



United States Department of Agriculture
Office of Inspector General





United States Department of Agriculture
Office of Inspector General
Washington, D.C. 20250



INFORMATIONAL MEMORANDUM FOR THE SECRETARY

DATE: August 26, 2016

FROM: Phyllis K. Fong
Inspector General

SUBJECT: Office of Inspector General's USDA Management Challenges FY 2016

The Reports Consolidation Act of 2000 requires the Department of Agriculture's (USDA) Office of Inspector General (OIG) to report annually on the most serious management challenges faced by USDA and its agencies.¹ In 2015, OIG revised the presentation of the Department's management challenges, in an effort to supply the Secretary and policymakers with a document that clarifies how challenges are identified, addressed, and resolved. The revision resulted in seven challenges that identified and consolidated broad issues that challenge the Department as a whole, as well as the unique challenges specific to certain programs.

Annually, OIG assesses the previous year's challenges to determine if those are still critical challenges; examines recently issued audit reports to identify critical issues that remain topical and where corrective action has not been satisfactorily implemented; identifies repeated inquiries or hotline trends in risk areas; assesses ongoing audit and investigative work to identify new issues; and analyzes of new programs and activities that pose significant challenges due to size and complexity. We may remove a challenge if USDA has fully implemented our recommendations or if agencies have shown significant improvement.

After reviewing the challenges cited in 2015, we concluded that they continue to be critical challenges for the Department. Therefore, we have not removed or added any challenges to this year's report. However, in this year's report we added an analysis that measures the Department's progress on implementing corrective actions to resolve each challenge. We identified the recommendations associated with each management challenge and quantified whether we accepted the corrective action or whether the agreed-to corrective action had been implemented, as of May 31, 2016. (See Appendix B for more details.) We anticipate that continued analysis of this measurement will yield more precise information about the Department's progress and assist program officials in addressing the issues facing USDA, its agencies, and its programs.

¹ Public Law 106-531.

To facilitate the Department's implementation of our audit recommendations, we collaborated with the Office of the Chief Financial Officer (OCFO) in its initiative on timely implementation of corrective actions. We participated in OCFO's kickoff meeting with USDA agencies in February 2016. In our presentations, we emphasized the importance of timely implementation of the corrective actions to our audit recommendations and noted that setting achievable management decisions is key to the process.

In closing, we would like to express appreciation to you and the Acting Deputy Secretary for your ongoing support of our work and your commitment to excellence at USDA. We look forward to working with the Department to address these management challenges.

If you have any questions or would like to discuss these issues, please contact me (202-720-8001) or Deputy Inspector General David Gray (202-720-7431). You or your staff may also contact Audit's Assistant Inspector General, Gil H. Harden (202-720-6945), or Investigations' Assistant Inspector General, Ann Coffey (202-720-3306).

cc:

Subcabinet Officials

Agency Administrators

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Challenge 1: USDA Needs to Improve Oversight and Accountability for its Programs

The Department of Agriculture (USDA), much like other agencies and departments throughout the Government, faces challenges in overseeing its many programs. USDA employs nearly 100,000 employees in 17 agencies and 18 staff offices; in total, these employees operate more than 300 programs that are responsible for \$144 billion in spending per year. Overseeing these programs so every dollar spent accomplishes the results intended poses significant challenges to USDA program managers.

USDA managers are responsible for establishing an effective internal control system, ensuring a culture of compliance with those controls exists, and holding employees accountable for implementing those controls. Internal controls are the tools managers use to ensure programs achieve intended results efficiently and effectively; they provide for program integrity and proper stewardship of resources. Ultimately, as the Government Accountability Office (GAO) has stated, “People are what make internal control work.”¹ Since systemic control flaws can yield systemic program weaknesses—e.g., unrealized goals—managers must continuously assess and improve their internal control systems. If management does not emphasize those controls, then Federal programs will not function as intended.

USDA agencies need to strengthen oversight and accountability over their programs, as our audits have consistently shown. For example, OIG reviewed the Department’s efforts to address increasing antibiotic microbial resistance in food animals and the food production chain, as directed by the President’s executive order.² Three USDA agencies represent the Department as major stakeholders in the multi-agency *National Action Plan for Combating Antibiotic-Resistant Bacteria*: the Animal and Plant Health Inspection Service (APHIS), the Agricultural Research Service (ARS), and the Food Safety Inspection Service (FSIS). We found that the agencies need to more effectively and efficiently manage limited resources for addressing antibiotic resistance issues relating to funding and staffing needs. Although change is occurring, the various agency budgets did not effectively address the interagency collaboration needed for this initiative. Also, two agencies are experiencing problems filling key positions that require specialized scientific and data knowledge. The Department itself does not have a well-developed central communication platform for distributing a unified, scientifically based, antibiotic resistance message. If USDA and the agencies do not address these issues, the Department may not be able to fully achieve its antibiotic resistance goals.

Another audit revealed problems with the Natural Resources Conservation Service’s (NRCS) controls over land valuation for conservation easements.³ The agency did not have sufficient controls in place to evaluate official determinations or verify data, which led to payments of over

¹ GAO-14-704G, *Standards for Internal Control in the Federal Government*, September 2014, page 6.

² Audit Report 50601-0004-31, *USDA’s Response to Antibiotic Resistance*, March 2016. *Combating Antibiotic-Resistant Bacteria*, Exec. Order No. 13,676, September 2014.

³ Audit Report 10601-0001-23, *NRCS Controls Over Land Valuations for Conservation Easements*, September 2015.

\$43 million for conservation easements on lands whose values were not sufficiently supported by documented, transparent decisions. NRCS' control environment did not include a system of management accountability to ensure land values for NRCS' conservation easement programs were properly supported and accurately reported before payments were made. Also, the agency did not maintain data for easement payments in a format that would allow the agency to monitor program performance. NRCS should reassess its oversight and evaluation process to cover key program requirements and ensure fair and compliant land valuations.

