS SCOAP	
03-530-0028	FMS	09-02-87	SYSTEMS DEV FOR FIRST HANDLER AND INV PROTECTION PMTS FOR CN	
03-545-0003	SER	04-17-87	ASCS—GFA PEANUT ASSOCIATION 1985 CROP YEAR, CAMILLA, GA	
03-630-0015	SWR	07-28-87	ASCS MAX PMT LIM 1984-85 FG R UC WH ARKANSAS	

UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF INSPECTOR GENERAL—AUDIT
AUDIT REPORTS RELEASED
BETWEEN APRIL 01, 1987 AND SEPTEMBER 30, 1987

AUDIT NUMBER	REGION	RELEASE DATE	TITLE
AGENCY - AMS AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE—(Continued)			
03-632-0001	SWR	04-29-87	ASCS DAIRY TERMINATION PROGRAM COMPLIANCE PHASE TEXAS
03-632-0001	GPR	04-20-87	ASCS DAIRY TERMINATION PROGRAM-IOWA COMPLIANCE
03-632-0001	WR	06-19-87	DAIRY TERMINATION PROGRAM—COMPLIANCE PHASE—CALIFORNIA
03-632-0002	GPR	05-06-87	ASCS DAIRY TERMINATION PROGRAM-MISSOURI COMPLIANCE
03-634-0001	GPR	09-03-87	ASCS PRODUCTION ADJ BASES AND YIELDS SELECTED STATE AND CO
03-634-0002	GPR	06-24-87	ASCS BASES AND YIELDS AND CONSERVATION RESERVE PROGRAM IOWA
03-634-0003	GPR	06-23-87	ASCS BASES AND YIELDS AND CONSERVATION RESERVE PROGRAM COLO
03-634-0004	GPR	05-14-87	ASCS BASES AND YIELDS AND CONSERVATION RESERVE PROGRAM NEBR
03-634-0007	GPR	04-06-87	ASCS BASES AND YIELDS AND CONSERVATION RESERVE PROGRAM MONT
03-634-0008	GPR	05-14-87	ASCS BASES AND YIELDS AND CONSERVATION RESERVE PROGRAM KA
03-634-0009	GPR	06-26-87	ASCS BASES AND YIELDS AND CONSERVATION RESERVE PROGRAM MO
03-636-0001	SER	04-30-87	ASCS PROGRAM COMPLIANCE PA—DYER COUNTY, TN
03-636-0001	MWR	07-14-87	AUDIT OF ASCS PRODUCTION ADJUSTMENT COMPLIANCE SYSTEM -IL
03-636-0001	SWR	07-24-87	ASCS PRODUCTION ADJUSTMENT PROG COMPLIANCE TX
03-636-0001	WR	06-08-87	AUDIT OF PROGRAM COMPLIANCE SYSTEMS-PRODUCTION ADJUSTMENT-WA
03-636-0002	SER	04-08-87	ASCS PROGRAM COMPLIANCE PA—MOBILE COUNTY, ALABAMA
03-636-0002	MWR	07-15-87	AUDIT OF ASCS PRODUCTION ADJUSTMENT COMPLIANCE ACTIVITIES MI
03-636-0002	SWR	06-03-87	ASCS PROD ADJ PROG COMPL ARK
03-636-0002	WR	05-06-87	AUDIT OF PROGRAM COMPLIANCE SYSTEMS-PRODUCTION ADJUSTMENT-ID
03-636-0003	SER	05-01-87	ASCS PROGRAM COMPLIANCE PA—PERQUIMANS COUNTY, NC
03-636-0003	MWR	07-17-87	AUDIT OF ASCS PRODUCTION ADJUSTMENT PROGRAM ACTIVITIES MN
03-636-0003	SWR	07-10-87	ASCS PROD ADJ PROG COMPL OK
03-636-0003	WR	04-21-87	AUDIT OF PROGRAM COMPLIANCE SYSTEMS-PRODUCTION ADJUSTMENT OR
03-636-0004	MWR	07-17-87	AUDIT OF WISCONSIN ASCS PA PROGRAM COMPLIANCE SYSTEM
03-636-0004	WR	05-28-87	AUDIT OF PROGRAM COMPLIANCE SYSTEMS-PHASE II PA PROGRAMS
03-636-0005	MWR	07-17-87	ASCS PA PROGRAM COMPLIANCE ACTIVITIES IN OHIO
03-636-0006	MWR	07-15-87	ASCS PA PROGRAM COMPLIANCE ACTIVITIES IN INDIANA
03-636-0007	GPR	09-02-87	ASCS AUDIT OF PROGRAM COMPLIANCE SYSTEM HURON SOUTH DAKOTA
03-636-0008	GPR	09-08-87	ASCS AUDIT OF PROGRAM COMPLIANCE SYSTEM LINCOLN, NEBRASKA
TOTAL: ASCS - AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE			— 61
AGENCY - FMHA FARMERS HOME ADMINISTRATION			
04-002-0039	WR	05-12-87	REVIEW OF COLLECTION ACTIVITIES GUAMAREA OFFICE
04-091-0005	FMS	06-30-87	FMHA-GRANT ELIGIBILITY
04-091-0007	FMS	05-08-87	FMHA-DISBURSEMENT METHODS
04-091-0008	FMS	04-01-87	FMHA PLANNED SALE OF LOAN ASSETS
04-099-0019	NAR	05-08-87	FMHA GREENE COUNTY OFFICE OPERATIONS- CAIRO, NEW YORK
04-099-0062	WR	07-01-87	FMHA CONTRACT AUDIT OF B&I LOAN G BUILDING PTNRS CA
04-099-0063	WR	07-02-87	FMHA CONTRACT AUDIT OF B&I LOAN TO FOPPIANO PACKING CA
*04-099-0081	MWR	09-10-87	AUDIT OF B&I GUARANTEED LOAN OF RAPID RIVER FORAGE
04-099-0090	GPR	09-01-87	FMHA SURVEY OF CASH COLLECTIONS AND LOAN DISBURSEMENTS IN SD
04-099-0118	SWR	06-11-87	SURVEY OF FMHA DEBT MGT OF DEFAULTS ON GUARANTEED LOANS
04-099-0124	SWR	05-04-87	FMHA B&I LOAN SHERMAN CONST CO INC ST TAMMANY PAR SLIDELL LA
04-099-0131	SWR	08-24-87	FMHA B&I LOAN NO 3603850122786 TO GLOVER INC ROSWELL NM
04-099-0139	SWR	08-05-87	FMHA SPECIAL REQUEST TO REVIEW GUARANTEED LOANS LUBBOCK TX
04-099-0253	SER	07-29-87	FMHA—MONITORING RACIAL DISCRIMINATION
04-099-0255	SER	04-08-87	FMHA RURAL RENTAL HOUSING—MONTGOMERY, AL
04-099-0257	SER	09-30-87	FMHA—EVALUATION OF COORDINATED ASSESSMENT TEAM REVIEWS
04-099-0258	SER	09-18-87	FMHA REVIEW OF EM LOANS—SOUTH CAROLINA
04-099-0259	SER	09-30-87	FMHA NON-PROGRAM REAL ESTATE LOANS -SURVEY
04-099-0261	SER	06-26-87	FMHA SUP. REQUIREMENTS FOR RH LOANS ON MANUFACTURED HOMES

