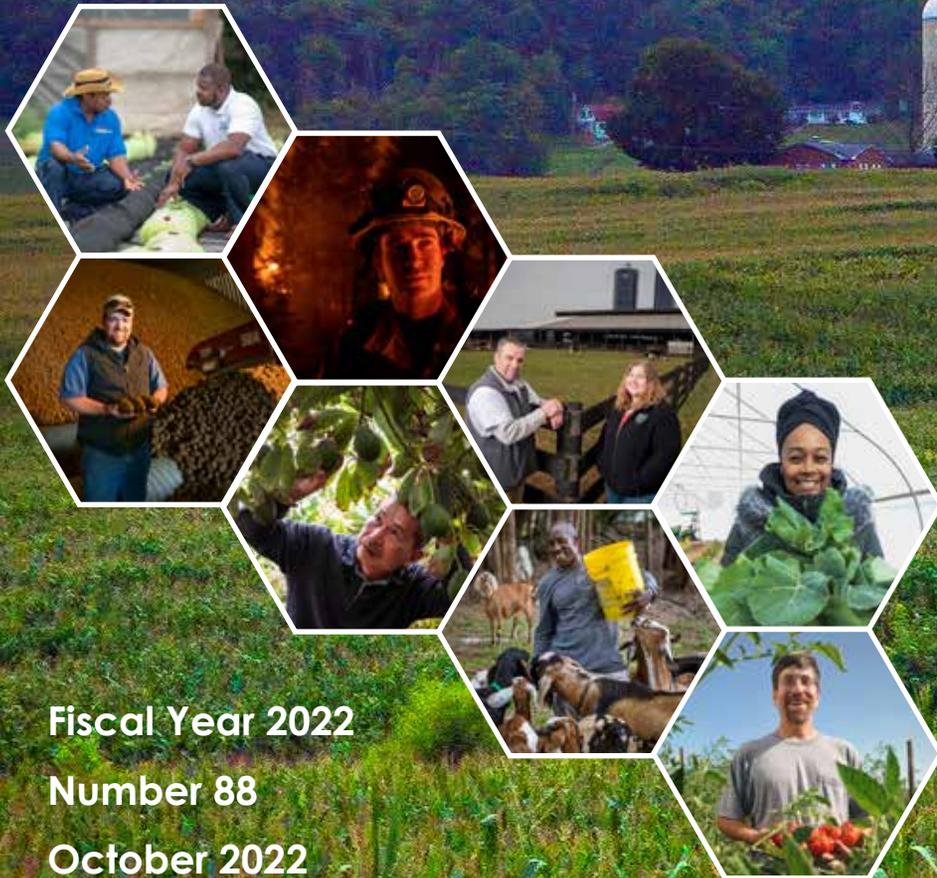




Semiannual Report to Congress

Second Half April 1, 2022–September 30, 2022



Fiscal Year 2022

Number 88

October 2022

Message from the Inspector General

This *Semiannual Report to Congress* (SARC) covers the activities of the U.S. Department of Agriculture's (USDA) Office of Inspector General (OIG) for the 6-month period ending September 30, 2022. Our office has worked extensively with the Department, Congress, and other Federal agencies to accomplish our mission of ensuring the economy, efficiency, and integrity of the Department's programs and operations.

In this period, we completed a significant number of audits, investigations, inspections, and data analytics. Our Office of Audit issued 16 reports that resulted in 32 recommendations and more than \$305.9 million in questioned costs or funds to be put to better use. Our Office of Investigations issued 71 reports and reported 158 indictments, 129 convictions,

and 275 arrests, and over \$67.6 million in recoveries and restitutions. We also processed 6,695 complaints through the OIG Hotline.

During this reporting period, OIG continued to engage in oversight over USDA's activities relating to the substantial funding USDA received to address the coronavirus disease 2019 (COVID-19) pandemic and the additional funding USDA received for infrastructure investments. This message presents highlights of OIG oversight of USDA's COVID-19 and infrastructure activities. It also highlights our oversight results under OIG's mission goals to help strengthen USDA's ability to (1) protect public health and safety and to secure agricultural and Department resources, (2) deliver program assistance with integrity and

effectiveness, and (3) achieve results-oriented performance.

Pandemic Oversight

OIG continues to provide appropriate oversight to help ensure that USDA agencies deliver the COVID-19 relief programs as effectively as possible, ensure employee safety, and address allegations of fraud related to these programs. For example, OIG issued an interim report as part of an ongoing inspection of the USDA Farmers to Families Food Box Program, which was designed to connect food to nonprofits through regional and local distributors.

We concluded that Agricultural Marketing Service (AMS) designed the solicitation for the Food Box Program according to the requirements of the Federal Acquisition Regulation (FAR) and Departmental guidance and that

AMS substantially adhered to the funding allocation decisions described in the solicitation. Finally, while AMS established a panel to evaluate the Food Box Program proposals, we concluded that the agency did not always award Round 1 contracts in accordance with the specified requirements of the solicitation. As a result, some proposals were accepted and awarded contracts despite not meeting the specified requirements of the solicitation. AMS agreed with our recommendations.

OIG also launched a new data product called Data Stories. This product's purpose is to enhance the transparency of significant USDA programs using data analytics and visualizations while integrating data storytelling methods. The first in this series focuses on the [Food Box Program](#). Using data from USDA's AMS, U.S. Census Bureau, U.S. Department of Housing and Urban Development (HUD) Opportunity Zones, and other data resources, OIG developed an interactive approach that allows users to examine the data in different ways.

In addition, we investigated allegations of fraud in COVID-19 pandemic programs. For example, a former Food Safety and Inspection Service (FSIS) employee was suspected of applying for and receiving Pennsylvania Pandemic Unemployment Assistance while being gainfully employed as an FSIS Consumer Safety Inspector. The investigation revealed that the former employee unlawfully received pandemic unemployment assistance for over a year through fraudulent means. The former employee pled guilty and was sentenced to 10 months in prison, 24 months of supervised release, and ordered to pay \$37,555 in restitution.

Infrastructure Oversight

The Infrastructure Investment and Jobs Act (IIJA),¹ signed into law November 15, 2021, provided USDA more than \$8.3 billion in funding. More than \$2.9 billion is directed toward broadband loans and grants, watershed and flood prevention operations, and a new bioproduct pilot program using agricultural commodities. IIJA also provided more than \$5.4 billion for forestry programs

designed to reduce wildland fire risks and restore ecosystems. OIG received more than \$27.1 million in multi-year and no-year funds to provide oversight of the forestry programs. As reported in March 2022, we published an infrastructure oversight plan, and issued analyses of the results of prior OIG audits of the Natural Resources Conservation Service (NRCS), the Forest Service (FS), and the Rural Utilities Service (RUS) programs that were relevant to IIJA funding received by USDA.

During this semiannual reporting period, we established a data analytics team within the Office of Analytics and Innovation to monitor USDA's use of IIJA funds and hired an experienced program manager to coordinate our IIJA oversight activities. We also identified six forestry program areas that are the planned focus of our Office of Audit's IIJA work during fiscal year (FY) 2023: grants to at-risk communities to develop or revise community wildfire protection plans and to carry out eligible projects; hazardous fuels management activities; native vegetation restoration and environmental hazards mitigation; collaborative-

¹ Pub. L. No. 117-58, 135 Stat. 429 (2021).

based, aquatic-focused landscape scale restoration; legacy road and trail remediation; and wildland firefighter salaries and training. These program areas collectively represent about 46 percent of FS' IIJA funding.

Inflation Reduction Act

The Inflation Reduction Act of 2022² was signed into law in August, providing USDA with more than \$44 billion for conservation, rural development, agricultural development, and forestry programs. OIG did not receive any funding for oversight through this legislation; however, we will monitor USDA's implementation of the Act, assess risks in planning oversight work, and address any related allegations of fraud related to these programs.

Goal 1—Safety and Security—Strengthen USDA's Ability to Protect Public Health and Safety and to Secure Agricultural and Department Resources

OIG's independent audits, investigations, inspections, data analytics, and other reviews focus on issues such as the ongoing challenges of agricultural inspection activities,

the safety of the food supply, homeland security, animal welfare, and information technology (IT) security and management.

OIG recently evaluated and tested USDA's virtualization platforms for compliance with controls found in National Institute of Standards and Technology (NIST) and industry best practices to determine the status of USDA's overall management and security of IT resources. We found that the Department and mission areas did not fully implement Federally mandated controls. The Office of the Chief Information Officer (OCIO) agreed with our recommendations.

Our investigative work unveiled several schemes that threatened public health and safety, including the mislabeling of beef using unauthorized USDA grade stamps and the illegal importation of various catfish products from prohibited countries. These investigations resulted in significant fines and, in one case, a 16-month prison sentence.

Goal 2—Integrity of Benefits—Strengthen USDA's Ability to Deliver Program Assistance with Integrity and Effectiveness

As part of OIG's goal to help ensure that benefits reach those for whom they are intended, we conducted a variety of audits, investigations, and data analytics work designed to confirm that receipts are eligible and that payments are calculated properly. For example, we recently evaluated the Foreign Agricultural Service's (FAS) Agricultural Trade Promotion Program (ATP) to determine if the grant selection process complied with ATP's requirements.

We reported that FAS awarded \$300 million in ATP funding to applicants who may not have been the most meritorious based on the announced criteria and program regulations. The issues we identified in this audit were significant enough that we were unable to attest to the merits of the 59 ATP grants FAS awarded in FY 2019, totaling \$300 million. FAS agreed with our recommendations.

² Pub. L. No. 117-169 (2022).

As an example of OIG's investigative work under Goal 2, we received allegations that a New Jersey company fraudulently represented a related company as a Service-Disabled Veteran-Owned Small Business (SDVOSB) and used the status to obtain set-aside contracts totaling more than \$16.5 million from both USDA and the Defense Logistics Agency, the U.S. Department of Defense's (DOD) combat support agency.

In August 2022, in the U.S. District Court for the District of New Jersey, the company agreed to pay \$7.6 million under a consent judgment with its role in a contract fraud scheme. Additionally, the United States entered into a separate settlement agreement with two business owners and the related company under which the first business owner agreed to pay \$120,000, the second business owner agreed to pay \$75,000, and the related company agreed to pay \$180,000 to resolve false statement allegations.