We published two more reports, cited in *USDA Management Challenges (2015)*, which illustrate issues with internal controls. OIG reported on whether the Risk Management Agency's (RMA) crop insurance compliance case management system was effectively and efficiently managing the compliance activities of its regional compliance offices.⁴ In crop year 2015, RMA had over 1.2 million policies with liabilities of \$102.4 billion and paid over \$12.2 billion in subsidy and indemnity payments. We found that RMA's national office did not fully use the compliance review system's capabilities to identify key performance indicators and generate reports to monitor and oversee compliance activities. Similarly, our report on APHIS' controls over the release of regulated genetically engineered organisms into the environment found that the agency can do more to strengthen controls intended to prevent the environmental release of genetically engineered organisms.⁵

Unimplemented Audit Recommendations Relative to this Challenge⁶

For the reports cited in *USDA Management Challenges (2015)*, we made 50 recommendations to the Department to improve oversight and accountability for its programs. As of June 1, 2016, the Department reported to the Office of the Chief Financial Officer (OCFO) that it has completed corrective actions on 33 of the 50 recommendations. For audit reports published afterwards, from June 2015 to May 2016, we issued an additional 135 recommendations to improve oversight and accountability for its program. As of June 1, 2016, the Department reported to OCFO that it has implemented corrective actions on 16 of these 135 recommendations. In total, the Department has not yet implemented corrective actions on 136 of the 185 recommendations.

Although the Department continues to make progress to implement corrective actions, oversight and accountability for its programs remain a critical challenge for USDA. In order to address this challenge, USDA should continue its efforts to implement all of our outstanding audit recommendations.

⁴ Audit Report 05601-0004-31, *RMA: Crop Insurance Compliance Case Management*, December 2015.

⁵ Audit Report 50601-0001-32, *Controls over APHIS' Introduction of Genetically Engineered Organisms*, September 2015.

⁶ Numbers reported in this section reflect the unimplemented audit recommendations relative to the challenge in which they are cited. This represents a change from our 2015 publication, which also included the total unresolved and unimplemented recommendations.

Examples of Work We Anticipate Completing in the Future

Coordination of USDA Farm Program Compliance

Evaluate the coordination among the Farm Service Agency (FSA), RMA, and NRCS to evaluate the effectiveness of the agencies' efforts to use shared data to assure that participants meet program requirements and eliminate improper payments. Specifically, we will review how effective the agencies are at using shared information to identify noncompliance and how shared information in the Comprehensive Information Management System (CIMS) and other systems is used by agencies to ensure accurate reporting of data that are the basis for monetary (program) benefits.

FY 2016 Classification Management

Our objective will be to determine whether existing procedures and practices are appropriate to ensure the proper classification, declassification, and marking of classified national security information. Specifically, we will review progress made since our prior audit (Audit Report 61701-0001-32, *Office of Homeland Security and Emergency Coordination, Classification Management*, September 2013). We will assess whether policies, procedures, rules, regulations, and management practices have been revised and effectively implemented in response to the 17 prior audit recommendations.

Challenge 2: Information Technology Security Needs Continuing Improvement

USDA must efficiently manage vast amounts of data to accomplish its mission of providing benefits and services to the American public, including critical information such as agricultural statistics that drive domestic and global markets and data from inspection systems that help ensure food safety. Not only must USDA employees be able to access, use, and communicate this information, but members of the public apply for and access many USDA program benefits and other services online, which can require the transfer of personally identifiable information through these online portals. USDA therefore faces the critical responsibility of protecting the security, confidentiality, and integrity of its information technology (IT) infrastructure.

Since the passage of the Federal Information Security Management Act of 2002 (FISMA), OIG has annually reviewed the Department's cybersecurity initiatives, including those that shield IT equipment and systems from theft, attack, and intrusion. Our reviews have consistently found that the Department faces great challenges in complying with FISMA. Our most recent review found that the Office of the Chief Information Officer (OCIO) is taking positive steps to improve its security posture.⁷ For example, OCIO has improved its incident response and its Risk Management Framework. However, the agencies included in this review have not implemented all the requirements for security training, remote access management, and contingency planning. It is now critical that agencies create and implement agency-specific procedures to ensure compliance with USDA policy and improve the Department's security posture in the future.

Again this year, we continue to report weaknesses in USDA's IT security. The Department has not (1) performed an assessment of the skills, knowledge, and resources needed to effectively implement an Information Security Continuous Monitoring (ISCM) Strategic Plan; (2) defined or formally documented within the ISCM Strategic Plan the organization's process for collecting and considering lessons learned to improve ISCM processes; and (3) developed policies and procedures for remote access and teleworking that comply with National Institute of Standards and Technology (NIST) guidance.

OIG examined another aspect of the Department's IT security through a contracted assessment of the implementation of the Continuous Diagnostics and Mitigation (CDM) program that Congress established to provide adequate, risk-based, and cost-effective cybersecurity, and more efficiently allocate cybersecurity resources.⁸ The contractor's report documented concerns and recommendations for actions necessary to increase the probability of success for USDA's CDM program.⁹

⁷ Audit Report 50501-0008-12, *U.S. Department of Agriculture: Office of the Chief Information Officer: Fiscal Year 2015: Federal Information Security Modernization Act*, November 2015.

⁸ OMB Memorandum M-15-01, *Fiscal Year 2014-2015 Guidance on Improving Federal Information Security and Privacy Management Practices*, October 3, 2014.

⁹ Audit Report 50501-0010-12, *Continuous Diagnostics and Mitigation Program Assessment*, June 2016.

Although weaknesses still exist, USDA has made improvements to some elements of IT security. For example, we examined USDA's National Finance Center's (NFC's) description of payroll/ personnel and application hosting services used to process customer agencies' transactions throughout the period October 1, 2014 to August 31, 2015.¹⁰ We found that the description fairly presents the financial management services that were designed and implemented; the controls were suitably designed to provide reasonable assurances that the control objectives would be achieved if the controls operated effectively; and the controls tested were those necessary to provide reasonable assurance that the control objectives were achieved.

USDA must not only be responsive to IT security needs, but must be vigilant to the potential for misuse of the Department's IT systems. OIG has initiated a large number of investigations involving the alleged misuse of USDA IT systems. An increasing number of referrals received from OCIO have also on occasion identified potential child pornography. As a result, OIG's Office of Investigations has taken steps to ensure that criminal investigators and computer forensic examiners have the training and knowledge necessary to address this type of criminal activity within the Department.

Unimplemented Audit Recommendations Relative to this Challenge

For the reports cited in *USDA Management Challenges (2015)*, we made 10 recommendations to the Department to improve its IT security. As of June 1, 2016, the Department reported to OCFO that it has completed corrective actions on 5 of the 10 recommendations. For audit reports published afterwards, from June 2015 to May 2016, we issued an additional 14 recommendations to improve USDA's IT security. As of June 1, 2016, the Department reported to OCFO that it has implemented corrective actions on 1 of these 14 recommendations. In total, the Department has not yet implemented corrective actions on 18 of the 24 recommendations.

