



United States Department of Agriculture

Office of Inspector General



HIGHLIGHTS OF OFFICE OF INSPECTOR GENERAL (OIG) PLANS FOR FISCAL YEAR 2014

- GOAL 1** Strengthen the Department of Agriculture's (USDA) ability to implement and improve safety and security measures to protect the public health, as well as agricultural and Departmental resources.
- Conduct audits to ensure that USDA food safety and inspection programs effectively meet program objectives.
 - Investigate smuggling of animals, animal products, plants, and plant products.
 - Investigate threats involving the safety of meat, poultry, and egg products to protect the public from food tampering and tainted food.
 - Investigate alleged assaults and related crimes against USDA officials and employees relating to the performance of their official duties.
- GOAL 2** Reduce program vulnerabilities and strengthen program integrity in the delivery of program assistance.
- Conduct audits of nutrition, farm, and rural community programs to determine if entitlements and benefits are effectively directed based on eligibility.
 - Review USDA's mandated reports as required by both Executive Order 13520 and the Improper Payments Elimination and Recovery Act of 2010.
 - Monitor and investigate allegations of criminal activity pertaining to USDA programs, including nutrition assistance programs, farm programs, and disaster funds.
- GOAL 3** Provide USDA with oversight to help it achieve its results-oriented performance.
- Perform mandated fiscal year (FY) 2013/2014 financial statement audits of six USDA agencies and the Department as a whole.
 - Evaluate the adequacy and security of information technology (IT) systems and applications.
 - Investigate allegations of significant criminal activity by USDA employees.
- GOAL 4** Maintain a highly qualified and diverse workforce with the tools and training necessary to continuously enhance OIG's ability to fulfill its mission.
- Improve internal and external response times to IT security incidents.
 - Deliver quality OIG internal training courses.
 - Analyze OIG's performance against goals set in annual plan.
 - Track OIG management, legal, and quality assurance offices' performance against timeliness standards set for their functions.

MESSAGE FROM THE INSPECTOR GENERAL

I am pleased to present the USDA OIG *Annual Plan* for fiscal year (FY) 2014. This document describes how OIG will achieve its mission of promoting economy, efficiency, effectiveness, and integrity in the delivery of USDA programs. In setting our goals and objectives, we aligned our annual plan with both the OIG *Strategic Plan* for FY 2013-2018 and the USDA *Strategic Plan* for FY 2010-2015. This plan reflects the priority work that OIG believes we can undertake to provide effective oversight of the broad spectrum of USDA programs and activities. As the Nation moves forward to address its fiscal challenges, OIG anticipates that there will continue to be fewer resources available to carry out its mission in FY 2014. OIG is presently functioning at its lowest level of authorized staffing since 1963, when the office was established. Accordingly, adjustments to this plan may be necessary as the year unfolds to ensure that we direct our resources to the areas of highest risk and vulnerability.

OIG embraces the fundamental value and dignity of all individuals, and continues to strive to be an employer of choice able to recruit and support a highly qualified, diverse, and inspired workforce. To ensure that goal, OIG issued the first internal *Diversity and Inclusion Strategic Plan, Fiscal Years 2014-2018*. This Plan is OIG's blueprint for fully leveraging our workforce diversity, and will communicate our organization's diversity and inclusion strategic direction and provide transparency and accountability for achievement of the related goals and strategies.

As mandated by Executive Order 13520 and the Improper Payments Elimination and Recovery Act (IPERA) of 2010, we will determine USDA's compliance with IPERA and review agencies' methodologies and plans to reduce improper payments. In addition, as required by the Claims Resolution Act of 2010, we will review claims to determine whether USDA established and followed proper procedures for distributing settlement funds to eligible claimants under the "In Re Black Farmers Discrimination Litigation" settlements.

The Disaster Relief Appropriations Act of 2013 (Pub. L. No. 113-2) contained language authorizing OIG to use any unobligated disaster assistance oversight funds provided in Pub. L. No. 110-329 for continued oversight of Department of Agriculture disaster- and emergency-related activities. We have developed a number of actions to enable us to provide timely and effective audit oversight of USDA disaster assistance programs, including those funded through regular appropriations, Hurricane Sandy supplemental appropriations, and any other supplemental disaster appropriations. This plan may be adjusted as we perform our oversight activities. We will also investigate allegations of fraud or misuse involving disaster assistance funds provided in areas damaged by Hurricane Sandy.¹

Based on OIG's continuing commitment to our strategic goals, which are adapted to respond to key developments and carry out new and ongoing responsibilities, we present this *Annual Plan* for FY 2014. We look forward to continuing to work productively with Congress and the Secretary to promote the effective delivery of USDA programs.

Phyllis K. Fong
Inspector General

¹Further information on OIG's Oversight Plan of the Disaster Relief Funding can be viewed by linking to <http://www.usda.gov/oig/webdocs/Oversight-of-USDA-Disaster-Funding130426.pdf>.

TABLE OF CONTENTS

Introduction	1
Resources and Organization	1
FY 2014 Work Plan	1
Goal 1	1
Strengthen USDA’s ability to implement and improve safety and security measures to protect the public health, as well as agricultural and Departmental resources	
Goal 2	2
Reduce program vulnerabilities and strengthen program integrity in the delivery of program assistance	
Goal 3	5
Provide USDA with oversight to help it achieve its results-oriented performance	
Goal 4	7
Maintain a highly qualified and diverse workforce with the tools and training necessary to continuously enhance OIG’s ability to fulfill its mission	
FY 2013 Performance Summary and Results	8
Conclusion	11
Appendix A	12
Related Materials and Information	
Appendix B	13
OIG Organizational Chart and Functional Responsibilities	
Appendix C	15
Distribution of Audit Resources by Agency	
Appendix D	16
Distribution of Investigative Resources by Agency	
Appendix E	17
Fiscal Year 2014 Audits Planned and In Progress	
Overview of OIG Plans for Fiscal Year 2014	20

Introduction

The United States Department of Agriculture (USDA), Office of Inspector General's (OIG) *Strategic Plan* for FY 2013-2018 establishes our mission, vision, and goals for the next 5 years. OIG is committed to providing a positive return on the U.S. taxpayers' investment by planning our work to address issues of the greatest importance and achieve the most significant results.