Goal 3—Management Improvement Initiatives—Strengthen USDA's Ability to Achieve Results-Oriented Performance

OIG's work on the Department's initiatives focuses on areas such as improving financial management and accountability, research, real property management, and employee integrity. For example, OIG conducted an inspection to evaluate the Economic Research Service (ERS) Data Product Review Council's (DPRC) review process for data products to ensure their adherence to the six Office of Management and Budget (OMB) quality standards.

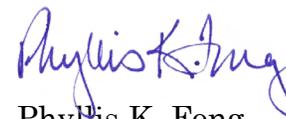
OIG found that ERS had not performed any DPRC reviews since July 2019. As a result, ERS has reduced assurance that the products released during the period met OMB quality standards. The agency agreed with OIG's recommendations.

Additionally, we conducted an investigation to determine if a former seasonal FS employee conspired to smuggle immigrants for profit. In a joint investigation, the former seasonal FS employee and a passenger were arrested for illegally picking up

and transporting three undocumented immigrants.

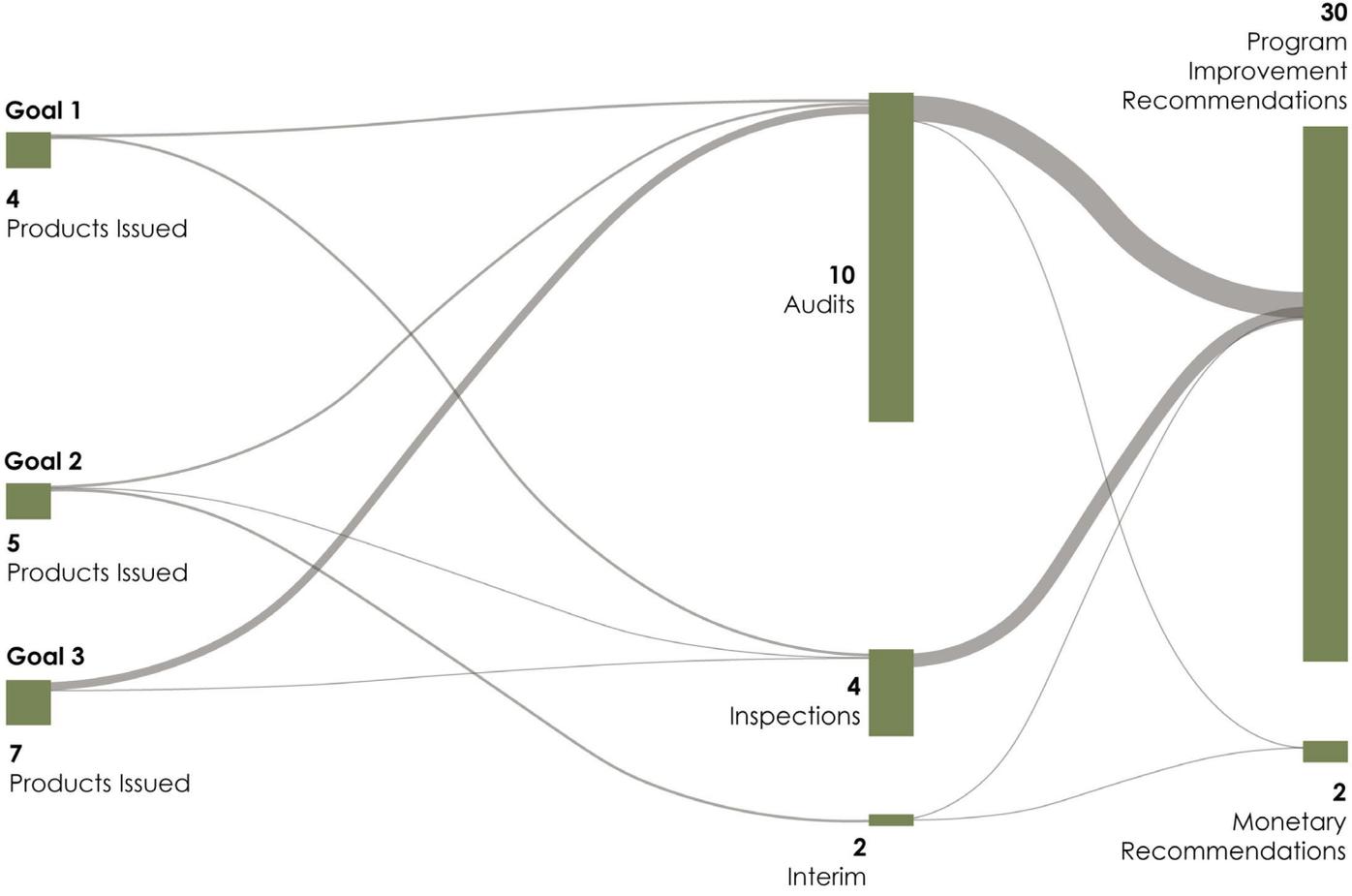
After entering guilty pleas, the passenger was sentenced in June 2022, in U.S. District Court for the District of Arizona, to 48 months of probation. The former seasonal FS employee was subsequently sentenced to 84 days in prison and 36 months of probation.

These accomplishments are the result of the dedicated work of OIG's professional staff and their commitment to ensuring the efficiency and effectiveness of USDA programs. We look forward to continuing our collaborative working relationship with Secretary of Agriculture Tom Vilsack and Deputy Secretary Jewel Bronaugh as we begin our FY 2023 work. We also appreciate the aid and support of the USDA management team, as well as interested Congressional Committees and Members of Congress, to ensure that USDA programs are accomplishing their intended missions.



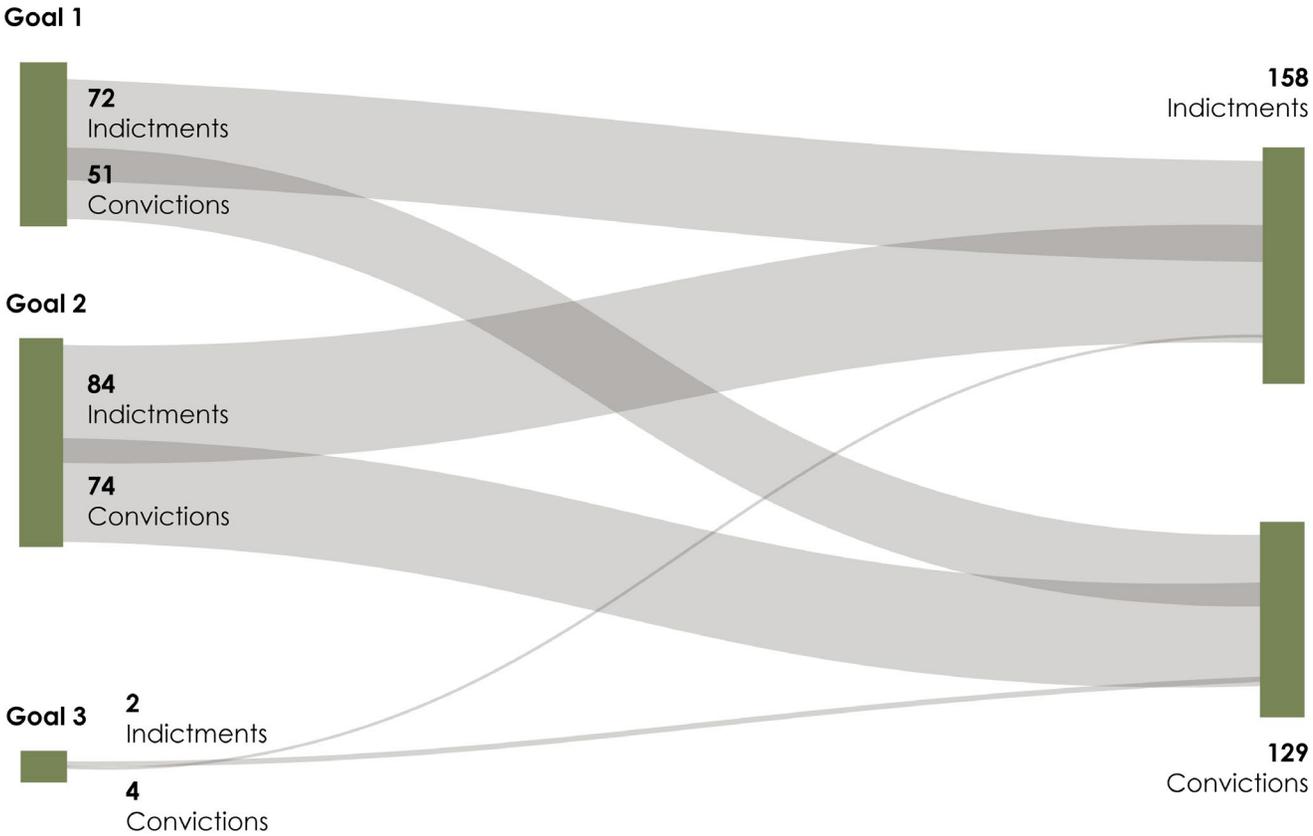
Phyllis K. Fong
Inspector General

Audit Performance Summary



\$305.9 million
Total Dollar Impact

Investigations Performance Summary



\$67.6 million
Total Dollar
Impact

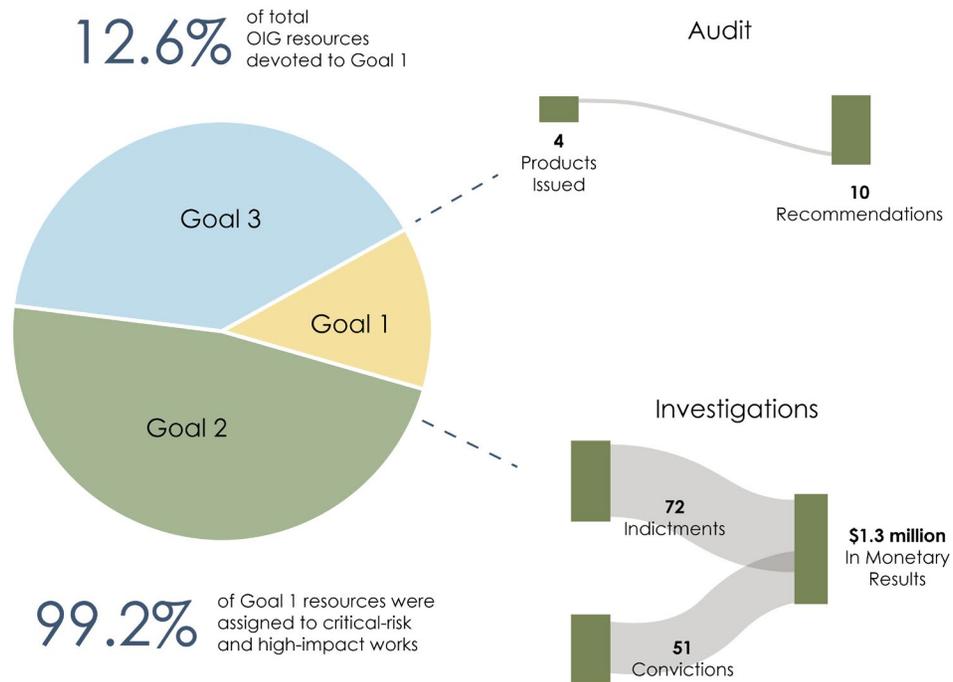
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Goal 1—Safety and Security

Strengthen USDA's ability to protect public health and safety and to secure agricultural and Department resources

OIG provides independent audits, investigations, inspections, data analytics, and other reviews to help USDA and the American people meet critical challenges in safety, security, public health, and animal welfare. Our work focuses on issues such as the ongoing challenges of animal welfare, the safety of the food supply, homeland security, and IT security and management.