Although the Department continues to make progress to implement corrective actions, IT security remains a critical challenge for USDA. In order to address this challenge, USDA should continue its efforts to implement all of our outstanding audit recommendations.

¹⁰ Audit Report 11401-0001-12, *Statement on Standards for Attestation Engagements No. 16, Report on Controls at the National Finance Center for October 1, 2014, to August 31, 2015*, September 2015. OIG contracted this audit with an independent certified public accounting firm.

Examples of Work We Anticipate Completing in the Future

FY 2016 FISMA Review

Our objective is to evaluate the status of USDA's overall IT security program.

Statement of Standards for Attestation Engagements No. 16 Report on Controls at the National Finance Center

Our objective is to determine the suitability of the design and operating effectiveness of controls for the period specified in the NFC description of its systems, October 1, 2015, through July 31, 2016. This review will focus on controls at NFC likely to be relevant to user entities' internal controls over financial reporting. OIG is overseeing the work of an independent contractor that is conducting this examination.

Challenge 3: USDA Needs to Strengthen Program Performance and Performance Measures

USDA manages over 300 programs that provide a variety of services to the American public, such as grants and loans for rural communities, food assistance for schools and private citizens, and research and technical assistance for environmental projects. This diverse portfolio of programs means that, for the Department to be a diligent steward of Federal funds, USDA must have well-designed programs. However, designing, developing, and implementing programs that reliably achieve their intended results has been a recurring challenge for the Department. Most recently, OIG has found that agencies provide payments to recipients without adequate reviews or controls to ensure that funds provided are used to accomplish the program's goals.

The Government Performance and Results Modernization Act of 2010 set new requirements for agency reports, including nature and frequency of submission.¹¹ In keeping with the law, an agency should have procedures in place that allow it to regularly review a program's performance, and then compile reports that allow it to measure that performance. These reports enable policymakers to fairly evaluate programs and thus make well-informed funding decisions.

The evaluation of program performance is diminished or weakened when program agencies have problems with data, as demonstrated by OIG's recent work. OIG began an audit of NRCS' and FSA's processes for the identification and proper disposition of compliance violations related to the Highly Erodible Land (HEL) and Wetlands conservation (WC) provisions of the Food Security Act of 1985. During the course of the audit, we found problems with the data universe the agencies rely on for conducting these compliance reviews.¹² When developing the sample for the 2015 compliance reviews, NRCS used a flawed universe of tracts that inadvertently omitted tracts from several counties or even entire States and also included inaccurate and invalid tract data. Because not all producers subject to the random compliance reviews were included in the universe, NRCS cannot effectively verify that the results of its random sample reviews accurately reflect producer compliance with HEL and WC provisions. Also, NRCS compliance reviewers relied on inconsistent or vague guidance when evaluating producers' compliance with HEL and WC provisions, which increases the potential for insufficient compliance determinations. Noncompliance may go undetected, resulting in improper payments to producers. Because of these deficiencies with data and guidance, NRCS is ill-prepared to evaluate the performance and success of programs subject to HEL and WC provisions of the Food Security Act.

The Rural Business-Cooperative Service (RBS) exhibited similar problems with performance measures when we conducted an audit of the agency's Rural Energy for America Program (REAP).¹³ We found that the program's award and project performance data were unreliable because of incomplete or inaccurate data and unsubmitted performance reports. The agency did

¹¹ Government Performance and Results Modernization Act of 2010, Pub. L. No. 111-352, 124 Stat. 3866.

¹² Audit Report 50601-0005-31 (1), *USDA Monitoring of Highly Erodible Land and Wetland Conservation Violations – Interim Report*, April 2016. Audit Report 50601-0005-31, *USDA Monitoring of Highly Erodible Land and Wetland Conservation Violations*, June 2016.

¹³ Audit Report 34001-0001-21, *Rural Energy for American Program*, August 2016.

not monitor the program to ensure grant award integrity. RBS needs to improve oversight and internal controls so that it can accurately measure REAP's performance and provide a successful energy program for rural communities.

Ongoing work by OIG continues to examine the need to strengthen program performance in other agency programs. We are completing a follow-up audit on NRCS' coordination and data sharing with other Department agencies for the Conservation Stewardship Program (CSP).¹⁴ This audit will evaluate whether NRCS' actions on prior audit recommendations applicable to CSP were adequate to correct the conditions noted in the 2009 audit. We are also reviewing whether NRCS has adequate controls to ensure producer eligibility determinations and CSP payment amounts are accurate, and if producers operate in compliance with CSP contracts.

Unimplemented Audit Recommendations Relative to this Challenge

For the reports cited in *USDA Management Challenges (2015)*, we made 10 recommendations to the Department to strengthen program performance and performance measures. As of June 1, 2016, the Department reported to OCFO that it has completed corrective actions on 9 of the 10 recommendations. For audit reports published afterwards, from June 2015 to May 2016, we issued an additional 11 recommendations to strengthen program performance and performance measures. As of June 1, 2016, the Department has not yet completed corrective actions on any of these 11 recommendations. In total the Department has not yet implemented corrective actions on 12 of the 21 recommendations.¹⁵

Although the Department continues to make progress to implement corrective actions, strengthening program performance and performance measures remains a critical challenge for USDA. In order to address this challenge, USDA should continue its efforts to implement all our outstanding audit recommendations.

¹⁴ Audit Report 10601-0001-32, *NRCS' Controls over the Conservation Stewardship Program*, expected publication in FY 2016.

¹⁵ Due to the timing of the report issuance, recommendations from Audit Reports 50601-0005-31, and 34001-0001-21 were not included in our analysis of the status of recommendations.

Examples of Work We Anticipate Completing in the Future

NRCS Wetland Conservation Provisions in the Prairie Pothole Region

Our objective is to evaluate NRCS' administration of the wetland conservation provisions in the Prairie Pothole Region. Specifically, we will evaluate whether NRCS established adequate guidance and procedures to administer the wetland conservation provisions, and whether wetland determinations were in accordance with laws and regulations.

Energy Efficiency and Conservation Loan Program

Our audit objectives are to determine if the Rural Utilities Service (RUS) has established controls to properly administer the Energy Efficiency and Conservation Loan Program (EECLP). Specifically, we will determine if (1) RUS borrowers meet EECLP loan eligibility requirements; (2) loans are being used in accordance with applicable laws, regulations, policies, and procedures, and for program purposes that benefit rural areas; and (3) there are ongoing evaluations to assess the need for the program, and whether EECLP loans are producing intended results consistent with the program's objectives.