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AGENCY - FMHA FARMERS HOME ADMINISTRATION—(Continued)				
04-530-0023	FMS	07-10-87	FMHA NATIONWIDE REVIEW OF FIELD OFFICE AUTOMATION	
04-530-0024	FMS	08-28-87	REVIEW OF IDMS CONTROLS IN FMHA	
04-545-0006	SWR	09-03-87	FMHA PRICING PROPOSAL NATIONAL RURAL WATER ASSOC DUNCAN OK	
04-555-0001	FMS	07-24-87	FMHA-AMAS/POST-IMPLEMENTATION REVIEW	
04-654-0002	SWR	06-16-87	FMHA MGT & LEASING OF ACQUIRED FARM PROPERTY	
04-658-0001	GPR	08-28-87	FMHA IMP. OF REVISED LOAN SERV. PROCEDURES, IOWA	
04-658-0002	SER	07-07-87	FMHA IMP OF REVISED LOAN SERVICING PROC FOR FP BORROWERS	
04-660-0001	NER	04-22-87	FMHA COLLECTIONS AND CONCENTRATION BANKING SYSTEM IN VA.	
04-660-0001	GPR	05-13-87	FMHA-COLLECTION ACTIVITIES, CONCENTRATION BANKING SYSTEM-IA	
04-802-0001	WR	09-17-87	FMHA B&I LOAN PROGRAM-WESTERN CAMPS,INC., SANGER, CA	
TOTAL: FMHA - FARMERS HOME ADMINISTRATION				— 29
AGENCY - FCIC FEDERAL CROP INSURANCE CORP				
05-099-0005	WR	09-23-87	FCIC SURVEY OF INSURANCE POLICIES FOR SPECIALTY CROPS	
05-099-0009	SER	05-14-87	FCIC REVIEW OF SELECTED REINSURANCE CLAIMS IN GEORGIA	
05-608-0002	SWR	06-30-87	FCIC—CROP REINSURANCE OPERATIONS -CROP YEAR 1985	
05-608-0007	SER	05-26-87	FCIC SOUTHERN CROP INS. CO. -690 SOYBEANS	
TOTAL: FCIC - FEDERAL CROP INSURANCE CORP				— 04
AGENCY - ES EXTENSION SERVICE				
06-004-0010	SER	04-07-87	ES TENNESSEE STATE UNIVERSITY, NASHVILLE, TN	
TOTAL: ES - EXTENSION SERVICE				— 01
AGENCY - FAS FOREIGN AGRICULTURAL SERVICE				
07-099-0007	NER	06-30-87	PL480-TITLE I US FLAG VESSEL RATES TO EGYPT	
07-099-0011	NER	05-29-87	SYSTEMS REVIEW-PERFORMANCE OF DIRECT SALES OF CCC COMMOD.	
TOTAL: FAS - FOREIGN AGRICULTURAL SERVICE				— 02
AGENCY - FS FOREST SERVICE				
08-021-0223	WR	09-22-87	FS REVIEW OF NATL FOREST OPERATIONS ROGUE RIVER NF OREGON	
08-099-0020	SER	05-15-87	FS LIQUIDATION OF OBLIGATIONS FROM PRIOR YEARS APPROPRIATION	
08-099-0021	SER	09-30-87	FS—SURVEY FEASIBILITY & USE OF MICROWAVE COMM SYS	
*08-099-0023	SER	05-29-87	A-87 INDIRECT COST AUDIT OF MS FORESTRY COMM., JACKSON, MS	
*08-099-0024	SER	05-29-87	A-87 INDIRECT COST AUDIT OF KY DEPT OF NATURAL RES AND ENVIR	
*08-099-0026	SER	05-29-87	INDIRECT COSTS-KY DEPT OF NAT RESOURCES AND ENV PROTECT	
*08-099-0074	WR	04-17-87	OMB A-87 IND. COST PROPOSAL—ARIZONA DEPARTMENT OF LANDS	
*08-099-0075	WR	05-13-87	OMB A-87 IND. COST PROPOSAL—OREGON BOARD OF FORESTRY	
08-099-0076	WR	09-16-87	FS TIMBER SALE CONTRACT DEFAULTS SURVEY	
08-099-0077	WR	07-10-87	FOREST SERVICE AUDIT OF RECEIPTS AND DISBURSEMENTS IN REG 10	
08-099-0080	WR	09-10-87	FS-BIDDING ON TREE PLANTING CONTRACTS—SURVEY	