Examples of Audit and Investigative Work for Goal 1

Secure Configuration of USDA’s Virtualization Platforms

OIG evaluated and tested USDA’s virtualization platforms for compliance with controls found in NIST and industry best practices to determine the status of USDA’s overall management and security of IT resources. We interviewed the Department and mission areas’ IT personnel, examined documentation of the virtualization environment, assessed policies and procedures, obtained and evaluated vulnerability scan results, reviewed security settings, and tested for compliance. We found that the Department and mission areas did not fully implement Federally mandated controls. OCIO agreed with our recommendations, and we have reached agreement on the corrective actions to address them. (Inspection Report 50801-0003-12)

U.S. Department of Agriculture, Office of Chief Information Officer, Fiscal Year 2022 Federal Information Security Modernization Act

USDA continues to take positive steps to improve its IT security posture, but many weaknesses remain. Out of 25 previously open recommendations identified during FYs 2020 and 2021 Federal Information Security Modernization Act of 2014 (FISMA) performance audits, we determined USDA successfully closed 8 recommendations during our fieldwork that ended on June 30, 2022. We have also issued seven new recommendations based on security weaknesses identified in FY 2022.

OMB establishes standards for an effective level of security and considers “Managed and Measurable” to be a sufficient level. However, we found the Department’s maturity level to be at the “Consistently Implemented” level. Based on OMB’s criteria, the Department’s overall score indicates an ineffective

level of security. The Department and its agencies must develop and implement an effective plan to mitigate security weaknesses identified in prior fiscal year recommendations. (Audit Report 50503-0009-12)

Initiatives to Address Workplace Misconduct

USDA’s FSIS is the public health agency responsible for protecting the public’s health by ensuring the safety of the Nation’s commercial supply of meat, poultry, and processed egg products. In June 2018, FSIS adopted and implemented the USDA Anti-Harassment Policy to maintain a harassment-free workplace. The USDA Anti-Harassment Policy reinforces FSIS’ commitment to ensure a harassment-free workplace. FSIS utilizes various methods to inform employees of their rights and responsibilities pursuant to USDA’s anti-harassment policies, including but not limited to: training, webinars, workplace postings, and brochures.



Figure 1. Prior to the pandemic, establishment employees dissect, sort, and separate meat parts. Food Safety and Inspection Service inspectors were onsite to ensure the meat was processed in accordance with USDA regulations. Photo by Alice Welch from USDA's Flickr account. It does not depict any particular audit or investigation summarized or listed in this report.

Overall, we determined that the actions taken by FSIS in response to reported allegations of sexual misconduct and harassment in the workplace during the period audited were in accordance with Departmental and agency policy. Further, we determined that FSIS' adoption and implementation of the USDA Anti-Harassment Policy assisted in its ability to ensure reported allegations of sexual misconduct and harassment in the workforce were addressed in a timely, efficient, and effective manner. Lastly, FSIS' program area processes, policies, and directives, which detail the required actions to be implemented when an allegation of sexual misconduct or harassment is reported, were in line with Departmental policy, which requires that immediate appropriate corrective action be taken upon receiving a report of a harassment

allegation. Because the actions taken by FSIS in response to reported allegations of sexual misconduct and harassment in the workplace during the period audited were in accordance with Departmental and agency policy, we did not make any recommendations in this report. (Audit Report 24601-0004-21)

COVID-19—Food Safety and Inspection Service Pandemic Response at Establishments

The Coronavirus Aid, Relief, and Economic Security (CARES) Act provided FSIS with \$33 million, to remain available until September 30, 2021, to prevent, prepare for, and respond to the COVID-19 pandemic, domestically or internationally.

In response to a Congressional request, we conducted an inspection to determine what actions FSIS took relating to COVID-19 to ensure the continuation of inspection operations at meat and poultry slaughter and processing establishments. As of March 1, 2022, FSIS had spent more than \$32 million of the CARES Act funding in response to COVID-19. Specifically, FSIS used this funding for items such as employee compensation and personal protective equipment (PPE). While Executive Order 13917 did not specifically direct FSIS to take action to ensure operations continued in agricultural establishments, FSIS did issue notices and guidance to promote health and safety during the pandemic. For example, FSIS promoted health and safety by ensuring PPE was available to inspection personnel and allowing them to use

various types of leave. Additionally, the agency placed inspectors on temporary details to fill personnel shortages and ensure inspections continued at the establishments. If an FSIS inspector tested positive for COVID-19, FSIS had procedures in place to respond to the positive test result. The agency developed and used the Situation Report and Impact Summary for FSIS Leadership to track COVID-19 cases throughout the pandemic, including the status of employees who tested positive for COVID-19 and the total number of FSIS employees currently self-quarantining.

FSIS used an existing directive to provide inspectors with the process to report alleged safety or health-related hazards in establishments due to COVID-19. However, we found that FSIS was unable to provide us with an accurate count of the number of forms the agency received to capture this information. This occurred because the directive did not require FSIS field supervisors to send this form to the agency's Safety and Physical Security Branch.

FSIS agreed with our recommendation, and we have reached agreement on the corrective actions to address the

recommendation. (Inspection Report 24801-0001-23)

Individual Sentenced to 16 Months in Prison for Conspiring to Violate the Animal Fighting Prohibitions of the Animal Welfare Act—California

On April 29, 2022, in U.S. District Court for the Eastern District of California, an individual was sentenced to 16 months in prison and 24 months of supervised release. The individual was also ordered to pay a \$25,000 fine for conspiring to sell, buy, possess, train, transport, deliver, and receive game fowl intended to be used in animal fighting ventures.

OIG received information indicating a California resident advertised fighting cocks for sale. The investigation revealed physical alterations and/or modifications performed on the game fowl, which were done to enhance their fighting abilities. Additional evidence was recovered, including cockfighting paraphernalia, live game fowl, medicines used to enhance the fighting abilities of the game fowl, various journals and ledgers, and approximately \$8,000 in cash. In total, OIG seized 367 game fowl roosters, while the remaining game fowl, including

334 hens, were donated to an animal sanctuary.

A grand jury indicted the individual for conspiracy to violate the animal fighting prohibitions of the Animal Welfare Act (AWA), unlawful possession of animals for animal fighting ventures, and unlawful sale of animals for animal fighting ventures. Subsequently, the individual pled guilty to conspiracy to violate the animal fighting prohibitions of the AWA.

This was a joint investigation with the USDA Animal and Plant Health Inspection Service (APHIS); Internal Revenue Service-Criminal Investigation; Department of Homeland Security, Homeland Security Investigations (DHS-HSI); FS; and a California sheriff's office.

Two Meatpacker Employees Sentenced to a Total of 30 Months of Probation for Mislabeling Meat—Nebraska

On September 14, 2022, in U.S. District Court for the District of Nebraska, a meatpacker employee was sentenced to 24 months of probation and ordered to pay a \$1,000 fine.

Figure 2. Beef hindquarters with a USDA inspection stamp. Photo by Lance Cheung from USDA's Flickr account. It does not depict any particular audit or investigation summarized or listed in this report.



Previously, on May 6, 2022, a second meatpacker employee was sentenced to 6 months of probation and ordered to pay a \$1,000 fine. Both employees previously had pled guilty to false representation of inspection and grading of agricultural products.

The investigation was initiated to determine if a Nebraska meatpacker was relabeling boxes of meat products with inflated quality grades. This investigation revealed that a meatpacker employee used a counterfeit, unauthorized USDA grade stamp to relabel boxed beef products, initially within the meatpacker's main facility and later at a facility that was not registered with FSIS as being associated with or in use by the Nebraska meatpacker.

This was a joint investigation with the Federal Bureau of Investigation (FBI).

Four Principals of a Seafood Importer Sentenced to a Total of 108 Months of Probation and \$40,000 in Fines for Contraband Catfish Conspiracy—New York

On July 15, 2022, in U.S. District Court for the Southern District of New York, four principals of a seafood importer were sentenced for their roles in a smuggling conspiracy. One principal was sentenced to 36 months of probation and ordered to pay a \$25,000 fine. The other three principals were each sentenced to 24 months of probation and ordered to pay a \$5,000 fine.

OIG initiated this investigation after a referral from FSIS based on allegations

that a New York seafood importer smuggled various catfish products into the U.S. from prohibited countries. The Federal Meat Inspection Act (FMIA) requires inspection of fish of the order Siluriformes (including species commonly referred to as “catfish”) by USDA’s FSIS. The FMIA also restricts importing Siluriformes from countries in which the inspection systems do not reflect standards equivalent to those applied in the U.S. Siluriformes can pose a human consumption risk due to their potential exposure to a variety of chemical and microbiological contaminants, including heavy metals, pesticides, and antimicrobials. This investigation revealed shipping containers with uninspected Siluriformes from prohibited countries hidden in incorrectly marked packages and not manifested on shipping documents. As a result, the site



Figures 3 (far left), 4 (middle), and 5 (far right): Boxes of illegally imported product found by the Food Safety Inspection Service. Site inspections conducted at the importer's warehouse revealed Siluriformes from two prohibited countries. Photos used with the permission of the Food Safety Inspection Service. They do not depict any particular audit or investigation summarized or listed in this report.

inspections conducted at the importer's warehouse revealed Siluriformes from two prohibited countries. Four principals of the seafood importer were each indicted on one count of smuggling, and each of the four pled guilty to one count of conspiracy.