Challenge 4: USDA Needs to Strengthen Controls over Improper Payments and Financial Management

The Department's annual financial reports provide the public, Congress, and the President with information about the nearly \$144 billion spent on public services every year. These reports account for USDA's costs and revenues, assets and liabilities, and other information, such as improper payments. It is imperative these reports are accurate and timely so that USDA's financial management is transparent. However, USDA continues to fall short of full compliance with Federal requirements for improper payments and needs to address control issues in some component agencies in order to resolve ongoing problems with financial management.

Improper payments occur when funds go to the wrong or ineligible recipient, the proper recipient receives an incorrect amount of funds or uses funds in an improper manner, or documentation is not available to support a payment. Not all improper payments involve fraud or waste; payment errors are often inadvertent or based on missing documentation. Regardless of origin, improper payments affect the integrity of Federal programs and compromise citizens' trust in government.

The President's 2009 *Executive Order Reducing Improper Payments and Eliminating Waste in Federal Programs*,¹⁶ the Improper Payments Elimination and Recovery Act of 2010 (IPERA),¹⁷ and the Improper Payments Elimination and Recovery Improvement Act of 2012¹⁸ have all increased the Government's accountability for reducing Federal improper payments. OIGs evaluate agencies' progress in implementing these requirements.

In the annual assessment of USDA's compliance with improper payment requirements, we found the Department did not comply with IPERA for the fifth consecutive year.¹⁹ In fact, USDA's improper payment rate has risen from 5.36 percent in fiscal year (FY) 2013 to 5.70 percent in FY 2015. Of the 18 programs identified as susceptible to improper payments (high-risk) in FY 2015,²⁰ 9 did not comply with one or more requirements, including reporting excessive improper payment rates, missing reduction targets, or not publishing estimates. This occurred because one program used insufficient sampling methods to report improper payment estimates; two programs had program or regulatory changes; and six programs' corrective actions were ineffective or have not been implemented long enough to yield desired results.

However, USDA officials provided evidence that the Department and its component agencies are making progress toward fully complying with IPERA. USDA substantially complied with three IPERA requirements: publishing improper payment information, conducting risk assessments, and publishing corrective action plans in the Agency Financial Report (AFR). The Department

¹⁶ *Reducing Improper Payments and Eliminating Waste in Federal Programs, Exec. Order No. 13,520* (November 2009).

¹⁷ Improper Payments Elimination and Recovery Act of 2010, Pub. L. No. 111-204, 124 Stat. 2225.

¹⁸ Improper Payments Elimination and Recovery Improvement Act of 2012, Pub. L. No. 112-248, 126 Stat. 2390.

¹⁹ Audit Report 50024-0009-11, *USDA's Fiscal Year 2015 Compliance with Improper Payment Requirements*, May 2016.

²⁰ These programs have been identified as "high-risk" by OMB, USDA, or associated legislation.

also continued to self-assess its compliance with improper payment requirements and reported this in its AFR. Also, several of the high-risk programs identified as noncompliant are making plans for corrective action; however, some of the plans will take several years to fully implement.

The Department is also making progress toward compliance with reporting requirements for high-dollar improper overpayments, as directed in the executive order.²¹ The executive order mandates that Federal agencies submit quarterly reports on any high-dollar improper overpayments identified in high-risk programs to OIGs and the Council of the Inspectors General on Integrity and Efficiency (CIGIE) and make this information available to the public. OIGs assess the level of risk associated with the applicable program, determine the extent of oversight warranted, and provide agencies with recommendations if needed.

In this fifth year of reporting high-dollar overpayments, we found that USDA improved the accuracy and timeliness of its submissions.²² Specifically, the number of component agencies with reporting errors decreased from six the previous year to three this year. Furthermore, three agencies submitted their reports on time compared to only one last year, and other agencies greatly reduced days-past-due. Despite these improvements, we still found instances of inaccuracy or untimely submissions, and the Department itself continued to submit its signed quarterly reports to OIG after the required date. Although we generally found these errors to be minor, we recommended continued vigilance to prevent and eliminate reporting errors, deficiencies, and delays.

Proper documentation and financial management are recurring challenges for the Department and some component agencies. These problems, themselves indicative of endemic problems with financial controls, prevent OIG from completing financial audits as required by law. In our FY 2015 financial statements review, OIG was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Therefore, we did not express an opinion on USDA's consolidated financial statements.²³ The report contains a disclaimer of opinion for FY 2015. In addition, the Commodity Credit Corporation (CCC) and NRCS each received a disclaimer of opinion on their financial statements for FY 2015.²⁴ For the last three fiscal years, USDA's consolidated financial statement audits have reported the same two material weaknesses related to internal controls over financial reporting—improvements are needed in overall financial management and in the overall IT security program.²⁵

²¹ Audit Report 50024-0007-11, *Exec. Order 13,520, Reducing Improper Payments, FY 2014 High-Dollar Overpayments Report Review*, August 2015.

²² USDA had 20 high-risk programs in FY 2014, administered by 7 component agencies: the Farm Service Agency (FSA), Commodity Credit Corporation (CCC), Food and Nutrition Service (FNS), Forest Service (FS), Natural Resources Conservation Service (NRCS), Risk Management Agency (RMA), and Rural Development.

²³ Audit Report 50401-0009-11, *Department of Agriculture's Consolidated Financial Statements for Fiscal Years 2015 and 2014*, February 2016.

²⁴ Audit Report 06401-0005-11, *Commodity Credit Corporation's Financial Statements for Fiscal Years 2015 and 2014*, February 2016. Audit Report 10401-0005-11, *Natural Resources Conservation Service's Financial Statements for Fiscal Year 2015*, November 2015.

²⁵ Audit Report 50401-0005-11, *Department of Agriculture's Consolidated Financial Statements for Fiscal Years 2013 and 2012*, December 2013. Audit Report 50401-0007-11, *Department of Agriculture's Consolidated Financial Statements for Fiscal Years 2014 and 2013*, December 2014. Audit Report 50401-0009-11, *Department of*

Unimplemented Audit Recommendations Relative to this Challenge

For the reports cited in *USDA Management Challenges (2015)*, we made 29 recommendations to the Department to strengthen controls over improper payments and financial management. As of June 1, 2016, the Department reported to OCFO that it has completed corrective actions on 25 of the 29 recommendations. For audit reports published afterwards, from June 2015 to May 2016, we issued additional 41 recommendations to strengthen controls over improper payments and financial management. As of June 1, 2016, the Department has not yet completed corrective actions on any of these 41 recommendations. In total, the Department has not yet implemented corrective actions on 45 of the 70 recommendations.