Even with diminishing staff and resources, OIG continues its work to ensure the overall integrity of payments in USDA programs and the effectiveness of those programs. This *Annual Plan* presents the FY 2014 work that USDA OIG intends to undertake in support of our current *Strategic Plan*.

Resources and Organization

We assessed the work for this *Annual Plan* relative to the resources that we believe will be available to accomplish it. Because the FY 2014 funding level is not yet certain, the *Annual Plan* may need to be adjusted during the year to reflect any resource constraints. Work may be delayed due to the Government shutdown, which resulted in furloughs of virtually all OIG audit and investigative staff. Appendix B describes our current organizational structure and functional responsibilities, which also could change during the year should resource levels change.

Goal 1 – Strengthen USDA's ability to implement and improve safety and security measures to protect the public health, as well as agricultural and Departmental resources.

We expect to use approximately 12.0 percent of our audit and 6.0 percent of our investigative resources in achieving this goal.² Our investigations work focuses on threats to the food supply, the agricultural sector, and USDA employees and facilities. Our audit work focuses on assessing management control systems designed to ensure that the Department is effectively protecting the consumer and the Nation's agricultural resources. For FY 2014, our priorities include the following:

- Finish our evaluation of the Food Safety and Inspection Service's (FSIS) implementation of its Public Health Information System (PHIS) for domestic inspection. This includes assessing FSIS' pilot projects for the collection of establishment profile data for food safety systems, operations, and demographics.
- Complete our follow-up on prior audits of FSIS' food safety initiatives to determine if the agency has made improvements in staffing, training, and supervising in-plant inspectors; oversight of the Humane Methods of Slaughter Act; removing specified-risk materials; and information system management controls.
- Review FSIS' inspection of ground turkey to determine if improvements could be made in the sampling and testing protocol programs.

²While all OIG teams contribute to each goal, we can currently quantify and project only the audit and investigation resources employed.

- Investigate threats involving the safety of meat, poultry, and egg products to ensure that timely response and appropriate corrective actions are taken to protect the public from food tampering or tainted food.
- Complete our review to assess the effectiveness of the Animal and Plant Health Inspection Service's (APHIS) Plant Protection and Quarantine Preclearance Program in detecting and eradicating problematic pests and plants. Our audit will also determine if APHIS has facilitated safe trade practices, including monitoring the movement of imported plants, fruits, and vegetables.
- Determine if APHIS Wildlife Services predator control activities are justified and effective and if processes to ensure transparency over predatory activities are adequate. We will determine if controls over cooperative agreements and funds were adequate and if shared costs between its cooperators were equitable and supported.
- In follow-up to our 2005 audit on genetically engineered organism (GEO) release permits, determine if APHIS has fully implemented controls over the release permits and can provide reasonable assurance that movement and release of GEOs in the environment are in accordance with applicable laws and regulations.
- The Agricultural Marketing Service (AMS) procures and inspects commodities in support of several food assistance programs and in 2010 streamlined its process. Evaluate whether AMS has adequate controls in place to ensure fruits and vegetables are procured in compliance with Federal purchasing regulations. Determine if

these products are timely and effectively inspected.

- Investigate animal, animal product, plant, and plant product smuggling that can introduce devastating diseases and pests into American agriculture.
- Coordinate with the Federal Bureau of Investigation's Joint Terrorism Task Forces to support ongoing investigations to identify and combat domestic and international terrorism.
- Investigate alleged assaults and related crimes against USDA officials and employees relating to the performance of their official duties.

Goal 2 – Reduce program vulnerabilities and strengthen program integrity in the delivery of program assistance.

We expect to use approximately 19.6 percent of our audit and 87 percent of our investigative resources to accomplish this goal. Our investigative focus includes threats to the integrity and effectiveness of USDA's benefits programs. Our audit focus includes assessing internal control systems and identifying risk indicators that should increase both OIG's and USDA's ability to detect and prevent program abuse and criminal activity. For FY 2014, our priorities include the following:

- Complete our review to determine whether the Farm Service Agency (FSA) can maintain an effective compliance and internal review function to identify, report, and reduce improper payments in agricultural programs given the potential impacts of staff/budget cuts and the agency reorganization announced in January 2012.
- Complete our review to assess the adequacy of controls over the Upland Cotton Economic Adjustment

Assistance Program payments to U.S. textile manufacturers.

- Determine if FSA has implemented proper controls to address risks resulting from January 2013 modifications made to its operating loan application, eligibility, and security requirement regulations to allow for microloans to better serve the unique operating needs of small family farm operations. Also determine if FSA uses microloans to expand access to credit for a variety of producers.
 - Review FSA's Farm Ownership and Operating Guaranteed Loan Programs to determine whether only eligible borrowers were approved for guaranteed loans, including the appropriate percentage of minority applicants. Assess FSA's oversight of the participating guaranteed lenders and evaluate the agency's controls of the program.
 - Evaluate the implementation of USDA's various beginning farmer and rancher program provisions to determine whether financial incentives are provided only to eligible applicants. Determine if USDA is reaching its intended audience and has established adequate controls to avoid duplication of benefits across agencies and programs.³
 - Investigate allegations of criminal activity in farm programs, including the crop insurance and farm loan programs.
 - Complete our review of the Natural Resources Conservation Service's (NRCS) administration of the Environmental Quality Incentives
- Program to identify potential areas of highest risk. These areas include eligibility, contract management, compliance, and propriety of payments.
 - Evaluate the Food and Nutrition Service's (FNS) controls over civil monetary penalties assessed against Supplemental Nutrition Assistance Program (SNAP) retailers including oversight of the penalty assessment and collection processes. Also, determine whether FNS correctly calculated penalties, and whether FNS follows through to ensure penalties are collected once imposed by FNS.
 - Complete our evaluation of FNS' methods to lower error rates in the National School Lunch Program (NSLP) and School Breakfast Program. Determine if FNS, State agencies, and school food authorities have adequate controls to ensure children approved for free and reduced price meals meet eligibility requirements and meal claims are supported and accurately reimbursed.
 - Complete our review to determine if FNS has adequate controls in SNAP to ensure State error rates are accurately reported, State agency quality control efforts are validated, and State agency administrative costs are appropriate.
 - Review FNS and State electronic benefit transfer reports and transaction data to identify any fraudulent patterns used by SNAP participants (i.e., replacement cards, small stores clearing large balances).