This was a joint investigation with the National Oceanographic and Atmospheric Administration Fisheries, Office of Law Enforcement; DHS Immigration and Customs Enforcement; and DHS HSI.

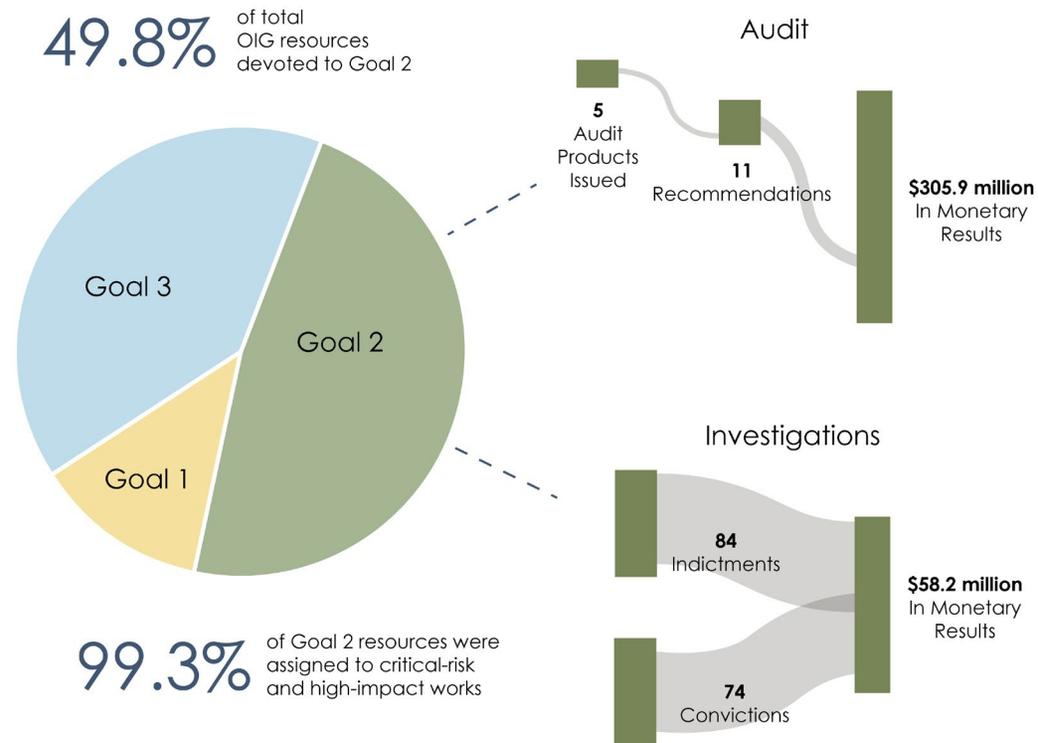
Ongoing Reviews

- Cattle Health Program Disease Incident Response (APHIS)
- Wildlife Services' Role in Administering the Mexican Wolf Recovery Program (APHIS)
- COVID-19–Response to the Coronavirus Pandemic at Recreation Sites (FS)
- Security Over USDA Mobile Applications (Multi-Agency)
- Security Testing of a Selected USDA Network (Multi-Agency)
- Security Testing of a Selected USDA Network (FY 2023) (Multi-Agency)
- USDA's Compliance with Binding Operational Directives 19-02 and 22-01 (Multi-Agency)

Goal 2—Integrity of Benefits

Strengthen USDA's ability to deliver program assistance with integrity and effectiveness

OIG conducts audits, investigations, inspections, data analytics, and other reviews to help ensure or restore integrity in various USDA benefit and entitlement programs, including a variety of programs that provide payments directly and indirectly to individuals and entities. Some of the programs are among the largest in the Federal Government and support nutrition, farm production, and rural development.



Examples of Audit and Investigative Work for Goal 2

Figure 6. Workers thin the seedlings in a Beginning Farmers' greenhouse. Photo by Preston Keres from USDA's Flickr account. It does not depict any particular audit or investigation summarized or listed in this report.



Oversight of the Agricultural Trade Promotion Program

ATP was a temporary, competitive grant program administered by FAS and designed to aid in the development of agricultural commodities in foreign markets by providing financial assistance to eligible organizations for market promotion activities. OIG audited this program and found that FAS awarded \$300 million in ATP funding to applicants who may not have been the most meritorious based on the announced criteria and program regulations. This occurred because FAS did not make establishing controls over its grant programs a priority, even though FAS had agreed to do so in response

to audit recommendations OIG made in 2014. Additionally, FAS did not maintain sufficient documentation about the reviews performed on applications and the selections made, which impaired our ability to fully evaluate those reviews and selections. FAS officials explained ATP was developed very quickly. FAS officials stated that the best way to develop the new program quickly was to model it on similar market development programs that were already in use and to use analysis that had recently been conducted for these same potential applicants.

The issues we identified in this audit were significant enough that we were

unable to attest to the merits of the 59 ATP grants FAS awarded in FY 2019, totaling \$300 million. FAS agreed with our recommendations, and we have reached agreement on the corrective actions to address them. (Audit Report 07601-0001-24)

Beginning Farmers

OIG's objectives were to: (1) evaluate the effectiveness of the Department's activities related to program coordination and measurement of performance for the assistance provided to beginning farmers and ranchers, and (2) follow up on recommendations made in our prior audit report.



Figure 7. (Left) Boxes at a Farmers to Families Food Box event. This photo is from USDA's Flickr account. It does not depict any particular audit or investigation summarized or listed in this report.

USDA assists beginning farmers and ranchers in order to strengthen the American agricultural economy and ensure its continued success in years to come. USDA defines a beginning farmer or rancher as a person or legal entity who has not operated a farm or ranch, or who has operated a farm or ranch for no more than 10 consecutive years. Although the Department measured beginning farmer and rancher activities by tracking program funds expended, it did not establish outcome-based measures of performance. This owes to data analytics limitations that impaired efforts to track and report on program performance across various USDA programs, such as efforts to identify who is a beginning farmer. Consequently, the Department is not fully conveying its degree of success in achieving the desired results of beginning farmer program efforts.

Figure 8. (Right) USDA foods for The Emergency Food Assistance Program were managed at local food banks. Photo by Lance Cheung from USDA's Flickr account. It does not depict any particular audit or investigation summarized or listed in this report.



We also evaluated the effectiveness of the Department's activities related to program coordination and followed up on recommendations made in our prior audit report; we did not identify findings related to these aspects of our objectives. The Farm Service Agency (FSA) concurred with our recommendation, and we reached agreement on the corrective actions for the recommendation. (Audit Report 50601-0010-31)

COVID-19—Farmers to Families Food Box Program Administration—Interim Report

USDA's AMS administers programs that create domestic and international marketing opportunities for United States producers of food, fiber, and specialty crops. In response to the COVID-19 pandemic, the Department—

through AMS—established the Farmers to Families Food Box Program to connect food to non-profits through regional and local distributors. As the responsible agency, AMS released a solicitation requesting proposals from regional and local distributors to supply the following food box types: fresh fruits and vegetables, pre-cooked meat (chicken and pork), dairy products, and fluid milk. On May 8, 2020, AMS announced awards for the first round of purchases—totaling up to \$1.2 billion—for the period of performance May 15, 2020, through June 30, 2020 (Round 1).

We found that AMS designed the solicitation for the Food Box Program according to the requirements of the FAR and Departmental guidance. Additionally, we found that AMS substantially adhered to the



Figure 9. A forklift carrying pallets of USDA-Foods from The Emergency Food Assistance Program. This Federal program helps supplement the diets of low-income Americans by providing them with emergency food assistance at no cost. Photo by Lance Cheung from USDA's Flickr account. It does not depict any particular audit or investigation summarized or listed in this report.

funding allocation decisions described in the solicitation.

Finally, while AMS established a panel to evaluate the Food Box Program proposals, we found that the agency did not always award Round 1 contracts in accordance with the specified requirements of the solicitation. As a result, some proposals were accepted and awarded contracts despite not meeting the specified requirements of the solicitation.

AMS agreed with our recommendations, and we have reached agreement on the corrective actions to address them. (Inspection Interim Report 01801-0001-22(1))

COVID-19—Oversight of The Emergency Food Assistance Program

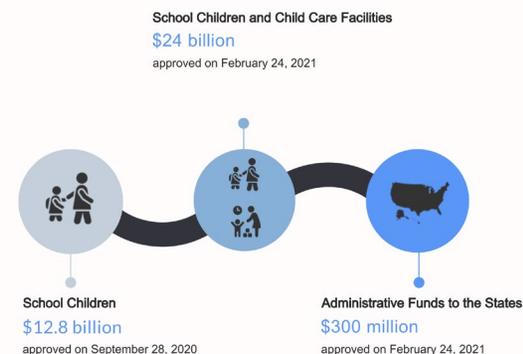
The Emergency Food Assistance Program (TEFAP) is a USDA program that provides supplemental food assistance to persons in need. TEFAP provides Federally purchased commodities (USDA-Foods) to States and territories (States) to distribute to Eligible Recipient Agencies (ERA) serving low-income households and individuals. TEFAP also provides administrative funds to cover States' and ERAs' costs associated with the processing, storage, and distribution of USDA-Foods and foods provided through private donations.

We concluded that State agencies made 107 requests to the Food and Nutrition Service (FNS) for flexibilities

to provide food to people in need during the pandemic. However, in 6 of 107 instances, State agencies did not request flexibilities in writing, as required by Federal regulation. For 14 of 107 requests, FNS regional office personnel did not ensure they provided written approval of the State agencies' requests prior to implementation, as directed by the FNS national office. Additionally, FNS approved a State agency's request to implement an unallowable flexibility. This occurred because FNS did not have the necessary written procedures, without which FNS has reduced assurance that the flexibilities State agencies implemented are allowable and documented. Finally, we found that the management evaluation (ME) reviewers did not support their determinations of State agency and ERA compliance

Figure 10. Graphic showing the history of Pandemic Electronic Benefit Transfer Program funding authorized by the Secretary, to the States, through March 31, 2021. This OIG graphic presentation appeared in Interim Report 27801-0001-23(1).