Although the Department continues to implement corrective actions for these issues, strengthening controls over improper payments and financial management remains a critical challenge for USDA. In particular, USDA needs to strengthen internal controls over financial reporting at the Department and component agency level for NRCS and CCC, as they received a disclaimer of opinion on their FY 2015 financial statements. In order to address these challenges, USDA should continue to implement all of our outstanding audit recommendations. USDA needs to actively pursue efforts to identify causes for improper payments in other high-risk programs and make measurable progress to reduce the overall rate of improper payments.

Examples of Work We Anticipate Completing in the Future

USDA's Consolidated Financial Statements for FYs 2016 and 2015

Our objective of this audit is to express an opinion as to whether USDA's financial statements are fairly presented, in all material respects, in accordance with the United States generally accepted accounting principles. Other objectives of the financial statement audit include identifying significant deficiencies and material weaknesses in internal control that come to our attention, reporting whether USDA's financial management systems substantially comply with the requirements of the Federal Financial Management Improvement Act, and providing results of our review for compliance with selected laws and regulations. In conjunction with our audit of USDA's Consolidated Financial Statements, we also conduct or oversee the financial statement audits of five component agencies (CCC, FCIC, FNS, RD, and NRCS).

USDA's Fiscal Year 2016 Compliance with Improper Payment Requirements

Our audit objective is to review USDA's Annual Financial Report (AFR) and accompanying information to determine whether USDA is compliant with the Improper Payments Information Act of 2002, as amended by the Improper Payments Elimination and Recovery Act of 2010 and the Improper Payments Elimination and Recovery Improvement Act of 2012.

Agriculture's Consolidated Financial Statements for Fiscal Years 2015 and 2014, February 2016.

Challenge 5: USDA Needs to Improve Outreach Efforts

USDA has emphasized its efforts to improve outreach to new and beginning farmers and ranchers, local and regional food producers, minorities, women, and veterans. As part of those efforts, the Secretary of Agriculture has reiterated the importance of civil rights, stressing that significant progress is to be made in working with communities in addressing past civil rights issues. Due to a history of public attention concerning how USDA has treated members of socially disadvantaged groups, the Department faces challenges in earning those groups' trust.

The Food, Conservation, and Energy Act of 2008 directed that all pending claims and class actions (for example, *Pigford v. Glickman*,²⁶ *Garcia v. Vilsack*,²⁷ and *Love v. Vilsack*²⁸) brought against USDA by socially disadvantaged farmers or ranchers, including Hispanics and women, based on racial, ethnic, or gender discrimination in farm program participation, be resolved in an expeditious and just manner. OIG continues to evaluate the Department's progress toward fulfilling the Congressional mandate.

One report reviewed USDA's administrative process for adjudicating claims from *In re Black Farmers Discrimination Litigation* (BFDL). Due to the large number of applicants who did not obtain a determination on the merits of their claims under the original *Pigford* settlement, multiple lawsuits were filed on behalf of black farmers. These claims were consolidated into a single case.²⁹ Congress passed legislation that authorized funding to settle BFDL and a U.S. District Court approved the terms of settlement. The Claims Resolution Act of 2010 required OIG to conduct a performance audit to determine whether awards were granted to eligible claimants "within 180 days of the initial adjudication of claims, and subsequently as appropriate, perform a performance audit based on a statistical sampling of adjudicated claims."³⁰

From December 2013 to July 2015, we conducted an extensive review of the claims administration process.³¹ We confirmed that claims were timely, complete, and appropriately submitted. We also verified that the adjudication decisions were supported by the information in the claims and were consistent with the settlement agreement's terms. Overall, nothing came to our attention to indicate the claims process was not implemented in accordance with the BFDL settlement agreement. Based on our statistical sample reviews and data analyses, we concluded that effective actions were taken to mitigate the concerns identified in our prior audit.³²

In a separate audit, we also reviewed how USDA used the \$1.33 billion settlement fund established by USDA and the U.S. Department of Justice (DOJ) to resolve allegations of

²⁶ *Pigford v. Glickman*, No. 97-1978 (D.D.C.).

²⁷ *Garcia v. Glickman*, No. 00-2445 (D.D.C.) (filed Oct. 13, 2000) (now *Garcia v. Vilsack*).

²⁸ *Love v. Glickman*, No. 00-2502 (D.D.C.) (filed Oct. 19, 2000) (now *Love v. Vilsack*).

²⁹ Misc. No. 08-mc-0511 (PLF).

³⁰ Claims Resolution Act of 2010, P.L. No. 111-291, Tit. II, § 201 (h) (2) (A).

³¹ Audit Report 50601-0003-21, *Audit of In re Black Farmers Discrimination Litigation-Adjudicated Claims*, September 2015.

³² Audit Report 50601-0001-21, *In re Black Farmers Discrimination Litigation*, December 2013.

discrimination against Hispanic and women farmers.³³ In 2000, groups of Hispanic and women farmers and ranchers filed separate lawsuits against USDA—*Garcia v. Vilsack* and *Love v. Vilsack*. The lawsuits alleged that from 1981 through 2000, USDA discriminated in its farm benefit programs. In February 2011, USDA, in conjunction with DOJ, established a voluntary administrative claims process to resolve discrimination allegations by eligible Hispanic and women farmers. USDA and DOJ established “The Framework,” which describes USDA’s and the contractor’s responsibilities and the criteria designed to ensure that funds for cash awards and tax relief were paid only to eligible claimants who met the burden of proof.

To ensure an unbiased review and processing of the claims, USDA contracted with a company that specializes in claims resolution. That company distributed claim forms, as well as received, processed, adjudicated, and paid the claims, while USDA oversaw the contract. The Framework provided that OIG conduct a performance audit of claims. OIG subsequently initiated this review in September 2013. Overall, we concluded that the contractor executed a strong process to ensure that funds were paid to eligible Hispanic and women farmers.

In addition to remedying historical claims of discrimination, USDA has sought, with the Microloan Program, to create new economic opportunities through farming.³⁴ The Microloan Program offers flexible access to credit and serves as an attractive loan alternative for smaller farm operations, including nontraditional farm operations, which often face limited financing options. However, we found that FSA could not demonstrate that it successfully reached out to some targeted audiences, such as specific underserved groups and veterans. The low percentage of participation by some targeted groups suggests FSA needs to increase its outreach to those underserved groups.