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AGENCY - FS FOREST SERVICE—(Continued)				
08-530-0004	FMS	08-14-87	FOREST SERVICE PLANNING FOR NIRP	
*08-545-0029	WR	06-04-87	FS-PREAWARD AUDIT PATRICK ENVIRONMENTAL INC SPRINGFIELD,OR	
08-632-0001	GPR	05-12-87	FS 1985 REFORESTATION ACCOMPLISHMENTS REGION 1 MISSOULA MONT	
08-632-0003	GPR	05-12-87	FS 1985 REFORESTATION ACCOMPLISHMENTS REGION 2 LAKEWOOD COLO	
08-634-0001	NER	09-28-87	FORESRT SERVICE ASSESSMENT AND COLLECTION OF USER FEES	
08-634-0001	GPR	05-07-87	ASSESSMENT AND COLLECTION OF FEES (NER)	
08-634-0002	NER	06-01-87	FS ASSESSMENT & COLLECTION OF FEES SOUTHERN REGION	
08-634-0002	GPR	05-07-87	ASSESSMENT AND COLLECTION OF FEES (NER)	
08-635-0002	SER	09-09-87	FS IMPLEMENTATION OF SIMPLIFIED/ABBREVIATED ROAD STANDARDS	
08-636-0001	WR	08-20-87	FS TIMBER PURCHASERS IN FINANCIAL JEOPARDY	
TOTAL: FS - FOREST SERVICE				— 21
AGENCY - SCS SOIL CONSERVATION SERVICE				
*10-545-0004	MWR	04-08-87	MINN-KOTA EXCAVATING COST PROPOSAL	
*10-545-0008	GPR	09-15-87	SCS, AUDIT OF CLAIM, THOMPSON CONST,HURON, SD	
*10-545-0019	WR	04-21-87	SCS-POSTAWARD CLAIM AUDIT-C.A. RASMUSSEN,INC-SIMI VALLEY,CA	
10-610-0004	SER	08-11-87	SCS—FOCAS SOFTWARE DEVELOPMENT—CAMPS	
TOTAL: SCS - SOIL CONSERVATION SERVICE				— 04
AGENCY - CSRS COOPERATIVE STATE RESEARCH SERVICE				
13-004-0008	SER	07-24-87	CSRS—UNIVERSITY OF ARKANSAS AT PINE BLUFF, ARKANSAS	
TOTAL: CSRS - COOPERATIVE STATE RESEARCH SERVICE				— 01
AGENCY - NASS NATIONAL AGRICULTURAL STATISTICS SERVICE				
26-001-0001	SWR	05-14-87	SRS SURVEY OF AVERAGE MARKET RATES	
TOTAL: NASS - NATIONAL AGRICULTURAL STATISTICAL SERVICE				— 01
AGENCY - FNS FOOD AND NUTRITION SERVICE				
27-013-0041	SWR	06-15-87	FNS FSP SURVEY OF STATE AGENCY ATP RECONCILIATION	
27-013-0078	NER	09-02-87	AUDIT OF PENNSYLVANIA FOOD STAMP PROGRAM	
27-018-0003	SER	06-25-87	FNS FSP ADMINISTRATIVE COSTS—COLUMBIA, SC	
27-019-0035	SWR	06-22-87	FNS FSP OVER/UNDER ISSUANCES OF COUPONS DALLAS CO TX	
27-022-0006	NAR	05-08-87	NEW JERSEY DEPT. OF EDUCATION CNP TRENTON, NJ	
27-023-0247	SWR	04-21-87	FNS NSLP SHAWNEE PUB SCHOOLS SHAWNEEOK	
27-023-0248	SWR	07-07-87	FNS NSLP PULASKI CO SPECIAL SCHOOL DISTRICT LITTLE ROCK AR	
*27-025-0014	MWR	06-12-87	AUDIT OF CCFP AT INDIANA DEPT. OF EDUCATION	
*27-026-0036	GPR	09-09-87	FNS-CNP-EVANGELICAL CHILDRENS HOME 1987 ST. LOUIS, MO	
*27-026-0037	GPR	09-09-87	FNS-CNP-ST. LOUIS CHRISTIAN HOME (1987) ST. LOUIS, MO	