³USDA defines a beginning farmer/rancher as someone who has not operated a farm/ranch for more than 10 years and substantially participates in the operation. Participants must also meet specific eligibility requirements for the program.

Goals

- Complete our review to determine how the program costs are calculated for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), including average food costs and costs per participant nationwide. Evaluate how program costs can vary among States.
- Investigate alleged criminal activity in food and nutrition programs, including SNAP and its Electronic Benefits Transfer (EBT) delivery system, WIC, and NSLP. Activities are expected to include continuing to work on an initiative with FNS to pursue prosecution of both retailers and SNAP recipients who misuse benefits, examining potential fraud involving multiple replacement SNAP EBT cards, and working with States transitioning to the electronic disbursement of WIC benefits.
- As mandated by E.O. 13520 and IPERA, evaluate USDA's compliance with IPERA, and review agencies' methodologies and plans to reduce improper payments. Assess risks in high-priority programs, determine the extent of oversight warranted, and provide recommendations, where appropriate.
- Assess Rural Business-Cooperative Service's (RBS) management controls over approval and servicing of the Rural Energy for America Program, specifically to determine whether loan and grant recipients met eligibility requirements and funds were appropriately used in FYs 2011 and 2012 to purchase renewable energy producing equipment.
- Complete our review of Section 2501 grants awarded in FYs 2010 and 2011 to ensure that grantees were eligible and expended the grants in accordance with regulations. Evaluate the Office of Advocacy and Outreach's policies, procedures, and internal controls related to its grant management process.⁴
- Complete our assessment of whether Risk Management Agency (RMA) National Program Operations Reviews reasonably determine if the approved insurance providers are substantially in compliance with applicable laws and regulations, the standard reinsurance agreement, and approved Federal Crop Insurance Corporation policies and procedures.
- Determine if changes made to the Catastrophic Risk Protection (CAT) coverage plan meet eligibility requirements for attachment of CAT endorsements to eligible policies. We will also determine if policies containing CAT endorsements reflect accurate insurable acres and if these claims were valid.
- Determine whether increased premium subsidies for RMA's Federal Crop Insurance Program – Enterprise Units are commensurate with the reduced risk of loss. Identify vulnerabilities with enterprise units that may lead to program abuses. We will also determine what impact, if any, enterprise units have on crop insurance agent commissions.
- Investigate allegations of criminal activity in USDA's disaster relief and

⁴The Food, Agriculture, Conservation, and Trade Act of 1990 (Pub. L. No. 101-624, 7 U.S.C. §§ 2279, 2501, Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers) encourages and assists socially disadvantaged farmers and ranchers to own and operate their own farms and ranches and participate in agricultural programs, which allows them to become an integral part of the agricultural community and strengthen the rural economy.

assistance programs (e.g., crop insurance, indemnity payments, grants and loans, and assistance provided after Hurricane Sandy).

Goal 3 – Provide USDA with oversight to help it achieve its results-oriented performance.

We expect to use approximately 68.4 percent of our audit and 7.0 percent of our investigative resources to accomplish this goal. Our audit focus is on improved financial management and accountability, IT security and management, real property management and procurement, and outreach activities. Our investigative focus includes allegations involving criminal violations that have employee corruption or fraud implications. For FY 2014, our mandated and priority work includes the following:

- Audit the FY 2013/2014 USDA consolidated financial statements and the financial statements of six stand-alone agencies and entities: the Commodity Credit Corporation, the Federal Crop Insurance Corporation, FNS, Forest Service (FS), NRCS, and Rural Development.
- Conduct the mandated audits for FY 2013/2014 as required by the Federal Information Security Management Act.
- Complete our review of the “In Re Black Farmers Discrimination Litigation” settlement claims to determine whether USDA established and followed proper procedures for distributing settlement funds to eligible claimants, as required by the Claims Resolution Act of 2010.
- Conduct a performance audit of Hispanic and Women Farmers and Ranchers adjudicated claims to determine if the claims review process is adequate and functioning as prescribed in the Claims Process Framework, that funds are distributed only to eligible

applicants, and that claims are adequately supported.

- Determine if USDA agencies implemented corrective actions in response to deficiencies noted during previous disaster-related efforts. Determine if disaster assistance funds are timely and effectively used in accordance with relevant laws, policies, and procedures; if proper internal control procedures were established; if participants were eligible and complied with program requirements; and if agencies implemented adequate oversight and compliance efforts.
- Determine if FS Firefighting Cost Share Agreements with non-Federal entities were properly established and implemented to distribute suppression costs equitably. We will also test whether reimbursements were properly determined and consistent with agreed-upon cost-share agreements.
- Follow up on prior work performed and evaluate FS’ current efforts in prioritizing its hazardous fuels reduction efforts in those Wildland Urban Interface (WUI) areas identified in Community Wildlife Protection Plans (CWPP).⁵
- Review NRCS’ controls over the implementation and execution of the Conservation Stewardship Program. Determine if NRCS has adequate controls to ensure accuracy of eligibility, payments, and producer compliance, including whether historically underserved participants are being paid based on correct cost lists used to calculate payments.