Funding Authorized by the Secretary, to the States, through March 31, 2021



or non-compliance with Federal and FNS program requirements in their work papers. FNS national office personnel could not identify a specific reason why the ME reviewers did not adhere to the ME review guidance documentation requirements to support their determinations. As a result, FNS does not have reasonable assurance that the ME reviewers adequately assessed State agency and ERA compliance with Federal and FNS program requirements.

FNS agreed with our findings and recommendations, and we have reached agreement on the corrective actions to address them. (Inspection Report 27801-0001-21)

COVID-19—Food and Nutrition Service’s Pandemic Electronic Benefits Transfer—Interim Report

The Pandemic Electronic Benefits Transfer (P-EBT) program, administered by USDA’s FNS, provided benefits loaded on electronic benefits transfer (EBT) cards for the purchase of food in lieu of the meals that children would have received in school. The Families First Coronavirus Response Act authorized the establishment of P-EBT temporary assistance for households with children affected by school closures due to the COVID-19 pandemic.

OIG found that the Secretary authorized \$37.1 billion to the States from P-EBT’s March 18, 2020, inception through March 31, 2021, with OMB’s approval. We also

found that during the period reviewed, FNS conducted outreach activities—such as webinars, phone calls, and written documentation—to maximize State participation in P-EBT assistance.

Finally, FNS did not develop formal procedures to distribute P-EBT funds because P-EBT provided temporary emergency assistance benefits. Instead, FNS used the legislative eligibility requirements to develop State plan templates and released guidance for State agencies to submit their proposed plans to FNS for approval.

We did not identify any issues that would warrant recommendations; therefore, we did not make any recommendations in this report. (Inspection Interim Report 27801-0001-23(1))

USDA Farmers to Families Food Box Program

USDA OIG launched a new data product called Data Stories. This product's purpose is to enhance transparency of significant USDA programs using data analytics and visualizations while integrating data storytelling methods.

The first in this series focuses on USDA's [Food Box Program](#). Using data from USDA's AMS, U.S. Census Bureau, HUD Opportunity Zones, and other data resources, OIG developed an interactive approach that allows users to examine the data in different ways. (Analytics and Innovation Report 22-001-01)

Company Agrees to More Than \$7.6 Million in Judgments for Violating the False Claims Act, and the Business Owners and Related Company to Pay \$375,000—New Jersey

On August 1, 2022, in U.S. District Court for the District of New Jersey, a New Jersey company agreed to pay \$7.6 million under a consent judgment in conjunction with its role in a contract fraud scheme. Additionally, the United States entered into a separate settlement

agreement with two business owners and a second related business under which the first business owner agreed to pay \$120,000, the second business owner agreed to pay \$75,000, and the related company will pay \$180,000 to resolve claims alleging that they made, or caused to be made, false statements concerning the New Jersey company's status as a service-disabled, veteran-owned small business (SDVOSB).

USDA OIG initiated this investigation based on allegations the business owners of a New Jersey company fraudulently represented a related company as an SDVOSB and used the status to obtain set-aside contracts from both USDA and the Defense Logistics Agency, DOD's combat support agency. The New Jersey company was awarded a total of nine contracts to provide protective clothing (aprons) to USDA's FSIS. These nine contracts were valued at approximately \$268,070. Witness interviews and an analysis of the company's business records revealed the company's owners falsely claimed the company was eligible for Government contracts that were set aside for companies owned and controlled by service-disabled veterans, thereby defrauding the Federal Government by making false claims and

obtaining contracts totaling more than \$16.5 million.

This was a joint investigation with GSA OIG and DOD's Criminal Investigative Service.

Producer Sentenced to Prison and Ordered to Pay More Than \$435,000 in Restitution for Defrauding USDA—Minnesota

On April 1, 2022, in U.S. District Court for the District of Minnesota, a producer was sentenced to 12 months in prison and 36 months of supervised release. The producer was also ordered to pay \$435,517 in restitution and was permanently debarred from USDA farm programs. Additionally, subsequent to an agreement with the producer, all of the property and proceeds in which USDA had a security interest were forfeited through abandonment and auctioned.

Previously, the Minnesota producer had applied to FSA for a new operating loan. At the time of this application, the producer already had two outstanding loans with FSA—an operating loan and an equipment refinance loan. After a review of the application materials,

FSA agreed to service the existing loans and originate the additional loan. FSA subsequently learned the producer overstated the amounts of collateral owned and cash flow and understated the amount of debt owed to others in order to be eligible for the loans.

Subsequently, OIG initiated an investigation, which revealed that the producer submitted false statements to obtain loans from FSA and the Commodity Credit Corporation (CCC), converted collateral pledged to FSA and CCC, and committed bank fraud by submitting false statements to various financial institutions.

The producer was indicted and charged with multiple offenses, including conversion of CCC collateral and FSA collateral, false statements in connection with FSA loan fraud, and bank fraud. The producer subsequently pled guilty to one count of conversion of CCC collateral.

Three Family Members Sentenced and Ordered to Pay More Than \$165,000 in Restitution for Illegally Converting Loan Collateral—Iowa

On April 25, 2022, in U.S. District Court for the Northern District of Iowa, a borrower was sentenced to 3 months in prison, 3 months of home confinement, and 36 months of supervised release. The borrower also was ordered to pay \$165,592 in restitution.

On April 28, 2022, a family member of the borrower was sentenced to 78 months in prison and 36 months of supervised release. The family member also was ordered to pay \$165,592 in restitution, jointly and severally with the borrower, and a \$5,000 fine. Additionally, the family member was ordered to reimburse \$11,882 in attorneys' fees. On May 2, 2022, a third family member was sentenced to 24 months of probation and ordered to pay a fine of \$1,000.

OIG initiated this investigation based on a referral from FSA. The investigation determined three members of the same family conducted a scheme to defraud FSA and local banks by disposing of collateral that had been pledged in

order to obtain a \$165,500 loan. The three family members were indicted on multiple charges including conspiracy, bank fraud, false statements, false declarations, conversion of property pledged to a farm credit agency, attempted wire fraud, and bankruptcy fraud. Subsequently, the three family members pled guilty to charges of conversion of property pledged to a farm credit agency and bankruptcy fraud.

This was a joint investigation with the FBI.

Former Municipal Official, Family Member, and City Employee Sentenced to a Combined Total of 81 Months in Prison and Ordered to Pay More Than \$300,000 in Restitution for Defrauding USDA—Texas

On April 28, 2022, in U.S. District Court for the Southern District of Texas, a former Texas municipal official, the former municipal official's adult child, and a city employee were sentenced for their roles in a scheme to defraud USDA. The former municipal official was sentenced to 33 months in prison and 36 months of supervised release. The former municipal official's adult child

was sentenced to 39 months in prison and 36 months of supervised release, and was ordered to forfeit \$61,500. The city employee was sentenced to 9 months in prison and 36 months of supervised release. Additionally, all three defendants were ordered to pay \$320,531 in restitution, jointly and severally.

USDA awarded a Rural Business Enterprise Grant (RBEG) to a Texas city in order to target business ventures that would enhance job creation, contribute to community development, and promote long term economic growth in rural communities. The city's former municipal official, who also served as a chairperson for a city non-profit organization, approved over \$472,000 in loans from the RBEG grant fund for the construction of a daycare project, which was managed by the municipal official's adult child. The municipal official's adult child also collected approximately \$5,000 in consulting fees, and contractors were paid from the non-profit organization's account approximately \$75,608 that was not part of the loan proceeds. During construction, the municipal official's adult child and a city employee misappropriated funds and solicited kickbacks from contractors,

and they inflated contracts in order to conceal the kickbacks. Additionally, the municipal official awarded a public relations contract to a friend of the municipal official's adult child, from whom the municipal official's adult child also received kickbacks.

The former municipal official was indicted for wire fraud, honest services fraud, attempt and conspiracy, and accessory to a crime. Subsequently, the former municipal official pled guilty to wire fraud. The former municipal official's adult child was indicted for wire fraud and conspiracy, and subsequently pled guilty to conspiracy to commit wire fraud. The city employee was charged with conspiracy to commit wire fraud and subsequently pled guilty to the same offense.

This was a joint investigation with HUD OIG and the FBI.

Two Individuals Sentenced to a Total of 72 Months in Prison and 72 Months of Supervised Release for Procurement Fraud Scheme Participation—Missouri

On September 22, 2022, in U.S. District Court for the Western District

of Missouri, a business owner was sentenced to 60 months in prison and 36 months of supervised release for participation in an extensive fraud scheme.

On May 12, 2022, in the same court, the figurehead owner of a company was sentenced to 12 months in prison and 36 months of supervised release. USDA OIG initiated this investigation when the U.S. Department of Veterans Affairs (VA) OIG received information alleging an individual, using multiple companies, defrauded the U.S. Government by falsely claiming disadvantaged status to obtain contracts. The individual and co-conspirators utilized selected service-disabled veterans and individuals representing historically disadvantaged person groups to be the figurehead owners of the companies. These companies then used these figurehead owners to obtain U.S. Small Business Administration (SBA) SDVOSB and 8(a) Government set-aside contracts they were not eligible to receive. The SDVOSB and 8(a) programs were created to help firms owned and controlled by service-disabled veterans or socially and economically disadvantaged individuals, and once certified, SDVOSB and 8(a) program participants

are eligible to receive Federal contracting preferences. The joint investigation determined five individuals were involved in the scheme, which involved a total of 199 set-aside Government contracts, with a combined value of approximately \$335 million, including more than \$3.7 million from USDA's Agricultural Research Service (ARS).

The five co-conspirators were charged via information or indictment with false statements, wire fraud, money laundering, major program fraud, and conspiracies. The business owner pled guilty to conspiracy to commit wire fraud and major program fraud. The figurehead owner had pled guilty to charges of false official statements. Two co-conspirators were previously sentenced and a fifth co-conspirator is deceased.

This was a joint investigation with the VA OIG, DOD Criminal Investigative Service, U.S. Department of the Army Criminal Investigation Division, Internal Revenue Service-Criminal Investigation, GSA OIG, SBA OIG, and U.S. Secret Service.