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*27-026-0038	GPR	09-14-87	FNS-CNP-METHODIST CHILDREN SERVICES OF MO(1987)WEBSTER GROVE
*27-026-0039	GPR	05-29-87	FNS -CNP—LAKESIDE CENTER FOR BOYS (1987) ST. LOUIS, MO
*27-026-0040	GPR	09-07-87	FNS-CNP-BUCHANAN CO CHILDRENS HOME (1987) ST. JOSEPH MO
*27-026-0041	GPR	05-29-87	FNS-CNP-SPOFFORD HOME (1987) KANSAS CITY MO
*27-029-0791	NAR	04-02-87	FNS-CCFP MT. MORRIS PRESBY CHURCH MT. MORRIS CHILDREN
*27-029-0792	NAR	04-02-87	FNS-CCFP SALEM COMMUNITY SVC COUNCILINC
*27-029-0793	NAR	04-02-87	FNS-CCFP JAMES VARICK DCC
*27-029-0798	NAR	04-02-87	FNS-CCFP ASOCIACIONES DOMINICANAS
*27-029-0801	NAR	04-02-87	FNS-CCFP NORTH PRESBYTERIAN CHURCH CHILD DEV CTR
*27-029-0802	NAR	04-02-87	FNS-CCFP PRINCE HALL SERVICE FUND INC
*27-029-0808	NAR	04-02-87	FNS-CCFP UNITED METHODIST CITY SOCIETY
*27-029-0810	NAR	04-06-87	FNS-CCFP PIUS XII YTH & FAMILY SVCS UNIV HGTS
*27-029-0812	NAR	04-02-87	FNS-CCFP TREMONT COMMUNITY COUNCIL DCC
*27-029-0813	NAR	04-06-87	FNS-CCFP TREMONT CROTONA DCC
*27-029-0815	NAR	04-06-87	FNS-CCFP UNION CHILD DAY CARE INC
*27-029-0817	NAR	04-02-87	FNS-CCFP NYACK COMM CHILD DEVELOPMENT CTR INC HEAD START
*27-029-0818	NAR	04-02-87	FNS-CCFP INTERCOMMUNITY RELATIONS COUNCIL
*27-029-0819	NAR	04-02-87	FNS-CCFP CHINATOWN DCC
*27-029-0821	NAR	04-02-87	FNS-CCFP POLICE ATHLETIC LEAGUE INC
*27-029-0822	NAR	04-02-87	FNS-CCFP THE BETHANY DAY NURSERY INC
*27-029-0823	NAR	04-02-87	FNS-CCFP PRESCOTT NURSERY SCHOOL
*27-029-0824	NAR	04-02-87	FNS-CCFP YWCA & YMCA DAY CARE INC
*27-029-0825	NAR	04-02-87	FNS-CCFP EAST HARLEM COUNCIL FOR HUMAN SVCS INC HS
*27-029-0827	NAR	04-06-87	FNS-CCFP METRO NORTH ASSOC INC
*27-029-0828	NAR	04-02-87	FNS-CCFP NEIGHBORHOOD DAY NURSERY OF HARLEM INC
*27-029-0836	NAR	04-06-87	FNS-CCFP ST. MARGARETS EPISCOPAL CHURCH
*27-029-0843	NAR	04-02-87	FNS-CCFP EAST TREMONT HEAD START ALUMNI DCC INC
*27-029-0847	NAR	05-08-87	FNS-CCFP INVICTUS BLAZERS INC
*27-029-0848	NAR	04-06-87	FNS-CCFP NORTH BRONX NATL COUNCIL OF NEGRO WOMEN
*27-029-0849	NAR	04-02-87	FNS-CCFP MOSHULU MOTERIORE NURSERY KINDERGARTEN
*27-029-0850	NAR	04-02-87	FNS-CCFP ANDREWS AVE DCC
*27-029-0856	NAR	04-02-87	FNS-CCFP CHINATOWN PLANNING COUNCIL
*27-029-0857	NAR	04-02-87	FNS-CCFP COOP SOCIAL SETTLEMENT SOCIETY OF THE CITY
*27-029-0858	NAR	04-02-87	FNS-CCFP JEWISH BOARD OF FAMILY & CHILDRENS SERVICES
*27-029-0882	NAR	06-10-87	FNS-CCFP ASSOCIATION OF BLACK SOCIAL WORKERS CDC INC
*27-029-0883	NAR	04-02-87	FNS-CCFP PARK SLOPE NORTH CHILD DEV CTR
*27-029-0884	NAR	06-15-87	FNS-CCFP BEDFORD STUYVESANT EARLY CHILDHOOD CTR
*27-029-0885	NAR	06-22-87	FNS-CCFP BUSHWICK IMPROVEMENT SOCIETY
*27-029-0886	NAR	06-15-87	FNS-CCFP BETHESDA DCC
*27-029-0887	NAR	06-30-87	FNS-CCFP NEW LIFE CHILD DEVELOPMENT CTR
*27-029-0888	NAR	04-13-87	FNS-CCFP ALBANY COUNTY OPPORTUNITY INC
*27-029-0892	NAR	04-13-87	FNS-CCFP ASTOR HOME FOR CHILDRENS PROGRAM
*27-029-0894	NAR	04-02-87	FNS-CCFP WARREN HAMILTON COUNTIES, INC
*27-029-0896	NAR	04-03-87	FNS-CCFP JOINT COUNCIL ECON OPPOR PLATTSBURGH & CLINTON
*27-029-0897	NAR	04-02-87	FNS-CCFP EAST AURORA COMM NURSERY
*27-029-0898	NAR	06-05-87	FNS-CCFP LITTLE PEOPLES CENTER MARIAN HOUSE INC
*27-029-0901	NAR	04-02-87	FNS-CCFP BUFFALO PARKS CCFP
*27-029-0902	NAR	04-15-87	FNS-CCFP BETHEL HEADSTART
*27-029-0904	NAR	04-28-87	FNS-CCFP FRIENDSHIP HOUSE HS
*27-029-0905	NAR	04-28-87	FNS-CCFP YMCA CHILD DEV CTR
*27-029-0906	NAR	04-03-87	FNS-CCFP CHILDREN LIBERATION DCC
*27-029-0907	NAR	04-02-87	FNS-CCFP BETHLEHEM DAY NURSERY INC
*27-029-0910	NAR	06-10-87	FNS-CCFP NYC BD OF EDUCATION OFFICE SCHOOL FOOD
*27-029-0915	NAR	06-10-87	FNS-CCFP CHURCH OF THE RESURRECTION DCC
*27-029-0917	NAR	04-03-87	FNS-CCFP JAMAICA NAACP DAY CARE
*27-029-0919	NAR	04-03-87	FNS-CCFP QUEENS CO EDUCATORS TOMORROW
*27-029-0922	NAR	04-03-87	FNS-CCFP HUMAN RESOURCES CENTER OF ST. ALBANS
*27-029-0925	NAR	04-03-87	FNS-CCFP OMEGA PSI PHI FRATERNITY NU OMICRON CHAPTER DCC