⁵To reduce the risk of wildfires on National Forest Lands, FS thins out forest undergrowth to remove excessive fuels and to restore the forests to a healthier state. FS prioritizes its hazardous fuels reduction on WUI areas where human development intermingles with undeveloped wildland. These WUI areas are identified in CWPP.

Goals

- Evaluate the adequacy of NRCS controls over the land valuation process for its conservation easement programs.
- Evaluate whether the Foreign Agricultural Service (FAS) is effectively coordinating and monitoring the implementation of the Administration's new Trade Agreement initiatives. We will also determine if the Department has effectively integrated these trade initiatives into USDA's trade strategies.
- Assess whether FAS has effectively implemented the Export Credit Guarantee program (known as the GSM-102 program) to meet the Department's trade strategic goal and whether FAS has adequate controls in place to ensure the GSM-102 program is effectively administered in accordance with program regulations, policies, and procedures.
- Evaluate the effectiveness of the AMS Process Verified Program to ensure the certifications the agency issues for producers are based on substantive Federal standards and are adequately supported to ensure truth in labeling.
- Complete our audit on USDA's use of authority, granted under the Economy Act and 7 U.S.C. §2263 (Greenbook charges), to transfer funds within USDA for centrally provided programs. Evaluate, at the request of Members of Congress, whether these funding tools are used appropriately and determine whether USDA has adequate controls in place to verify the necessity for benefits of the various transfers.
- Complete our review of grants awarded in FYs 2010 and 2011 through the StrikeForce Initiative to ensure that funds were obtained and issued in accordance with Federal regulations. This includes examining the Office of Advocacy and Outreach's policies and procedures for the use of these funds.⁶
- Identify the different USDA databases containing contractor information. Determine if the Department has a complete database and if the data are reliable. Identify debarred or suspended contractors that are not exempt from USDA programs and analyze the data according to Federal Acquisition Regulation requirements to identify trends that may lead to fraudulent behavior.
- Review USDA's telecommunication operations and related cyber security activities to determine if the service level established in the network contract is adequate to support the Department's large network infrastructure and if the network is managed in a secure manner in accordance with the National Institute of Science and Technology standards.
- Complete our security assessment of the National Agricultural Statistics Service (NASS) lock-up process and procedures. Verify that processes are in place to assure that NASS reports are properly secured and are released at the appropriate time.
- Investigate allegations of employee corruption and fraud.

⁶In 2011, USDA launched the StrikeForce Initiative, a cross-agency effort to accelerate assistance to historically underserved groups. Through this initiative, USDA is working to ensure all producers have access to programs that can help them thrive, including proven conservation programs.

Goal 4 – Maintain a highly qualified and diverse workforce with the tools and training necessary to continuously enhance OIG’s ability to fulfill its mission.

Our management focus is on enhancing all communication through existing technologies, timely reporting information to stakeholders, and delivering quality service to employees. Our FY 2014 management priorities include the following:

- Deliver quality OIG internal training courses.
- Issue Equal Employment Opportunity (EEO) Counselor’s reports within 15 calendar days of counseling period.
- Enhance communication between Senior Staff and all OIG employees.
- Improve internal and external response times to IT security incidents.

FY 2013 Performance Summary and Results

Our *Strategic Plan* identifies the results of our work using a life-cycle approach to our outputs that tracks individual actions at critical milestones. In FY 2013, OIG met 30 of the 32 performance measures. The following tables illustrate our FY 2013 results in comparison with our performance targets. FY 2014 performance measures and targets can be found on the back cover.

IG Strategic and Performance Goals and FY 2013 Results

Strategic Goal	Performance Goals
(1) Safety and Security	Strengthen USDA's ability to implement safety and security measures to protect the public health, as well as agricultural and Departmental resources.
(2) Integrity of Benefits	Reduce program vulnerabilities and strengthen program integrity in the delivery of benefits to individuals.
(3) Management Improvement Initiatives	Support USDA in implementing its management improvement initiatives.
(4) Natural Resources	Increase the efficiency and effectiveness with which USDA manages and exercises stewardship over natural resources.
(5) Qualified Diverse Workforce	Strive for a highly qualified, diverse workforce with the tools and training necessary to continuously enhance OIG's ability to fulfill its mission and communicate its accomplishments.

Performance Measures	FY 13 Target	FY 13 Actual
(1) Percentage of OIG direct resources dedicated to critical-risk or high-impact activities.	92%	96.6%
(2) Percentage of audit recommendations where management decisions are achieved within 1 year.	90%	99.6% Audit 92.5% Inv. 94.4%
(3) Percentage of audits initiated where the findings and recommendations are presented to the auditee within established and agreed-to timeframes.	90%	100%

Performance Summary and Results

Performance Measures	FY 13 Target	FY 13 Actual
(4) Percentage of closed investigations that resulted in a referral for action to the Department of Justice, State or local law enforcement officials, or a relevant administrative authority.	75%	86%
(5) Percentage of closed investigations that resulted in an indictment, conviction, civil suit or settlement, judgment, administrative action, or monetary result.	70%	88.6%
(6) On a biannual basis, positive employee satisfaction rate reported in staff surveys.	70%	66.4%
(7) OIG Hotline will process, research, and refer USDA health and safety complaints within 24 hours of receipt by an analyst.	80%	88.6%
(8) Issue new or update 10 Inspector General directives.	90%	250% ⁷
(9) Time from receipt of an SF-52 for a standard recruitment action until positions are posted and opened through the automated system averages 10 days.	90%	100%
(10) Time to issue candidate certificates after the closing date of an announcement averages 5 days.	90%	100%
(11) All Information Technology Division (ITD) systems including the LAN, WAN, e-mail, and ARGOS remain operational, excluding planned outages for system maintenance and outages caused by outside factors.	97%	99.8%
(12) ITD staff will make an initial response to help desk request within 2 hours or less.	90%	91.0%
(13) ITD staff will resolve help desk request within 24 hours.	85%	87.3%
(14) Internal and external IT security incidence response and resolution accomplished within 30 days of incident in accordance with the Agriculture Security Operations Center (ASOC).	90%	100%
(15) Budget information provided to the Department for the Office of Management and Budget requirements on time.	95%	97.4%
(16) Accounting information and regular reports submitted to the National Finance Center and the Office of the Chief Financial Officer on time.	95%	98.1%
(17) Micro-purchases awarded within 3 working days of receipt of approved AD-700.	90%	88.5%
(18) All public reports meet management and statutory timeframes and content requirements.	95%	100%
(19) Positive evaluation scores on OIG internal training course evaluations.	80%	86.3%
(20) The EEO Counselor's internal and external reports will be completed within 15 calendar days after completing the counseling period.	90%	100%
(21) ⁸ A Diversity Strategic Plan will be developed and will include objectives addressing how each goal will be reached and performance measures to assess our progress.	100%	100%
(22) Inspection reports issued in final with management response within 60 days.	85%	100%