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM FRAUD INVESTIGATIONS

A significant portion of OIG's investigative resources is dedicated to ensuring the integrity of the Supplemental Nutrition Assistance Program (SNAP) by combating the practice of exchanging benefits for currency or other ineligible items. Working closely with FNS, OIG has concluded several SNAP-related investigations and prosecutions in the second half of FY 2022. Listed are several examples of SNAP investigations resulting in significant convictions and monetary results.

Individual Sentenced to 24 Months in Prison and Ordered to Pay \$63,773 in Restitution for Using an Identical Twin's Identity to Steal Benefits—Florida

On April 26, 2022, in U.S. District Court for the Middle District of Florida, an individual was sentenced to 24 months in prison and 12 months of supervised release. The individual also was ordered to pay \$63,773 in restitution. Previously, the individual pled guilty to one count of aggravated identity theft.

This investigation was initiated based on information that an individual who resided in North Carolina discovered that their identical twin sibling obtained benefits in Florida through the VA using the North Carolina twin's personally identifiable information.

The investigation disclosed the individual who resided in Florida wrongfully used the identical twin sibling's name and social security number to obtain VA benefits; HUD, Veterans Affairs Supportive Housing benefits; and SNAP benefits. Veterans Affairs Supportive Housing is a HUD program that provides housing assistance to homeless veterans receiving services from the VA. The individual who resided in Florida had never served in the U.S. military and was not entitled to receive VA benefits. In total, the individual fraudulently obtained more than \$63,000 in VA, HUD, and SNAP benefits. Additionally, the individual obtained a Florida driver's license and accrued a criminal record under the North Carolina sibling's name and identifiers.

A Federal grand jury returned an indictment charging the individual with aggravated identity theft, theft of Government funds, and false statements.

This investigation was conducted jointly with VA OIG and HUD OIG.

Store Employees Sentenced to 12 Months in Prison and More Than \$400,000 in Restitution for Defrauding USDA—Michigan

On July 27, 2022, in U.S. District Court for the Eastern District of Michigan, two store employees were each sentenced to 12 months and 1 day in prison followed by 24 months of supervised release. They also were ordered to pay \$483,952 in restitution, jointly and severally.

USDA OIG initiated this investigation to determine if the owner and employees of a Michigan food market conspired to traffic SNAP benefits via EBT. The investigation determined that several individuals, including two store employees, exchanged SNAP benefits with store customers for cash and ineligible items.

The two store employees were each charged via information with one count of SNAP fraud and one count of aiding and abetting. They subsequently pled guilty to one count of SNAP fraud each.

This investigation was worked jointly with the Michigan State Police Bridge Card Enforcement Team.

Two Storeowners Sentenced for Accepting Federal Benefits in Exchange for Dangerous Drugs—Arizona

On May 3, 2022, in the Superior Court of Arizona, a storeowner was sentenced to 12 months in prison, 36 months of supervised probation, and 360 hours of community service. The storeowner also was ordered to pay \$1,625 in restitution. The sentencing followed the storeowner's guilty plea to two counts of unlawful use of food stamps and one count each of possession of narcotic drugs, conspiracy to commit possession of dangerous drugs for sale, and possession of dangerous drugs for sale. A second storeowner was sentenced to 36 months of supervised probation and 360 hours of community service following a guilty plea to one count each of unlawful use of food stamps, possession of narcotic drugs for sale, and possession of dangerous drugs for sale. The two individuals also were ordered to pay \$7,178 in restitution to USDA, jointly and severally.

OIG initiated this investigation after being informed of approximately 100 SNAP transactions with store personnel, during which \$6,289 in SNAP benefits was exchanged for various controlled substances. The store was not an authorized SNAP retailer, and the store owners used the SNAP funds to purchase items for resale at their store and/or for personal use.

The storeowners were indicted on multiple offenses, including fraudulent schemes and artifices, money laundering, illegal control of an enterprise, theft, assisting a criminal syndicate, sale or transportation of dangerous drugs, unlawful use of food stamps, sale or transportation of narcotic drugs, possession of a dangerous drug for sale, and possession of a narcotic drug for sale.

This was a joint investigation with two Arizona city police departments and the Arizona Department of Economic Services.

Storeowner Sentenced to 8 Months in Prison and Ordered to Pay More Than \$429,000 for Supplemental Nutrition Assistance Program Trafficking—Illinois

On May 17, 2022, in U.S. District Court for the Northern District of Illinois, a storeowner was sentenced to 8 months in prison and 36 months of supervised release. The storeowner also was ordered to pay a personal judgment of \$429,095. Previously, the storeowner had pled guilty to wire fraud.

USDA OIG initiated an investigation with DHS HSI, based on allegations of SNAP trafficking at a store in Illinois. OIG's investigation determined a storeowner previously operated a store that was permanently disqualified from participating in SNAP after USDA's FNS determined SNAP trafficking had been conducted at the store. Following this disqualification, the storeowner utilized a separate store registered in their spouse's name to defraud USDA by exchanging SNAP benefits for discounted amounts of cash.

Two Storeowners Collectively Sentenced to 48 Months in Prison and 12 Months of Home Confinement for Supplemental Nutrition Assistance Program Trafficking—Virginia

On May 27, 2022, in U.S. District Court for the Eastern District of Virginia, two storeowners were each sentenced to 24 months in prison and 6 months of home confinement. They also were ordered to pay fines of \$7,500 each for SNAP trafficking.

OIG and a Virginia city police department initiated an investigation into the trafficking of SNAP benefits at a Virginia store. The investigation determined that FNS had previously conducted a compliance investigation at the store and documented violations of SNAP rules and regulations, resulting in the store being proposed for permanent disqualification from participation in SNAP. Despite the initial determination by FNS, the storeowners continued to violate SNAP regulations, and this investigation revealed the storeowners were exchanging SNAP benefits for U.S. currency. Both storeowners were charged via criminal information with

one count each of SNAP fraud, to which they both pled guilty.

Storeowner Sentenced to 60 Months of Probation and Ordered to Pay Restitution of More Than \$120,000 for Supplemental Nutrition Assistance Program Trafficking—New York

On May 25, 2022, in U.S. District Court for the Northern District of New York, a storeowner was sentenced to 60 months of probation and ordered to pay \$120,061 in restitution. At the time of sentencing, the storeowner paid the restitution in full.

OIG initiated this investigation when a local police department in New York requested assistance related to allegations of SNAP trafficking at a retail food store. The New York investigation determined the storeowner exchanged \$888 in SNAP benefits for \$426 in U.S. currency. Further investigation by OIG revealed a pattern of trafficking in SNAP benefits in excess of \$120,000. The storeowner pled guilty to one count of SNAP trafficking.

Storeowner Sentenced to Prison and Ordered to Pay More Than \$4 Million in Restitution for Fraudulently Obtaining Benefits Through Multiple Government Programs—Minnesota

On April 5, 2022, in U.S. District Court, District of Minnesota, a storeowner was sentenced to 30 months in prison and 36 months of supervised release. The storeowner also was ordered to pay \$4,187,999 in restitution and to forfeit \$38,265 in cash and proceeds seized during the investigation.

USDA OIG initiated an investigation to determine if a market in Minnesota defrauded Government benefits programs, including SNAP and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). The investigation determined that the storeowner and several employees exchanged SNAP and WIC benefits for cash, ineligible items, and store credit. Previously, the storeowner also fraudulently claimed U.S. Department of Labor (DOL) pandemic-related unemployment benefits while operating the store and redeeming SNAP and WIC benefits. The storeowner was charged via information with wire fraud

and conspiracy, to which the storeowner subsequently pled guilty.

This was a joint investigation with the FBI, the DOL OIG, the Minnesota WIC Compliance Office, and the State of Minnesota Department of Human Services OIG.

Two Individuals Sentenced to Prison and Ordered to Pay a Total of More Than \$175,000 in Restitution for Multiple Benefits Fraud—Florida

On April 11, 2022, in U.S. District Court for the Middle District of Florida, an individual was sentenced to time served (43 days in prison) and 12 months of supervised release. The individual was also ordered to pay \$54,919 in restitution to the Social Security Administration (SSA) and \$6,756 to USDA.

On August 18, 2022, a second individual was sentenced to 12 months and 1 day in prison and 24 months of supervised release. The individual also was ordered to pay \$118,509 in restitution.

USDA OIG initiated this investigation based on information indicating several individuals in Florida provided

false information to the U.S. Citizen Immigration Services, SSA, and USDA. The investigation determined that the individuals falsified documents in order to receive Government assistance benefits to which they were not entitled.

The first individual was indicted on multiple counts of false statements; fraud and misuse of visas, permits, and other documents; and theft of Government property. The individual subsequently pled guilty to false statements and fraud and misuse of visas, permits, and other documents. The second individual was indicted on one count of theft of Government funds, to which the individual subsequently pled guilty.

Storeowner Sentenced to 37 Months in Prison and Ordered to Pay More Than \$3 Million in Restitution for Supplemental Nutrition Assistance Program Trafficking and Other Offenses—Georgia

On April 19, 2022, in U.S. District Court for the Northern District of Georgia, a storeowner was sentenced to 37 months in prison and 36 months of probation. The storeowner also was ordered to pay \$3,071,235 in restitution. Immediately

prior to sentencing, the storeowner pled guilty to one count of conspiracy to defraud the United States. Previously, the storeowner was charged via criminal complaint with wire fraud.

This investigation was initiated when OIG received information from the FBI and DHS HSI regarding a network of stores involved in marriage fraud, human trafficking, and fraud schemes related to SNAP. OIG's investigation revealed two stores redeemed more than \$13 million in SNAP benefits, which was not commensurate with business size. Further investigation determined that these stores had acquired 27 SNAP EBT terminals to fraudulently process SNAP transactions. A total of five stores exchanged SNAP benefits for cash. During the course of this investigation a store employee admitted to purchasing SNAP benefits for cash, and OIG and DHS HSI seized items of evidence, including \$87,337 in cash, documents, EBT cards, and EBT terminals.

Storeowner Sentenced to 616 Days in Prison and Ordered to Pay More Than \$1.4 Million in Restitution for Supplemental Nutrition Assistance Program Trafficking—California

On June 10, 2022, in the Superior Court of California, a storeowner was sentenced to 616 days in prison and 60 months of probation. The storeowner also was ordered to pay \$1,454,282 in restitution to USDA. Previously, the storeowner pled guilty to one count of welfare fraud and one count of misappropriation of public funds.