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*27-029-0926	NAR	08-14-87	FNS-CCFP ECONOMIC OPPOR COMMISSION OF NASSAU INC
*27-029-0927	NAR	06-10-87	FNS-CCFP NASSAU COUNCIL OF BLACK CLERGY
*27-029-0929	NAR	04-03-87	FNS-CCFP ASSOCIATED YM YWHAS OF GREATER NY FOOD SERVICE
*27-029-0933	NAR	04-02-87	FNS-CCFP FARRAGUT DCC INC
*27-029-0936	NAR	04-10-87	FNS-CCFP BUSHWICK COMM ACTION ASSOC INC
*27-029-0937	NAR	04-02-87	FNS-CCFP LESSIE FREEMAN DCC
*27-029-0940	NAR	04-02-87	FNS-CCFP URBAN STRATAGIES HS
*27-029-0941	NAR	04-02-87	FNS-CCFP LADIES COMM FOR PUERTO RICAN CULTURE INC
*27-029-0944	NAR	04-02-87	FNS-CCFP FAITH HOPE CHARITY COMM SVC
*27-029-0945	NAR	04-07-87	FNS-CCFP FRIENDS OF CROWN HEIGHTS DCC
*27-029-0946	NAR	04-10-87	FNS-CCFP JOHN EDWARD BRUCE INC CDCC
*27-029-0947	NAR	04-02-87	FNS-CCFP LIFE MORE ABUNDANT MINISTRIES AKA KIDDIE KOLLEGE
*27-029-0950	NAR	04-07-87	FNS-CCFP CHURCH OF THE OPEN DOOR
*27-029-0954	NAR	04-02-87	FNS-CCFP MCDOUGH STREET COMM HS
*27-029-0955	NAR	04-02-87	FNS-CCFP MEDGER EVERS COLLEGE I MS CHILD DEV CTR
*27-029-0957	NAR	04-07-87	FNS-CCFP NATIONAL ASSOC OF FAMILY DEV CTRS TORAH HS
*27-029-0958	NAR	04-02-87	FNS-CCFP EDUCATION UNLIMITED INC
*27-029-0959	NAR	04-02-87	FNS-CCFP RECREATION ROOMS & SETT HS (BREUKELEN)
*27-029-0960	NAR	04-07-87	FNS-CCFP REC ROOM & SETTLEMENT STARRET CITY
*27-029-0963	NAR	04-28-87	FNS-CCFP-200 CENTRAL AVENUE DCC
*27-029-0967	NAR	06-22-87	FNS-CCFP WILLOUGHBY HOUSE SETTLEMENT DCC
27-029-0969	NAR	07-14-87	CCFP-EASTHAMPTON ORG. FOR COMM. ACTION-EASTHAMPTON DC
27-031-0009	NAR	07-31-87	FNS-AUDIT OF THE PUERTO RICO WIC PROGRAM
*27-032-0006	SWR	06-01-87	FNS INDIRECT COSTS DALLAS INTERTRIBAL CENTER
*27-032-0007	SWR	06-01-87	FNS INDDIRECT COSTS, CAUSE INC, HILLSBORO, TX
*27-032-0008	SWR	05-27-87	FNS INDIRECT COSTS AMARILLO HEALTH DEPT
*27-032-0009	SWR	05-28-87	FNS INDIRECT COSTS UT HEALTH SCIENCE CENTER, HOUSTON, TX
27-080-0003	NAR	07-31-87	FNS PUERTO RICO BLOCK GRANT SAN JUAN, PR
27-099-0015	NAR	08-02-87	FNS NEW YORK CITY FIELD OFFICE REVIEW
27-099-0034	SWR	05-28-87	FNS CCFP FDCH SO COMM DEV CORP NEW ORLEANS LA
27-099-0035	SWR	05-22-87	FNS CCFP DESIRE AREA COMM COUNCIL NEW ORLEANS LA
27-099-0041	SWR	09-24-87	FNS CCFP CHINS DAY CARE HOME, LAS CRUCES, NM
27-099-0045	SER	05-22-87	FNS ROLL-UP AUDIT OF SCHOOL FOOD SERVICE PROGRAMS AUDITS
27-099-0076	MWR	08-25-87	AUDIT OF AREA V COUNCIL ON AGING CASS CO, IN
27-540-0001	NAR	04-06-87	FNS-FINANCIAL MANAGEMENT VERIFICATION OF STATE AGENCY CLAIMS
*27-545-0015	SER	08-24-87	HHS PREAWARD AUDIT OF RESEARCH TRIANGLE INST., RALEIGH, NC
27-545-0036	NAR	05-12-87	FNS CONTRACT AUDIT FSP EMPLOYMENT AND TRAINING PROGRAM ABT
*27-545-0053	NER	09-21-87	NATIONAL ANALYSTS, PHILA., PA -OVERRUN PRICING PROPOSAL
*27-545-0054	NER	04-28-87	WESTAT, INC., ROCKVILLE, MD. PREAWARD
27-657-0001	SER	08-12-87	FNS NATIONWIDE AUDIT ADP ACCTS. REC.SYSTEM FOR FSP CLAIMS
27-663-0001	MWR	08-25-87	NSLP—SURVEY OF AIMS IN MICHIGAN
TOTAL: FNS - FOOD AND NUTRITION SERVICE			
— 109			
AGENCY - FSIS FOOD SAFETY AND INSPECTION SERVICE			
*38-092-0008	SER	05-29-87	A-87 INDIRECT COST AUDIT OF MS DEPT OF AGRICULTURE
*38-092-0009	SER	05-29-87	A-87 INDIRECT COST AUDIT OF GEORGIA DEPT OF AGRICULTURE
*38-092-0019	NER	05-05-87	AUDIT OF VIRGINIA INDIRECT COST