⁷ 25 directives were issued during the fiscal year, substantially exceeding the expected ten directives.

⁸ New performance measure for FY 2013.

Performance Summary and Results

Performance Measures	FY 13 Target	FY 13 Actual
(23) Inspection report recommendations accepted annually.	85%	96.4%
(24) Total requests from Congress acknowledged either orally or in writing within 5 working days of receipt.	90%	95.8%
(25) Counsel to the Inspector General issues IG subpoenas within 5 working days upon receipt of complete information for review.	90%	100%
(26) ⁹ Meet statutory deadlines on Freedom of Information Act (FOIA) appeals.	95%	100%
(27) ⁹ Issue legal opinions within 30 calendar days of receipt of request, or other agreed-to date.	80%	92.3%

Performance Measures for Recovery Act Work	FY 13 Target	FY13 Actual
(1) Notify USDA agency managers of significant audit findings related to Recovery Act programs, along with recommendations for corrective action, within 30 days after identification.	100%	N/A ¹⁰
(2) Respond to Recovery Accountability and Transparency Board-sponsored requests and projects within established schedules or agreed-to timeframes.	94.4%	100%
(3) An investigative determination to accept or decline an allegation of whistleblower retaliation is made within 180 days of receipt.	100%	N/A ¹⁰
(4) Whistleblower retaliation allegations are investigated and reported within 180 days of receipt.	75%	N/A ¹⁰
(5) Timely and accurate monthly Recovery Act funds reports submitted to the Recovery Accountability and Transparency Board.	95%	100%

⁹ New performance measure in FY 2013.

¹⁰ Performance measure did not have any activity in FY 2013.

Conclusion

Throughout FY 2014, we will measure our progress in achieving the performance objectives of this plan through periodic reporting. Adjustments may be made to reflect shifting priorities, increased or reduced resources, Government shutdowns, or other circumstances that may arise.

In developing this annual plan, we made every effort to realistically assess our planned work's strategic alignment and importance, anticipated outcomes, and resource requirements. We believe it represents a balanced and achievable set of performance objectives for FY 2014. We will report on our results through our semiannual reports to Congress.

APPENDIX A

Related Materials and Information

OIG Strategic Plan for FY 2013-2018:

http://www.usda.gov/oig/webdocs/USDA_OIG_2013_Five_Year_Plan_508c.pdf

USDA Strategic Plan for FY 2010-2015:

<http://www.ocfo.usda.gov/usdasp/sp2010/sp2010.pdf>

USDA Major Management Challenges (August 2013)

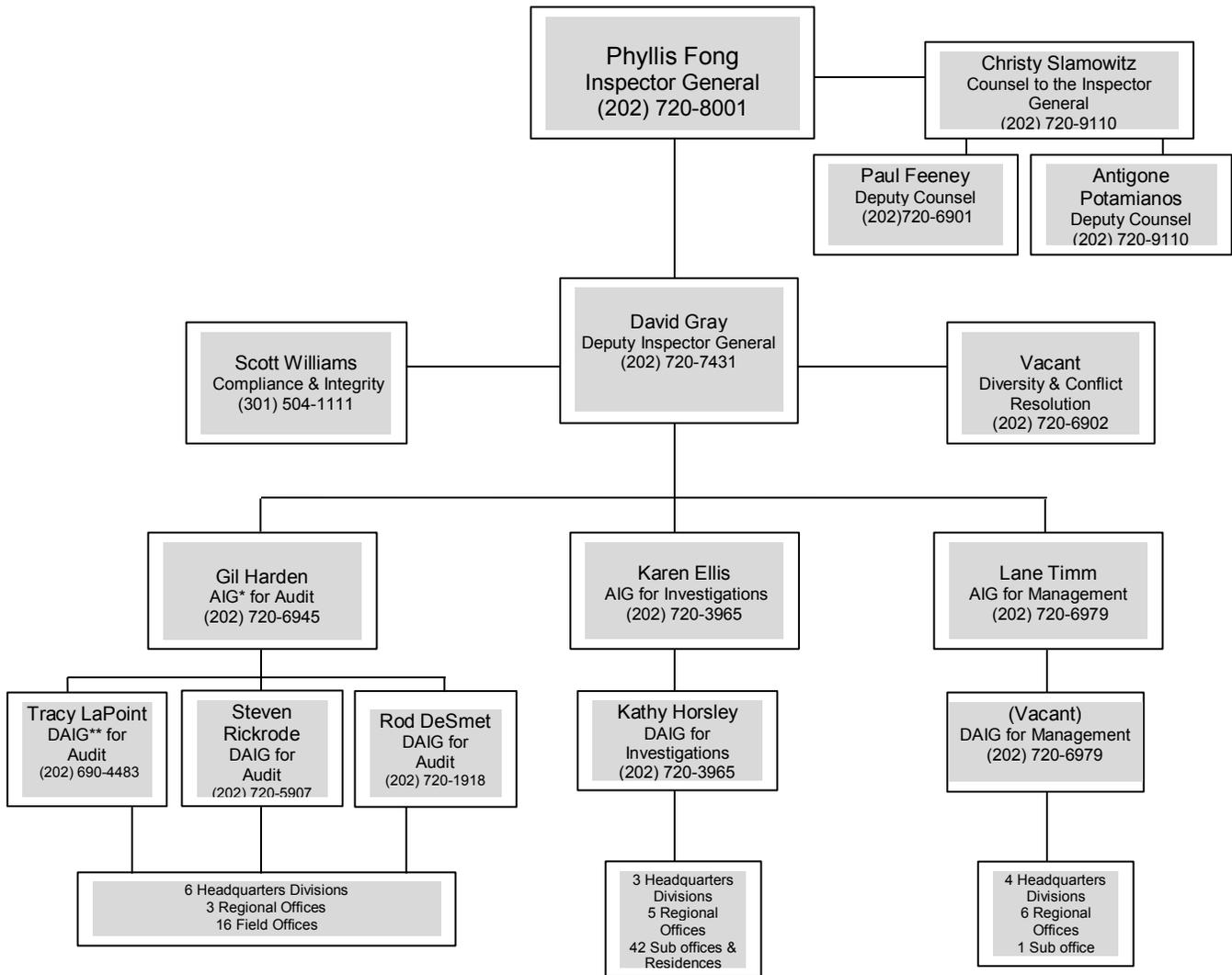
<http://www.usda.gov/oig/webdocs/MgmtChallenges2013.pdf>