When we visited 23 Microloan Program applicants in Florida, Georgia, and Wisconsin, we asked them how they learned about the program. None of the applicants reported hearing about the Microloan Program through an outreach event where an FSA employee participated face-to-face. Some reported hearing about it from other people in their agricultural community.

Based on our findings, we concluded that unless FSA takes steps to improve its outreach, the agency may not fully achieve its objective of providing support to current and prospective producers, including underserved groups. We recommended that FSA develop and implement controls and guidance to achieve consistent administration of microloans, periodically evaluate outreach activities to ensure effective marketing to target groups, and develop an accurate measurement of success for its outreach program.

³³ Audit Report 50601-0002-21, *Hispanic and Women Farmers and Ranchers Claim Resolution Process*, March 2016.

³⁴ Audit Report 03601-0003-22, *Farm Service Agency Microloan Program*, September 2015.

Unimplemented Audit Recommendations Relative to this Challenge

For the reports cited in *USDA Management Challenges (2015)*, we made 12 recommendations to the Department to improve outreach efforts. As of June 1, 2016, the Department reported to OCFO that it has completed corrective actions on all 12 recommendations. For audit reports published afterwards, from June 2015 to May 2016, we issued an additional 7 recommendations to improve outreach efforts. As of June 1, 2016, the Department has not yet completed corrective actions on any of these 7 recommendations. In total, the Department has not yet implemented corrective actions on 7 of the 19 recommendations.

While the Department has made significant progress to implement corrective actions, improving outreach efforts will remain a critical challenge for USDA. In order to improve the public's perception of how USDA treats members of socially disadvantaged groups, USDA should continue its efforts to implement all of our outstanding audit recommendations.

Examples of Work We Anticipate Completing in the Future

Office of the Assistant Secretary for Civil Rights (OASCR) Processing of Equal Employment Opportunity (EEO) Complaints

Our audit objective is to evaluate the controls in place to ensure that all EEO civil rights complaints, including those against high-level USDA officials, are processed in a timely manner and are referred to and reviewed by appropriate officials, in accordance with procedures. We will also review actions taken by OASCR to determine if any harm was caused by any processing delays and if subsequent action was taken to address the harm.

Challenge 6: Food Safety Inspections Need Improved Controls

As the Nation's gatekeeper for safe and wholesome food products, the Food Safety and Inspection Service (FSIS) performs a variety of functions. The agency conducts inspections of commercial meat, poultry, and egg products. Along with these inspections, FSIS coordinates with the Food and Drug Administration to monitor levels of antibiotic-resistant bacteria present in slaughtered swine, cattle, and poultry. FSIS also supports the interagency National Residue Program to identify, rank, and test for chemical contaminants, including antibiotics, in meat, poultry, and egg products.

Given concerns about increasing levels of antibiotic-resistant bacteria in food animals, the President issued an executive order to address the issue of antibiotic microbial resistance.³⁵ This executive order resulted in the development of a multi-agency *National Action Plan for Combating Antibiotic-Resistant Bacteria*. FSIS, together with ARS and APHIS, is responsible for facilitating USDA's response to certain areas in four goals outlined in the National Action Plan: surveillance, stewardship, research, and international coordination. Of particular relevance to food safety inspection, the National Action Plan calls for targeted surveillance for levels of antibiotic-resistant bacteria in food throughout the production chain.

We reviewed FSIS' actions for implementing the National Action Plan and generally found that it needs to make antibiotic microbial resistance activities a priority in order to effectively address the issue and meet executive expectations. Further discussion about this report can be found in Challenge 1 (see page 1).

Assessing food safety inspections continues to be part of OIG's work plan. We are currently completing work to evaluate FSIS' implementation of corrective actions resulting from two OIG audit reports from 2007 and 2008, which together issued 60 recommendations. We are also reviewing FSIS' staffing and controls related to humane handling at slaughter establishments. We expect to publish the results in FY 2017.³⁶

Unimplemented Audit Recommendations Relative to this Challenge

For the reports we cited in *USDA Management Challenges (2015)*, we made 13 recommendations to the Department to strengthen oversight and management controls of food safety inspections. No audit reports were published afterwards, from June 2015 to May 2016. As of June 1, 2016, the Department reported to OCFO that it has completed corrective actions on 4 of the 13 recommendations.

Although the Department continues to make progress to implement corrective actions, food safety concerns remain a critical challenge for USDA. In order to address this challenge, USDA should continue its efforts to implement all of our outstanding audit recommendations.

³⁵ *Combating Antibiotic-Resistant Bacteria, Exec. Order No. 13,676*, September 2014.

³⁶ Audit Report 24016-0001-23, *FSIS Followup on the 2007 and 2008 Audit Initiatives*, expected publication in FY 2017.

Examples of Work We Anticipate Completing in the Future

Equivalency Assessments of Exporting Countries

Our objectives are to evaluate FSIS' determinations that the exporting countries' food safety systems are equivalent to U.S. standards, and that oversight to ensure that foreign systems remain equivalent. We will also evaluate the effectiveness of corrective actions implemented by FSIS for prior OIG audits in 2005 and 2008.

FSIS Controls over Declaring Allergens on Product Labels

Our objective is to evaluate whether FSIS has sufficient controls in place to ensure allergens are properly disclosed on product labels under the Federal Meat, Poultry, and Egg Inspection Acts.

Challenge 7: FNS Needs to Strengthen SNAP Management Controls

As the largest program within USDA and one of the largest programs in the Federal Government, the Supplemental Nutrition Assistance Program (SNAP) presents a unique challenge for program managers. Administered by the Food and Nutrition Service (FNS), SNAP provided monthly food assistance for nearly 46 million low-income individuals in FY 2015 and disbursed almost \$70 billion in benefits that year. From 2007 to 2015, program participation grew by 73.9 percent (although participation has trended down in recent years). Given SNAP's size and significance, fraud, waste, and abuse are critical concerns. The potential exists for billions of dollars of taxpayer-funded assistance not to be delivered or used as intended.³⁷ OIG works to combat these problems through investigations into fraudulent activities by retailers and program participants. We also conduct audits designed to identify waste and abuse by program administrators and improve FNS' controls over the program.

USDA loses millions of dollars every year to fraud and crime associated with SNAP and other FNS food assistance programs. OIG devotes significant investigative resources to recover that money and prosecute criminal actors. In the first half of FY 2016, OIG's investigative efforts related to SNAP resulted in 227 indictments, 183 convictions, and 555 arrests, with a total dollar impact of \$32.9 million.