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38-092-0021 NER 06-26-87 AUDIT OF PA INDIRECT COST
 38-092-0022 NER 07-27-87 AUDIT OF DELAWARE INDIRECT COST

TOTAL: FSIS - FOOD SAFETY AND INSPECTION SERVICE

— 05

AGENCY - OBPA OFFICE OF BUDGET AND PROGRAM ANALYSIS

39-099-0001 SWR 06-05-87 OBPA EXERCISE OF AUTHORITY FOR EXEMPTIONS TO GEN SCHEDULE

TOTAL: OBPA - OFFICE OF BUDGET AND PROGRAM ANALYSIS

— 01

AGENCY - OICD OFFICE OF INTERNATIONAL COOPERATION AND DEVELOPMENT

44-099-0001 FMS 08-25-87 OICD DEBT MANAGEMENT

TOTAL: OICD - OFFICE OF INTERNATIONAL COOPERATION AND DEVELOPMENT

— 01

AGENCY - MULT MULTI-AGENCY/DIVISION CODE

50-099-0003 FMS 07-17-87 CONTROLS OVER PURCHASES OF SUPPLIES AND EQUIPMENT N.O. LA

50-099-0006 FMS 06-23-87 AUDIT OF NFC PAYMENT SYSTEM CONTROLS

50-099-0019 SER 09-30-87 FMHA DEPARTMENT USE OF INTERCHANGE AUTHORITY—7JSC2257

50-099-0032 NER 06-26-87 PL 480 TITLE II EVALUATION OF PROGRAM OBJECTIVES

50-099-0044 NER 04-03-87 USDA TRAVEL MANAGEMENT

50-530-0005 FMS 06-24-87 MAINTENANCE OF COMPUTER PROGRAM IN-HOUSE DEVELOPMENT N.O. LA

50-550-0009 NER 04-01-87 PROCUREMENT AND TECHNICAL APPROVAL OF ADP EQUIP. IN USDA

50-560-0006 NAR 04-08-87 A-102 DEPT. OF AGRICULTURE, SAN JUAN, PR

50-560-0007 NAR 04-08-87 PUERTO RICO DEPT. OF AGRICULTURE-1984 SAN JUAN

50-560-0008 NAR 04-08-87 PUERTO RICO DEPT. OF AGRICULTURE-1985 SAN JUAN

50-560-0029 SER 04-01-87 A-102 ATT P AUDIT OF MISSISSIPPI FORESTRY COMMISSION

50-560-0030 SER 05-04-87 A-102 ADULT OF SC FORESTRY COMMISSION 6-30-84

50-560-0035 GPR 09-22-87 A-102, IOWA DEPT. OF AGR. (FY-85), DES MOINES, IA

50-560-0046 NER 05-22-87 A102P VA DEPT OF AGRICULTURE & CONSUM. SERVICES 83-85

50-562-0004 WR 06-09-87 A-110 REPORT SELF-HELP ENTERPRISES - FYE 6/30/86

50-565-0015 NER 04-20-87 A-128 AUDIT OF THE COUNTY OF FAIRFAX VA.