OIG Diversity and Inclusion Strategic Plan for FY 2014-2018:

<http://www.oig.usda.gov/intranet/dcr/DIStratPlanFY14-FY18.pdf>

Organization Chart and Functional Responsibilities

September 2013



Note 1: *AIG – Assistant Inspector General
 Note 2: **DAIG – Deputy Assistant Inspector General

Areas of Responsibility:

Audit

The Office of Audit examines the economy and efficiency of USDA programs and operations, including program results, compliance with applicable laws and regulations, and the accuracy of financial reports. While most audit work is done by in-house staff, Audit contracts with certified public accountants for some work and oversees the quality of work done by auditors under contract to other USDA agencies. OIG audits are performed in accordance with *Government Auditing Standards*, published by the U.S. Government Accountability Office.

Investigations

The Office of Investigations utilizes specific law enforcement authorities, tools, and techniques, including the use of asset forfeiture, to conduct investigations and prevent fraud, waste, and abuse in the programs and operations of USDA.¹¹ Investigative work is intended to result in appropriate actions to resolve allegations and to prevent and deter future instances of illegal or fraudulent acts or misconduct.

Counsel

The Office of Counsel (OC) provides legal advice and representation on issues arising during the course of audit and investigative activities, or internal administrative and management issues. OC also manages OIG's congressional and media relations, ethics, and the Freedom of Information Act/Privacy Act programs, and reviews proposed legislation, regulations, and procedures.

Management

The Office of Management (OM) ensures that OIG staff, funds, technology, equipment, and policies are in place so that we can function efficiently and effectively. Responsibilities include asset management, budget formulation and execution, human resources, cross-OIG workplace training, information technology, and policy preparation for OIG. OM also facilitates OIG's planning activities and prepares cross-cutting documents on OIG accomplishments.

Compliance and Integrity

The Office of Compliance and Integrity (OCI) performs independent quality assurance and internal control reviews of OIG operations. The reviews provide senior management with reasonable assurance that OIG operations and activities are being carried out in accordance with policy. OCI also investigates allegations of criminal and/or serious administrative misconduct by OIG employees.

Diversity and Conflict Resolution

The Office of Diversity and Conflict Resolution advises OIG leadership on applying the principles of civil rights, equal employment opportunity, dispute resolution, diversity, and inclusion regarding matters pertaining to the OIG workforce, program activities, and policy development. This office also guides employees who seek to use the Federal employment discrimination complaint and dispute resolution processes, as needed. Through its Special Emphasis Programs and other diversity initiatives, this office also leads OIG's efforts to foster and maintain a diverse workforce and ensures that OIG continues to recognize and value every individual's unique skills and perspectives.

¹¹ As a component member of the U.S. Department of Justice's (DOJ) Asset Forfeiture Program, OIG supports DOJ's National Asset Forfeiture Strategic Plan by making tracing and recovery of assets an integral part of every appropriate criminal investigation. Asset forfeiture can be a vital tool to deprive criminals of the fruits and instrumentalities of their crimes, thereby deterring criminal activities.

Distribution of Audit Resources by Agency

FY 2014 PLANNED

MISSION AREA	AGENCY	%
NATURAL RESOURCES AND ENVIRONMENT – 10.2%	Forest Service (FS)	4.4
	Natural Resources Conservation Service (NRCS)	5.8
FARM AND FOREIGN AGRICULTURAL SERVICES – 16.4%	Farm Service Agency (FSA)	6.6
	Foreign Agricultural Service (FAS)	2.6
	Risk Management Agency (RMA)	6.9
	Commodity Credit Corporation (CCC)	0.3
RURAL DEVELOPMENT – 7.5%	Rural Development (RD)	4.9
	Rural Utilities Service (RUS)	*
	Rural Housing Service (RHS)	0.2
	Rural Business-Cooperative Service (RBS)	2.4
FOOD, NUTRITION, AND CONSUMER SERVICES – 12.7%	Food and Nutrition Service (FNS)	12.7
	Food Safety and Inspection Service (FSIS)	5.9
FOOD SAFETY – 5.9%	Agricultural Marketing Service (AMS)	4.6
	Animal and Plant Health Inspection Service (APHIS)	3.8
	Grain Inspection, Packers and Stockyards Administration (GIPSA)	*
RESEARCH, EDUCATION, AND ECONOMICS – 0.4%	Agricultural Research Service (ARS)	*
	National Institute for Food and Agriculture (NIFA)	*
	National Agricultural Statistics Service (NASS)	0.4
	Economic Research Service (ERS)	*
EXECUTIVE SECRETARIAT AND OTHER ENTITIES – 4.8%	Office of the Secretary (OSEC), Departmental Management (DM), Office of the Chief Financial Officer (OCFO), Office of the Chief Information Officer (OCIO), Office of the Assistant Secretary for Civil Rights (OASCR)	4.8
MULTIPLE AGENCY – 33.7%		33.7

*No work is currently scheduled for this agency in FY 2013.