In recent years, the majority of OIG's direct investigative time has been spent on SNAP, especially trafficking investigations, where program benefits are exchanged illegally for cash and ineligible, non-food items. For example, investigators determined that a store in Michigan averaged approximately \$53,000 in SNAP redemptions every month, while neighboring stores averaged only \$4,700. As a result of investigative efforts, two people were indicted on SNAP and wire fraud charges and were ordered to pay \$2 million in restitution in addition to imprisonment. This case represents only a small percentage of the work completed by OIG to offset the criminal activity associated with SNAP.

OIG audit work focuses on improving the efficiency of SNAP program administration at the Federal and State levels. OIG recently reviewed SNAP's quality control (QC) processes concerning how States determine household eligibility for SNAP and calculate and issue benefits.³⁸ Both FNS and State agencies have QC processes to review these determinations—States review a sample of their SNAP cases and FNS verifies a sub-sample of these. The results are used to calculate State error rates, and the national error rate is a weighted average of State rates.

We found, however, that States weakened the QC process by using third-party consultants and error review committees to mitigate individual QC-identified errors rather than improving eligibility determinations. QC staff also treated error cases non-uniformly. FNS' two-tier QC process is vulnerable to State abuse due to conflicting interests between (1) accurately

³⁷ The potential for billions of taxpayer-funded dollars not being delivered or used as intended was based on FNS FY 2015 reported improper payments of approximately \$2.6 billion.

³⁸ Audit Report 27601-0002-41, *FNS Quality Control Process for SNAP Error Rate*, September 2015.

reporting true error rates and incurring penalties, or (2) mitigating errors and receiving a bonus for exceeding standards. Further, States' QC reviews did not meet SNAP regulatory requirements, and Federal oversight of State QC was inadequate. We concluded that, given these weaknesses, FNS' QC process understated SNAP's error rate.

We recommended that FNS consider changing QC from a two-tier process reliant on State error rates to a one-tier process in which FNS or a third party reviews cases. FNS also needs to reiterate policies regarding the proper use of error review committees, QC staff's variable treatment of error cases, and issue guidance to States on appropriate use of private consultants. Further, we recommended FNS amend and enforce policies to ensure error rates are accurate and determined in compliance with regulations. Finally, FNS should amend its regulations to reflect the appropriate weekly and biweekly income conversion factors used to determine SNAP recipients' monthly income.

In addition, OIG assessed aspects of five States' compliance with SNAP Certification of Eligible Households regulations (selected based on the level of SNAP funding and geographic location).⁴⁰ OIG plans to publish a report for each State assessment, and issue a consolidated report illustrating overall findings related to States' compliance with certain SNAP certification requirements.

New Hampshire was one of the five states selected for review, and the first published report during this period.⁴¹ There, we found that New Hampshire did not enter Social Security numbers (SSN) for every household member applying for SNAP benefits, as required. The review of New Hampshire's comprehensive benefits management system disclosed 85 instances in which recipients received benefits for 12 months or longer without having an SSN entered in the system.⁴² Also, New Hampshire did not consistently notify households of the date SNAP benefits expire, which could have resulted in households not recertifying and thus having their benefits interrupted.

OIG acknowledges that administration of SNAP is exceptionally complex. USDA must authorize and oversee more than 260,000 SNAP retailers in every State and territory. Consequentially, the statutes and regulations for delivering SNAP benefits to participants are intricate. As millions of Americans rely on SNAP benefits for nutrition assistance, successful program performance is critical. It is imperative the FNS strengthen management controls to ensure effective and efficient delivery of services to SNAP recipients.

⁴⁰ OIG contracted this audit with an independent certified public accounting firm.

⁴¹ Audit Report 27601-0001-10, *New Hampshire's Compliance with SNAP Certification of Eligible Households Requirements*, July 2016.

⁴² The CPA firm sampled 30 of these 85 cases and found 9 instances where a SSN was provided by the recipient, but was not entered in the system.

Unimplemented Audit Recommendations Relative to this Challenge

For the reports cited in *USDA Management Challenges (2015)*, we made 29 recommendations to the Department to strengthen oversight and management of SNAP. As of June 1, 2016, the Department reported to OCFO that it has completed corrective actions on 19 of the 29 recommendations. For audit reports published afterwards, from June 2015 to May 2016, we issued an additional 19 recommendations to help improve the Department's quality control process for identifying, determining, and reducing SNAP payment errors. As of June 1, 2016, the Department has not yet completed corrective actions on any of these 19 recommendations. In total the Department has not yet implemented corrective actions on 29 of the 48 recommendations.⁴³

Although the Department continues to make progress to implement corrective actions, management controls over SNAP remain a critical challenge for USDA. In order to address this challenge, USDA should continue its efforts to implement all outstanding audit recommendations.

Examples of Work We Anticipate Completing in the Future

Detecting Potential SNAP Trafficking Using Data Analysis

Our objective is to review SNAP retailer and participant data using analytical software in an attempt to identify potential fraud in the SNAP program.

FNS Controls Over SNAP Benefits For Able-Bodied Adults Without Dependents

Our objective is to determine whether FNS' oversight of State agency controls is adequate to ensure that only eligible able-bodied adults without dependents are receiving SNAP benefits.

⁴³ Due to the timing of the report issuance, recommendations from Audit Report 27601-0001-10 were not included in our analysis of the status of recommendations.

Appendix A: OIG Audits Cited by Agency

APHIS			
50601-0001-32	<i>Controls over APHIS' Introduction of Genetically Engineered Organisms</i>	September 2015	p. 2
CCC			
06401-0005-11	<i>Commodity Credit Corporation's Financial Statements for Fiscal Years 2015 and 2014</i>	February 2016	p. 11
FNS			
27601-0002-41	<i>FNS Quality Control Process for SNAP Error Rate</i>	September 2015	p. 18
27601-0001-10	<i>New Hampshire SNAP Determination of Eligibility</i>	July 2016	p. 19
FSA			
03601-0003-22	<i>Farm Service Agency Microloan Program</i>	September 2015	p. 14
FSIS			
24016-0001-23	<i>FSIS Followup to 2007 and 2008 Audit Initiatives</i>	FY 2017	p. 16
NRCS			
10601-0001-23	<i>NRCS Controls Over Land Valuations for Conservation Easements</i>	September 2015	p. 1
10401-0005-11	<i>Natural Resources Conservation Service's Financial Statements for Fiscal Year 2015</i>	November 2015	p. 11
50601-0005-31 (1)	<i>USDA Monitoring of Highly Erodible Land and Wetland Conservation Violations – Interim Report</i>	April 2016	p. 7
50601-0005-31	<i>USDA Monitoring of Highly Erodible Land and Wetland Conservation Violations</i>	June 2016	p. 7
10601-0001-32	<i>NRCS' Controls over the Conservation Stewardship Program</i>	FY 2016	p. 8
RBS			
34001-0001-21	<i>Rural Energy for American Program</i>	August 2016	p. 7
RMA			
50601-0004-31	<i>RMA: Crop Insurance Compliance Case Management</i>	December 2015	p. 2