USDA OIG initiated this investigation based on a referral from FNS regarding SNAP trafficking at a retailer in California. OIG's investigation determined that several storeowners utilized their businesses and employees for trafficking SNAP benefits. The storeowners and their employees redeemed SNAP benefits in exchange for discounted amounts of cash, knowing that such exchanges were prohibited under SNAP regulations.

Storeowner Sentenced to 18 Months in Prison and \$127,040 in Restitution for Defrauding USDA—Michigan

On June 8, 2022, in U.S. District Court for the Eastern District of Michigan, a storeowner was sentenced to 18 months in prison and 24 months of supervised release. The storeowner also was ordered to pay \$127,040 in restitution.

OIG initiated this investigation with the Michigan State Police Fraud Investigative Section to determine if the owner and/or employees of a Michigan store trafficked SNAP benefits via the EBT system. The investigation revealed that the owners of the Michigan store and at least one employee exchanged SNAP benefits for cash and ineligible items for over a year. One of the storeowners was charged via information with one count of wire fraud and subsequently pled guilty.

This investigation was worked jointly with the Michigan State Police.

Individual Sentenced to 48 Months of Probation and More Than \$38,000 in Restitution for Defrauding USDA—Idaho

On June 8, 2022, in U.S. District Court for the District of Idaho, a benefits recipient was sentenced to 48 months of probation and ordered to pay \$38,377 in restitution.

USDA OIG initiated this investigation after being contacted by SSA OIG, Cooperative Disability Investigative Unit, regarding a benefits recipient who allegedly devised a scheme to defraud SSA and SNAP by concealing income to qualify for benefits. The investigation revealed that the recipient received approximately \$35,000 in SNAP and cash assistance benefits as well as approximately \$35,000 in Social Security benefits for 11 years. A review of financial and payroll records revealed the recipient did not report income to SSA or Idaho Health and Welfare that would have disqualified them for SSA and SNAP benefits.

The recipient was indicted on one count each of theft of Government funds, false statements affecting Social Security benefits, and Social Security fraud. The

indictment also included one criminal forfeiture allegation. Subsequently, the recipient pled guilty to one count of Social Security fraud.

This was a joint investigation with the SSA OIG Cooperative Disability Investigative Unit.

Individual Sentenced to 38 Months in Prison for Defrauding Multiple Federal Agencies— Pennsylvania

On September 15, 2022, in U.S. District Court for the Eastern District of Pennsylvania, an individual was sentenced to 38 months in prison, followed by 36 months of supervised release. The individual also was ordered to pay \$12,432 in restitution.

OIG initiated this investigation due to allegations that an individual engaged in identity theft to defraud multiple Government assistance programs. The investigation revealed the individual devised a scheme to obtain various official identification documents associated with stolen identities and used them to apply for and receive Government benefits, including SNAP, Social Security Disability Insurance

Benefits Program, and Medicaid. The individual was indicted and charged with 1 count of SNAP fraud, 1 count of false statement in acquisition of firearm, 1 count of false identification document, 4 counts of aggravated identity theft, 1 count of false statements relating to health care matters, 2 counts of mail fraud, 1 count of passport fraud, 1 count of Social Security fraud, 11 counts of misuse of Social Security number, and 3 counts of aiding and abetting, to all of which the individual pled guilty.

OTHER FNS INVESTIGATIONS

Program Funds Recipient Sentenced to 51 Months in Prison and More Than \$1 Million in Restitution for Feeding Program Fraud—Illinois

On June 21, 2022, in U.S. District Court for the Northern District of Illinois, a program funds recipient was sentenced to 51 months in prison and 12 months of supervised release. The recipient also was ordered to pay \$1,054,689 in restitution for defrauding the Child and Adult Care Food Program (CACFP).

OIG initiated this investigation based on allegations of excess claims for meals

under the CACFP and the Summer Food Service Program (SFSP). OIG’s investigation determined that an organization receiving program funds claimed reimbursement for more meals than for which it was eligible. As part of the scheme, the program funds recipient claimed to have served meals at sites where no meals were served and falsely claimed to have served meals well in excess of the number of children they were approved to serve.

The program funds recipient was indicted on one count of theft concerning programs receiving Federal funds, two counts of mail fraud, and one count of engaging in monetary transactions in property derived from specified unlawful activity. Subsequently, the program funds recipient pled guilty to one count of mail fraud.

This was a joint investigation with the FBI.

Daycare Owner Sentenced to 36 Months of Probation and Ordered to Pay \$13,213 in Restitution for Fraud Scheme—Arizona

On July 11, 2022, in the Superior Court of Arizona, a daycare owner was

sentenced to 36 months of unsupervised probation and ordered to pay \$13,213 in restitution. Previously, the daycare owner was convicted on one count of unlawful use of food stamps for defrauding SNAP.

USDA OIG initiated this investigation based on information about the owner of an Arizona daycare facility received from the Arizona Department of Economic Services OIG. The daycare owner was alleged to have submitted fraudulent documents to receive funding assistance from the Arizona Health Care Cost Containment System and Child Care Assistance Program. Documents indicated the daycare facility received \$125,000 in childcare assistance. This investigation determined the daycare facility owner knowingly falsified documents and signatures on attendance sheets and provided them to the U.S. Department of Health and Human Services (HHS) to receive payments for childcare that was not provided. An additional investigation revealed the daycare owner received SNAP benefits while falsely claiming zero income.

The daycare owner was indicted with one count of fraudulent schemes and practices, eight counts of forgery, and one

count of theft. Subsequently, the daycare owner was charged in a complaint with five counts of unlawful use of food stamps, one count of fraudulent schemes and practices, and one count of theft.

This was a joint investigation with Department of Economic Services OIG and HHS OIG.

Former School Assistant Director Sentenced to Probation in Connection with Child Nutrition Program Fraud—New York

On April 13, 2022, in U.S. District Court for the Eastern District of New York, a school’s former assistant director was sentenced to 60 months of probation and ordered to complete 1,000 hours of community service over 5 years. The former assistant director was also ordered to pay \$98,407 in restitution to the New York City government. Prior to sentencing, the former assistant director pled guilty to Federal grand jury charges of wire fraud and conspiracy to commit mail fraud.

Previously, a New York investigative agency discovered information indicating a New York school was engaged in suspicious behavior relating to tracking students’ attendance and billing

Government agencies for services provided to their students. During this investigation, information revealed the school participated in the At-Risk Afterschool Meals component of USDA's CACFP, and OIG was subsequently requested to assist. This investigation determined the school submitted claims for reimbursement for afterschool meals that were not served. Over 2 years, the school received approximately \$3.2 million in CACFP reimbursements.

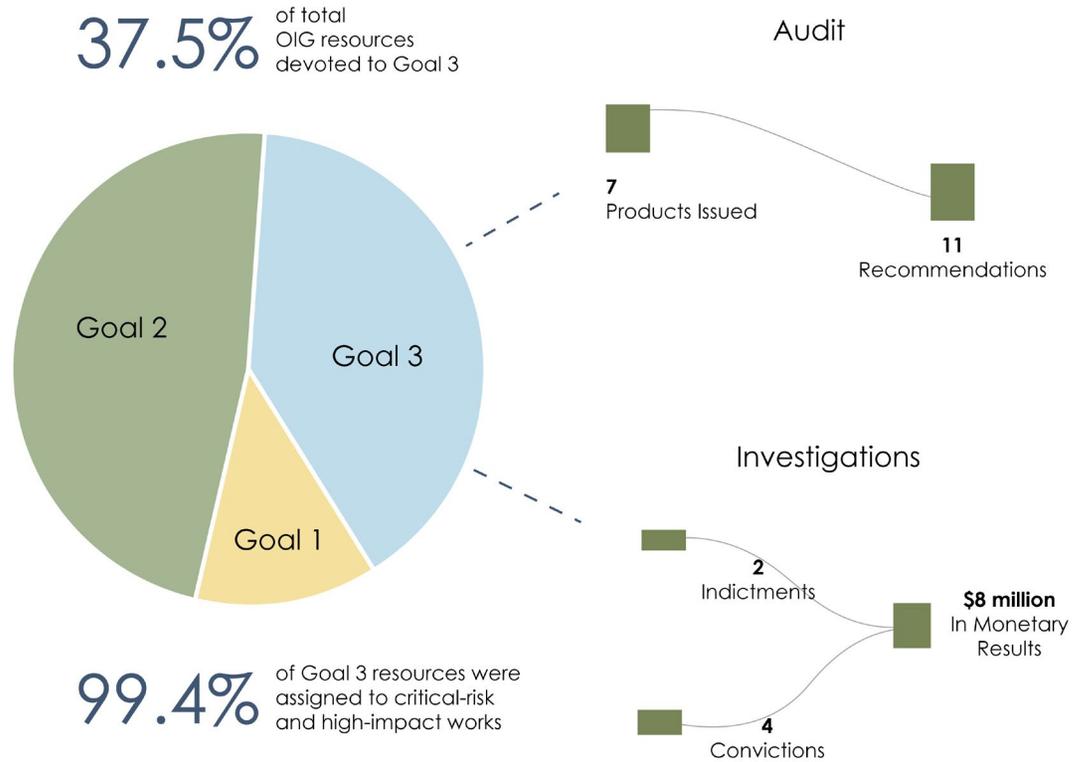
Ongoing Reviews

- COVID-19—Farmers to Families Food Box Program Administration (AMS)
- Food Purchase and Distribution Program (AMS)
- Plant Pest and Disease Management and Disaster Prevention Program (APHIS)
- Controls Over the Market Access Program (FAS)
- COVID-19—Pandemic Electronic Benefits Transfer (FNS)
- Supplemental Nutrition Assistance Program Waiver Process (FNS)
- Conservation Reserve Program Payment Calculations (FSA)
- COVID-19—Coronavirus Food Assistance Program—Direct Support (FSA)
- Wildfires and Hurricanes Indemnity Program—Puerto Rico (FSA)
- Conservation Stewardship Program—Participant Control of Land (Multi-Agency)
- Environmental Quality Incentives Program Payment Schedule—Cost Estimation Process (NRCS)
- Apiculture Insurance Program (Risk Management Agency (RMA))
- Hemp Crop Provisions (RMA)
- Prevented Planting Followup (RMA)
- Whole-Farm Revenue Protection Pilot Program (RMA)
- Administration of Water and Waste Program Grants (RUS)
- Rural E-Connectivity Pilot Program (Reconnect Program)—Award Process (RUS)

Goal 3—Management Improvement Initiatives

Strengthen USDA's ability to achieve results-oriented performance

OIG conducts audits, investigations, inspections, data analytics, and other reviews that focus on areas such as improved financial management and accountability, property management, employee integrity, and the Government Performance and Results Act. The effectiveness and efficiency with which USDA manages its assets are critical.