Distribution of Investigative Resources by Agency

FY 2014 ANTICIPATED

MISSION AREA	AGENCY	%
NATURAL RESOURCES AND ENVIRONMENT – 2.0%	Forest Service (FS)	1.5
	Natural Resources Conservation Service (NRCS)	0.5
FARM AND FOREIGN AGRICULTURAL SERVICES – 18.0%	Farm Service Agency (FSA)	11.5
	Foreign Agricultural Service (FAS)	0.5
	Risk Management Agency (RMA)	6.0
RURAL DEVELOPMENT – 7.0%	Rural Utilities Service (RUS)	1.0
	Rural Housing Service (RHS)	4.5
	Rural Business-Cooperative Service (RBS)	1.5
FOOD, NUTRITION, AND CONSUMER SERVICES – 62.0%	Food and Nutrition Service (FNS)	62.0
	Food Safety and Inspection Service (FSIS)	4.0
FOOD SAFETY – 4.0%	Agricultural Marketing Service (AMS)	0.5
	Animal and Plant Health Inspection Service (APHIS)	3.0
	Grain Inspection, Packers and Stockyards Administration (GIPSA)	0.5
MARKETING AND REGULATORY PROGRAMS – 4.0%	Agricultural Research Service (ARS)	0.9
	National Institute of Food and Agriculture (NIFA)	0.1
RESEARCH, EDUCATION, AND ECONOMICS – 1.0%	Departmental Management (DM), Office of the Chief Financial Officer (OCFO), Office of the Chief Information Officer (OCIO), Office of the Assistant Secretary for Civil Rights (OASCR), OIG, other	2.0
OTHER – 2.0%		

Fiscal Year 2014 Audits Planned and In Process

Table Key:

Asterisk (*) Denotes work-in-process, which is carried over from an assignment initiated in the prior fiscal year.

AGENCY	TITLE	GOAL
AMS	Evaluation of USDA's Process Verified Programs	Improvement Initiatives
	AMS Procurement and Inspection of Fruits and Vegetables	Safety and Security
APHIS	* Plant Protection Quarantine Pre-clearance Program	Safety and Security
	APHIS' Wildlife Services – Wildlife Damage Management	Safety and Security
CCC	* CCC FY 2013 and 2012 Financial Statements	Improvement Initiatives
	CCC FY 2014 and 2013 Financial Statements	Improvement Initiatives
DM	* Eligibility and Compliance Consideration for Section 2501 Grants Awarded FYs 2010-2011	Integrity of Benefits
	* USDA Strikeforce Initiative for 2011	Improvement Initiatives
FAS	* Effectiveness of the Export Credit Guarantee Program	Improvement Initiatives
	FAS' Implementation of the Administration's Trade Agreement Initiatives	Improvement Initiatives
FNS	Improper Payments Elimination and Recovery Improvement Act of 2012 Accountable Official Report Review (FNS)	Improvement Initiatives
	Effectiveness of Penalties in Deterring Individuals from Committing SNAP Fraud	Integrity of Benefits
	* FNS FY 2013 and 2012 Financial Statements	Improvement Initiatives
	FNS FY 2014 and 2013 Financial Statements	Improvement Initiatives
	* States' Food Costs for the Special Supplemental Nutrition Program for Women, Infants, and Children	Integrity of Benefits
	Controls for Authorizing SNAP Retailers and Civil Monetary Penalties	Integrity of Benefits
	* FNS SNAP Error Rate	Integrity of Benefits
	* FNS' National School Lunch Program and School Breakfast Program	Integrity of Benefits
FS	* FS FY 2013 and 2012 Financial Statements	Improvement Initiatives
	FS FY 2014 and 2013 Financial Statements	Improvement Initiatives
	* FS Firefighting Cost Share Agreements with Non-Federal Entities	Improvement Initiatives
	FS Wildland Fire Activities – Hazardous Fuels Reduction	Improvement Initiatives

Appendix E

AGENCY	TITLE	GOAL
FSA	* Review of FSA Accounting for FY 2013	Improvement Initiatives
	* Economic Adjustment Assistance to Users of Upland Cotton	Integrity of Benefits
	* FSA Compliance Activities	Integrity of Benefits
	FSA Microloans	Integrity of Benefits
	FSA – Farm Ownership and Operating Guaranteed Loan Review	Integrity of Benefits
FSIS	* Implementation of the Public Health Information System for Domestic Inspection	Safety and Security
	FSIS – Followup on 2007 and 2008 Audit Initiatives	Safety and Security
	FSIS Ground Turkey Inspection and Safety Protocols	Safety and Security
MULTIPLE-AGENCY	* Oversight of USDA Disaster Funds	Improvement Initiatives
	* USDA FY 2013 and 2012 Financial Statements	Improvement Initiatives
	USDA FY 2014 and 2013 Financial Statements	Improvement Initiatives
	FY 2014 Special-Purpose Financial Statements	Improvement Initiatives
	FY 2013 Executive Order 13250, Reducing Improper Payments, High Dollar Overpayment Report Review	Improvement Initiatives
	USDA FY 2013 Compliance with the Improper Payments Elimination and Recovery Act of 2010	Improvement Initiatives
	* FY 2013 Federal Information Security Management Act Audit	Improvement Initiatives
	FY 2014 Federal Information Security Management Act Audit	Improvement Initiatives
	* Review of the Department’s U.S. Bank Purchase and Travel Card Data	Improvement Initiatives
	* In Re Black Farmers Discrimination Litigation Adjudicated Claims	Improvement Initiatives
	* Hispanic and Women Farmers and Ranchers Claim Resolution Process	Improvement Initiatives
	Adjudicated Claims in the Hispanic and Women Farmers and Ranchers Claim Process	Improvement Initiatives
	* USDA’s Controls Over Economy Act Fund Transfers and Greenbook Program Charges	Improvement Initiatives
	USDA Beginning Farmers and Ranchers Programs	Integrity of Benefits
Follow-up Audit of the Controls Over Issuance of Genetically Engineered Organism Release Permits	Safety and Security	
NASS	* Security Review of NASS Lockup Procedures	Improvement Initiatives
NRCS	* NRCS FY 2013 Financial Statements	Improvement Initiatives
	NRCS FY 2014 Financial Statements	Improvement Initiatives
	* NRCS Controls Over Land Valuations for Conservation Easements	Improvement Initiatives
	* NRCS’ Environmental Quality Incentive Program	Integrity of Benefits
	NRCS Conservation Easement Compliance	Improvement Initiatives