50-566-0001 NER 08-06-87 VIRGINIA DEPT OF AGRICULTURE & CONSUMER SERVICES A-128

50-566-0002 SWR 04-24-87 A-128 SINGLE AUDIT OF THE TEXAS DEPARTMENT OF AGRICULTURE

50-566-0003 GPR 08-12-87 A-128, NEBRASKA DEPT OF AGRICULTURE (FY86) LINCOLN, NE

50-566-0003 WR 09-16-87 A-128 CITY OF SAN JOSE, CA FY ENDED 6-30-86

50-566-0004 MWR 04-01-87 A-128 AUDIT OF THE WISC. DEPT. OF AGRICULTURE 7/1/85-6/30/86

50-566-0004 GPR 08-12-87 A-128, WYOMING DEPT OF PUBLIC LANDS (6/86), CHEYENNE, WY

50-566-0005 MWR 08-07-87 SINGLE AUDIT OF STATE OF MINNESOTA FOR YEAR ENDING 6/30/86

50-566-0005 GPR 09-02-87 A-128 KANSAS STATE BOARD OF AGRICULTURE(FY 85&86),TOP,KS

50-567-0001 NAR 04-09-87 PR PUBLIC BUILDINGS AUTHORITY, SAN JUAN, PR

50-567-0001 NER 08-25-87 A-128 AUDIT OF KENT COUNTY MARYLAND

50-567-0001 MWR 07-27-87 SINGLE AUDIT OF THE CITY OF DUNKIRK,INDIANA

50-567-0002 NAR 08-26-87 VILLAGE OF SOUTH CORNING, NY-A-128 AUDIT

50-567-0002 MWR 04-15-87 SINGLE AUDIT OF THE LANSING SCHOOL DISTRICT—MICHIGAN

50-567-0003 MWR 04-14-87 SINGLE AUDIT SCHOOL DISTRICT OF THE CITY OF SAGINAW

50-567-0003 WR 07-16-87 A-128 AUDIT—PEND OREILLE COUNTY, WASH—FYE 12/31/85

50-567-0005 MWR 04-03-87 SINGLE AUDIT OF TOWN OF CAYUGA VERMILLION COUNTY INDIANA

UNITED STATES DEPARTMENT OF AGRICULTURE
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AUDIT NUMBER REGION RELEASE DATE TITLE

AGENCY - MULT - MULT AGENCY/DIVISION CODE—(Continued)