USDA

50401-0005-11	<i>Department of Agriculture's Consolidated Financial Statements for Fiscal Years 2013 and 2012</i>	December 2013	p. 11
50401-0007-11	<i>Department of Agriculture's Consolidated Financial Statements for Fiscal Years 2014 and 2013</i>	December 2014	p. 11
50024-0007-11	<i>Exec. Order 13,520, Reducing Improper Payments, FY 2014 High-Dollar Overpayments Report Review</i>	August 2015	p. 11
50501-0008-12	<i>U.S. Department of Agriculture: Office of the Chief Information Officer: Fiscal Year 2015: Federal Information Security Modernization Act</i>	November 2015	p. 4
50601-0003-21	<i>Audit of In re Black Farmers Discrimination Litigation-Adjudicated Claims</i>	September 2015	p. 13
11401-0001-12	<i>Statement on Standards for Attestation Engagements No. 16, Report on Controls at the National Finance Center for October 1, 2014, to August 31, 2015</i>	September 2015	p. 5
50401-0009-11	<i>Department of Agriculture's Consolidated Financial Statements for Fiscal Years 2015 and 2014</i>	February 2016	p. 11
50601-0002-21	<i>Hispanic and Women Farmers and Ranchers Claim Resolution Process</i>	March 2016	p. 14
50601-0004-31	<i>USDA's Response to Antibiotic Resistance</i>	March 2016	p. 1
50024-0009-11	<i>USDA's Fiscal Year 2015 Compliance with Improper Payment Requirements</i>	May 2016	p. 10
50501-0010-12	<i>Continuous Diagnostics and Mitigation Program Assessment</i>	June 2016	p. 4

Appendix B: Methodology for “Open Audit Recommendations”

To improve the utility of this report, we included an analysis in each challenge regarding the Department’s progress toward addressing that challenge. In successive years, we plan to provide more precise information regarding USDA’s headway in meeting each listed challenge.

To determine the progress USDA has made to address the management challenges, we identified the audit reports specifically highlighted in *USDA Management Challenges (2015)* as well as reports published from June 2015 to May 2016.⁴⁴ We reviewed each recommendation issued to the Department, and categorized each recommendation under the appropriate challenge. As such:

- Each recommendation is categorized only under one challenge.
- Recommendations related to internal control weaknesses are categorized under “oversight and accountability” (Challenge 1).
- Recommendations related to weaknesses in USDA’s IT security are categorized under “IT security” (Challenge 2).
- Recommendations specifically related to performance measures are categorized under “program performance and performance measures” (Challenge 3).
- Recommendations related to the financial statements or improper payment audits, obligations, and ADA violations are categorized under “improper payments and financial management” (Challenge 4). This also includes recommendations coded as “Questioned Costs or Unsupported Costs/Recovery Recommended.”
- Recommendations related to improving USDA’s outreach efforts are categorized under “outreach efforts” (Challenge 5).
- Recommendations specifically related to food safety issues and concerns, are categorized under “food safety management controls” (Challenge 6).
- Recommendations specifically related to SNAP are categorized under “SNAP management controls” (Challenge 7).

We reviewed OCFO’s monthly report of open recommendations, as of May 31, 2016, to determine the current status of each recommendation. We categorized the status for each recommendation as open or closed.⁴⁵

To document the Department’s progress on resolving the specific management challenge, we identified the number of recommendations associated with each specific management challenge, and the number of recommendations that are open or closed. The data related to the Department’s completion of corrective actions were obtained from USDA’s OCFO, the agency responsible for tracking and verifying implementation. We have not verified the implementation of any of these actions.

⁴⁴ Due to the timing of the report issuance, recommendations from Audit Report Report 50601-0005-31, Report 34001-0001-21, and Report 27601-0001-10 were not included in our analysis of the status of recommendations.

⁴⁵ Recommendations that are categorized as “no management decision” in the monthly OCFO report are considered “open” for the purpose of our analysis.

Acronyms and Abbreviations

AFR.....	Agency Financial Report
APHIS.....	Animal and Plant Health Inspection Service
ARS.....	Agricultural Research Service
BFDL.....	<i>In re</i> Black Farmers Discrimination lawsuit
CARS.....	Compliance Activities and Results System
CCC.....	Commodity Credit Corporation
CDM.....	Continuous Diagnostics and Mitigation
CIGIE.....	Council of the Inspectors General on Integrity and Efficiency
CIMS.....	Comprehensive Information Management Service
CPA.....	Certified Public Accounting
CSP.....	Conservation Stewardship Program
EECLP.....	Energy Efficiency and Conservation Loan Program
EEO.....	Equal Employment Opportunity
FISMA.....	Federal Information Security Management Act of 2002
FNS.....	Food and Nutrition Service
FSA.....	Farm Service Agency
FSIS.....	Food Safety and Inspection Service
FY.....	fiscal year
GAO.....	Government Accountability Office
HEL.....	Highly Erodible Lands
IPERA.....	Improper Payments and Elimination Recovery Act of 2010
ISCM.....	Information Security Continuous Monitoring Strategic Plan
IT.....	information technology
NFC.....	National Finance Center
NIST.....	National Institute of Standards and Technology
NRCS.....	Natural Resources Conservation Service
OASCR.....	Office of the Assistant Secretary for Civil Rights
OCFO.....	Office of the Chief Financial Officer
OCIO.....	Office of Chief Information Officer
OIG.....	Office of Inspector General
QC.....	quality control
RBS.....	Rural Business-Cooperative Service
REAP.....	Rural Energy for America Program
RMA.....	Risk Management Agency
RUS.....	Rural Utilities Service
SFA.....	school food authority
SNAP.....	Supplemental Nutrition Assistance Program
SSN.....	Social Security number
USDA.....	United States Department of Agriculture
WC.....	Wetlands Conservation

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