Appendix E

AGENCY		TITLE	GOAL
	*	Controls Over the Conservation Stewardship Program	Improvement Initiatives
OCFO		Statement on Standards for Attestation Engagements (SSAE) No. 16 Report on Controls at the National Finance Center	Improvement Initiatives
		Agreed-upon Procedures: Employee Benefits, Withholdings, Contributions, and Supplemental Semiannual Headcount Reporting Submitted to the Office of Personnel Management	Improvement Initiatives
OCIO	*	Review of USDA's Telecommunication Operations and Related Security	Improvement Initiatives
OPPM	*	Review of USDA Contractor Databases	Improvement Initiatives
	*	Review of the Department's Contractor Payments	Improvement Initiatives
RBS	*	RBS Cooperative Service Grant Programs – Duplication	Integrity of Benefits
		Rural Energy for America Program	Integrity of Benefits
RD	*	Rural Development FY 2013 and 2012 Financial Statements	Improvement Initiatives
		Rural Development FY 2014 and 2013 Financial Statements	Improvement Initiatives
RHS	*	Single Family Housing Direct Loan Servicing and Payment Assistance Recapture	Integrity of Benefits
RMA	*	Federal Crop Insurance Corporation FY 2013 and 2012 Financial Statements	Improvement Initiatives
		Federal Crop Insurance Corporation FY 2014 and 2013 Financial Statements	Improvement Initiatives
		Catastrophic Risk Protection	Integrity of Benefits
	*	RMA National Program Operations Review	Integrity of Benefits
		RMA Federal Crop Insurance Program – Enterprise Units	Integrity of Benefits

NOTES:

- Goal 1 Safety and Security** - Strengthen USDA's ability to implement safety and security measures to implement and improve public health, as well as agricultural and Departmental resources.
- Goal 2 Integrity of Benefits** - Reduce program vulnerabilities and strengthen program integrity in the delivery of program assistance.
- Goal 3 Improvement Initiatives** - Provide USDA with oversight to help it achieve its results-oriented performance.

During FY 2013, we issued an updated OIG Strategic Plan for FY 2013-2018. The following table illustrates OIG’s revised strategic goals, the direct resources to be spent on each goal, and the new FY 2014 performance targets.

Percentage of Direct Resources To Be Spent on Each FY 2014 Goal	Audit	Investigations
(1) Strengthen USDA’s ability to implement and improve safety and security measures to protect the public health, as well as agricultural and Departmental resources.	12.0%	6.0%
(2) Reduce program vulnerabilities and strengthen program integrity in the delivery of program assistance.	19.6%	87%
(3) Provide USDA with oversight to help it achieve its results-oriented performance.	68.4%	7.0%
(4) Maintain a highly qualified and diverse workforce with the tools and training necessary to continuously enhance OIG’s ability to fulfill its mission.*	N/A	N/A

*Work on Goal 4 includes: (1) the OIG mission support work of the Offices of Counsel, Management, Diversity and Conflict Resolution, and Compliance and Integrity; and (2) the training of staff in all OIG organizational units.

Performance Measures	FY 14 Target
(1) Percentage of OIG direct resources dedicated to critical-risk or high-impact activities.	94%
(2) Percentage of audit recommendations where management decisions are achieved within 1 year.	92%
(3) Mandatory, Congressional, Secretarial and Agency (MCSA) requested audits initiated where the findings and recommendations are presented to the auditee within established or agreed-to timeframes (includes verbal commitments).	90%
(4) Percentage of closed investigations that resulted in a referral for action to the Department of Justice, State or local law enforcement officials, or a relevant administrative authority.	75%
(5) Percentage of closed investigations that resulted in an indictment, conviction, civil suit or settlement, judgment, administrative action, or monetary result.	70%
(6) On a biannual basis, positive employee satisfaction rate reported in staff surveys.	70%
(7) Internal and external IT security incidence response and resolution accomplished within 30 days of incident.	90%
(8) Positive evaluation scores on OIG internal training course evaluations.	80%
(9) ^{*12} Visible and interactive communication between Senior Staff and all OIG employees occurs monthly.	90%
(10) EEO Counselor's internal and external reports will be completed within 15 calendar days after the counseling period ends.	90%
(11) Inspection reports issued in final with management response within 60 days.	85%
(12) Inspection report recommendations accepted annually.	85%
(13) Requests from Congress acknowledged either orally or in writing within 5 working days of receipt.	90%
(14) Counsel to the Inspector General issues IG subpoenas within 5 working days upon receipt of complete information for review.	95%
(15) Meet statutory deadlines on FOIA appeals.	95%
(16) Issue legal opinions within 30 calendar days of receipt of request, or other agreed-to date.	80%

¹² New performance measure for FY 2014.

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