50-567-0008	50-567-0008	50-567-0008	08-20-87	50-567-0008	A-128 AUDIT OF SO FL CONSERVANCY DIST BELLE GLADE FL FY 1986
50-567-0009	50-567-0009	50-567-0009	05-04-87	50-567-0009	A-128 AUDIT OF ZOLFO SPRINGS, FL—FYE 9-30-86
50-567-0010	50-567-0010	50-567-0010	05-12-87	50-567-0010	A-128 AUDIT OF CITY OF OKEECHOBEE, FL—FYE 9-30-86
50-567-0010	50-567-0010	50-567-0010	09-17-87	50-567-0010	A-128 AUDIT OF TOWN OF AFTON OKLAHOMA FOR YE JUNE 30 1986
50-567-0011	50-567-0011	50-567-0011	05-28-87	50-567-0011	A-128 AUDIT OF CITY OF JACKSON, TN—FYE 6-30-86
50-567-0011	50-567-0011	50-567-0011	04-14-87	50-567-0011	SINGLE AUDIT OF THE CITY OF COVINGTON, IN
50-567-0012	50-567-0012	50-567-0012	04-17-87	50-567-0012	SINGLE AUDIT OF THE TOWN OF CAMDEN, INDIANA
50-567-0013	50-567-0013	50-567-0013	04-17-87	50-567-0013	SINGLE AUDIT OF TOWN OF NASHVILLE BROWN COUNTY INDIANA
50-567-0014	50-567-0014	50-567-0014	04-17-87	50-567-0014	SINGLE AUDIT OF MARYVILLE REGIONAL SEWER DISTRICT
50-567-0015	50-567-0015	50-567-0015	04-17-87	50-567-0015	SINGLE AUDIT OF THE TOWN OF GALVESTON, INDIANA
50-567-0016	50-567-0016	50-567-0016	04-17-87	50-567-0016	SINGLE AUDIT OF THE TOWN OF DANA, INDIANA
50-567-0017	50-567-0017	50-567-0017	04-20-87	50-567-0017	SINGLE AUDIT OF TOWN OF MONROEVILLE ALLEN COUNTY INDIANA
50-567-0018	50-567-0018	50-567-0018	04-20-87	50-567-0018	SINGLE AUDIT OF TOWN OF BRISTOL ELKHART COUNTY INDIANA
50-567-0019	50-567-0019	50-567-0019	04-20-87	50-567-0019	SINGLE AUDIT OF TOWN OF GENEVA ADAM COUNTY INDIANA
50-567-0020	50-567-0020	50-567-0020	04-21-87	50-567-0020	SINGLE AUDIT OF TOWN OF LAFONT, WABASH COUNTY IN
50-567-0021	50-567-0021	50-567-0021	04-20-87	50-567-0021	SINGLE AUDIT OF THE TOWN OF MILLERSBURG, INDIANA
50-567-0022	50-567-0022	50-567-0022	04-21-87	50-567-0022	SINGLE AUDIT OF TOWN OF ARCADIA, INDIANA
50-567-0023	50-567-0023	50-567-0023	04-21-87	50-567-0023	SINGLE AUDIT OF THE TOWN OF NEW MARKET, INDIANA
50-567-0024	50-567-0024	50-567-0024	04-21-87	50-567-0024	SINGLE AUDIT OF TOWN OF HAMLET, INDIANA
50-567-0025	50-567-0025	50-567-0025	04-20-87	50-567-0025	SINGLE AUDIT OF THE TOWN OF WOLCOTT, INDIANA
50-567-0026	50-567-0026	50-567-0026	04-20-87	50-567-0026	SINGLE AUDIT OF CITY OF TRAFALGAR, INDIANA
50-567-0028	50-567-0028	50-567-0028	04-20-87	50-567-0028	SINGLE AUDIT OF THE CITY OF WINCHESTER, INDIANA
50-567-0029	50-567-0029	50-567-0029	04-20-87	50-567-0029	SINGLE AUDIT OF THE TOWN OF CARLISLE, INDIANA
50-567-0030	50-567-0030	50-567-0030	04-22-87	50-567-0030	SINGLE AUDIT OF TOWN OF DUPONT, INDIANA
50-567-0031	50-567-0031	50-567-0031	05-18-87	50-567-0031	SINGLE AUDIT OF BRILEY TOWNSHIP
50-567-0032	50-567-0032	50-567-0032	06-30-87	50-567-0032	SINGLE AUDIT OF TOWN OF LAPEL, INDIANA
50-567-0033	50-567-0033	50-567-0033	06-30-87	50-567-0033	SINGLE AUDIT OF TOWN OF MULBERRY, INDIANA
50-567-0034	50-567-0034	50-567-0034	07-01-87	50-567-0034	SINGLE AUDIT OF THE TOWN OF ORESTLES, INDIANA
50-567-0035	50-567-0035	50-567-0035	07-23-87	50-567-0035	SINGLE AUDIT OF THE TOWN OF FARMERSBURG, INDIANA
50-567-0036	50-567-0036	50-567-0036	09-03-87	50-567-0036	SINGLE AUDIT OF SHAMROCK LAKES, INDIANA
50-567-0038	50-567-0038	50-567-0038	07-01-87	50-567-0038	SINGLE AUDIT OF THE TOWN OF ROME CITY, INDIANA
50-567-0039	50-567-0039	50-567-0039	08-03-87	50-567-0039	SINGLE AUDIT OF THE TOWN OF SHELBURN, INDIANA
50-567-0040	50-567-0040	50-567-0040	08-24-87	50-567-0040	SINGLE AUDIT OF THE TOWN OF ELIZABETH, INDIANA
50-567-0041	50-567-0041	50-567-0041	08-10-87	50-567-0041	SINGLE AUDIT OF THE TOWN OF PORTER, INDIANA
50-567-0042	50-567-0042	50-567-0042	09-04-87	50-567-0042	SINGLE AUDIT OF THE TOWN OF WALKERTON, INDIANA
50-567-0043	50-567-0043	50-567-0043	08-03-87	50-567-0043	SINGLE AUDIT OF THE TOWN OF HAYMERA, INDIANA
50-567-0044	50-567-0044	50-567-0044	08-03-87	50-567-0044	SINGLE AUDIT OF THE TOWN OF BAINBRIDGE, INDIANA
50-567-0045	50-567-0045	50-567-0045	07-23-87	50-567-0045	SINGLE AUDIT OF THE VILLAGE OF VIOLA, WISCONSIN
50-567-0046	50-567-0046	50-567-0046	09-10-87	50-567-0046	SINGLE AUDIT OF THE CITY OF ROCKPORT SPENCER CO, INDIANA
50-567-0047	50-567-0047	50-567-0047	09-11-87	50-567-0047	SINGLE AUDIT OF THE TOWN OF KOUTS, INDIANA
50-655-0003	50-655-0003	50-655-0003	04-01-87	50-655-0003	MANAGEMENT AND SECURITY OF THE NATIONAL FINANCE CENTER
50-664-0001	50-664-0001	50-664-0001	06-30-87	50-664-0001	SECURITY OVER ELECTRONIC FUNDS TRANSFERS WASHINGTON, D.C.
50-664-0003	50-664-0003	50-664-0003	06-04-87	50-664-0003	ASCS ELECTRONIC FUND TRANSFERS WASHINGTON, D.C.
50-664-0004	50-664-0004	50-664-0004	06-19-87	50-664-0004	REA ELECTRONIC FUND TRANSFERS WASHINGTON, D.C.
50-665-0001	50-665-0001	50-665-0001	06-19-87	50-665-0001	USDA COMPUTER SOFTWARE CONTRACTING, WASHINGTON, D.C.
TOTAL: MULT - MULTI-AGENCY/DIVISION CODE					
AGENCY - OIRM OFFICE OF INFORMATION RESOURCES MANAGEMENT					
58-099-0004	58-099-0004	58-099-0004	09-22-87	58-099-0004	USER WORKLOAD IMPACT ON COMPUTER RESOURCES FCCC
58-099-0007	58-099-0007	58-099-0007	04-03-87	58-099-0007	ACF2 PROTECTION OF DEVELOPMENTAL DATASETS

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AUDIT NUMBER	REGION	RELEASE DATE	TITLE	
AGENCY - OIRM OFFICE OF INFORMATION RESOURCES MANAGEMENT—(Continued)				
TOTAL: OIRM - OFFICE OF INFORMATION RESOURCES MANAGEMENT				— 02
AGENCY - NFC NATIONAL FINANCE CENTER				
59-530-0002	FMS	04-24-87	MONITORING THE DEVELOPMENT OF THE GOVERNMENTAL TSRS SYSTEM	
TOTAL: NFC - NATIONAL FINANCE CENTER				— 01
TOTAL: RELEASED - NATIONWIDE				— 328
TOTAL: UNDER - CONTRACT				— 107

*U.S. GOVERNMENT PRINTING OFFICE: 1991--523-511/40305

CONTACT



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- Within Washington, D.C. Metropolitan Area, 472-1388