Examples of Audit and Investigative Work for Goal 3

Economic Research Service’s Data Product Review Council Review Process

In FY 2014, ERS established the DPRC to provide comprehensive evaluations of the agency’s data products to ensure that the agency adheres to the highest standards of quality and transparency, and to provide feedback and guidance to data product authors and their managers and identify areas for improvement. DPRC reviews are designed to evaluate how these products adhere to the six OMB data quality standards and attributes of: purpose, utility, objectivity, integrity, transparency, and accessibility.

OIG initiated an inspection and found that ERS had not performed any DPRC reviews since July 2019. An ERS official stated that this occurred because ERS did not have the staff available to perform DPRC reviews when the agency experienced a loss of approximately 75 percent of its personnel after USDA announced that it would

relocate ERS’ daily operations to Kansas City, Missouri. Meanwhile, ERS did not have a compensating control for the lack of DPRC reviews. While an ERS official stated that peer reviews ensured all data products met the highest level of data quality standards, this official could not provide us with documentation to support that peer reviews ensured that the agency’s data products were reviewed against the OMB data quality standards. As a result, ERS has reduced assurance that the products released during the period met the six OMB quality attributes and standards those reviews are designed to evaluate. ERS agreed with our three recommendations, and we have reached agreement on the planned corrective actions to address them. (Inspection Report 14801-0001-24)

USDA’s Compliance with the Geospatial Data Act for Fiscal Year 2022

The purpose of the Geospatial Data Act (GDA) is to minimize duplication of geospatial activities across agencies and

improve collaboration, reduce waste, codify previous executive actions, and give Congress an oversight role for the Federal Government’s multibillion-dollar investments in geospatial data. USDA is 1 of 16 covered agencies under the GDA. Within USDA’s OCIO, the Enterprise Geospatial Management Office (EGMO) oversees, coordinates, and facilitates USDA’s implementation of geospatial policies, directives, requirements, and data management.

Although we recognize that USDA has made progress toward complying with certain aspects of the GDA, we found that it was not compliant with 6 of the 13 covered agency responsibilities. Additionally, we determined that the designated oversight entity, EGMO, did not have an accurate inventory of geospatial assets. As a result, USDA agencies inconsistently implemented the GDA. Without consistency, USDA is not completely fulfilling its role of improving Federal management, coordination, and utilization of geospatial data, which

can negatively impact mission-critical business requirements of the Department's infrastructure and emergency response capabilities nationwide.

OCIO generally concurred with our six recommendations, and we continue to work to reach agreement on the corrective actions to address the recommendations. (Audit Report 50501-0026-12)

USDA's Compliance with Improper Payment Requirements for Fiscal Year 2021

We found that USDA was not compliant with four of the six Payment Integrity and Information Act of 2019 (PIIA) requirements for FY 2021. Specifically, 5 of the 17 high-risk programs reported did not fully comply with PIIA requirements. Five FSA programs did not meet the PIIA compliance requirements for reporting one or more of the following: annual reduction targets, gross improper payment rates of less than 10 percent, or corrective action plans. As a result, these USDA programs could not ensure taxpayer money served its intended purpose.

We also found that USDA did not meet a fourth PIIA compliance requirement when the Department did not timely report RMA's Federal Crop Insurance Corporation (FCIC) as a high-risk program on [paymentaccuracy.gov](https://www.paymentaccuracy.gov). Without sufficient information, USDA stakeholders are not able to make informed decisions using Agency Financial Report improper payment data.

Finally, USDA reported improper payment information for FY 2021 that contained inaccuracies or that the Department could not support with appropriate documentation. We also question whether USDA complied with OMB criteria for improper payment reporting. Accurate and documented information is critical so that USDA stakeholders are able to use Agency Financial Report improper payment data to make informed decisions. USDA agencies agreed with one of our recommendations, and we continue to work to reach agreement on the corrective actions to address the outstanding recommendation. (Audit Report 50024-0002-24)

Agreed-Upon Procedures—Employee Benefits, Withholdings, Contributions, and Supplemental Semiannual Headcount Reporting Submitted to the Office of Personnel Management for Fiscal Year 2022

USDA's National Finance Center (NFC) reports Federal employee benefits and enrollment information to the Office of Personnel Management (OPM). Reported information includes headcounts, as well as withholdings and contributions for retirement, health benefits, and life insurance.

In applying agreed-upon procedures (AUP), OIG identified differences through calculations, analyses, and comparisons. For example, for AUP 1, NFC performed a reconciliation that identified one difference over 1 percent for pay period 25. Our analysis confirmed the difference. NFC provided a cause for the difference and the corrective action.

Our sample document review for AUP 2 identified a total of 65 differences for benefits entered into the system by agency personnel officers. Furthermore, we were unable to verify all sampled entries because agency personnel officers

were unable to locate the documents covering all of the pay periods selected.

We also determined, in AUP 5, that there were 47 differences necessitating OIG to request management comment. NFC officials responded that, for 35 differences, NFC installed corrections in pay period 7, 2022. NFC officials also commented that five differences were due to a program problem from a type of Time and Attendance report netting to zero; six differences were in how OIG performed counts and the numbers reported to OPM were correct; and, for one difference, although our analysis required by the AUP determined a difference existed, NFC reported that the Payroll Accounting System counted as it was designed to do.

OIG did not take any exceptions in AUP 3 and AUP 4, and did not identify any reportable differences in AUP 6. (Audit Report 11401-0007-31)

Independent Service Auditor’s Report on National Finance Center’s Description of Its Payroll and Personnel Systems and the Suitability of the Design and Operating Effectiveness of Its Controls for the Period October 1, 2021, through June 30, 2022

An independent certified public accounting firm examined NFC’s description of its payroll and personnel systems used to process user entities’ payroll and human resource transactions throughout the period October 1, 2021, to June 30, 2022. The firm found that NFC’s description fairly presents the financial systems that were designed and implemented throughout the specified period. The firm also determined that NFC’s controls were suitably designed and operating effectively to provide reasonable assurance that the control objectives would be achieved. The firm made no recommendations in this report. (Audit Report 11303-0001-12)

Independent Service Auditor’s Report on Financial Management Services’ Description of Its Financial Systems and the Suitability of the Design and Operating Effectiveness of Controls for the Period October 1, 2021, through June 30, 2022

An independent certified public accounting firm examined Financial Management Services’ (FMS) description of its financial systems used to process user entities’ financial transactions throughout the period October 1, 2021, to June 30, 2022. The firm found that FMS’ description fairly presents FMS’ financial systems for processing user entities’ transactions that were designed and implemented throughout the specified period. Also, in the firm’s opinion, the described controls were suitably designed and operated effectively to provide reasonable assurance that associated control objectives would be achieved during the period. The firm made no recommendations in this report. (Audit Report 11303-0002-12)

Independent Service Auditor’s Report on the Office of the Chief Information Officer’s Description of Its Data Center Hosting and Security Systems and the Suitability of the Design and Operating Effectiveness of Its Controls for the Period October 1, 2021, to June 30, 2022

An independent certified public accounting firm examined the description of OCIO’s data center hosting and security systems used to process user entities’ transactions throughout the period October 1, 2021, to June 30, 2022. The firm found that the description fairly presents OCIO’s data center hosting and security systems for processing user entities’ transactions that were designed and implemented throughout the specified period. The firm also determined that the described controls were suitably designed and operated effectively to provide reasonable assurance that associated control objectives would be achieved during the period. The firm made no recommendations in this report. (Audit Report 88303-0001-12)

Former Forest Service Employee Sentenced to 12 Months of Probation for Possessing Child Pornography—California

On April 26, 2022, in Superior Court of California, a former FS employee was sentenced to 12 months of probation. Additionally, the former employee was ordered to register for 120 months as a sex offender and register all electronic user names with a local police department. Immediately preceding the sentencing, the former FS employee pled guilty to one count of possession of child pornography.

Previously, the Agriculture Security Operations Center, a part of OCIO, notified OIG that a Government computer, using an FS network, accessed internet sites containing inappropriate content. This information was referred to OIG in order to determine whether any of the content was potentially criminal in nature. OIG’s investigation determined an FS employee accessed child pornography using a Government computer on an FS network. The computer was located and seized, and an analysis of the computer revealed that the computer had been used to access websites containing child pornography

while the FS employee was logged on for a considerable length of time. Images of child pornography were located on the computer, and also present were multiple internet “search terms” indicating the former employee intentionally searched for child pornography. The former FS employee admitted to using a Government computer to browse the illicit images.

A felony complaint was filed against the former FS employee within the local county in California, charging the former employee with one count of possession of child pornography.

This was a joint investigation with a local County District Attorney’s Office, Bureau of Investigations, and FS Law Enforcement and Investigations (LEI).

Former USDA Employee Sentenced to 10 Months in Prison for Fraud in Connection with Pandemic Assistance Funds—Pennsylvania

On May 4, 2022, in U.S. District Court, Middle District of Pennsylvania, a former FSIS employee was sentenced to 10 months in prison and 24 months of supervised release. The former

employee also was ordered to pay \$37,555 restitution.

USDA OIG initiated this investigation to determine whether an FSIS employee applied for and received Pennsylvania Pandemic Unemployment Assistance while being gainfully employed as an FSIS Consumer Safety Inspector. The investigation determined the FSIS employee falsely claimed to be unemployed due to the pandemic or a major disaster and received benefits based on this false claim for about 1 year. The FSIS employee reaffirmed this unemployment status on a weekly basis and ultimately received \$37,555 in fraudulently obtained unemployment benefits. The FSIS employee ultimately resigned and pled guilty to a criminal information charging the employee with wire fraud.

This was a joint investigation with DOL OIG.

Former Seasonal Forest Service Employee and Co-conspirator Sentenced for Human Smuggling Conspiracy—Arizona

On June 14, 2022, in U.S. District Court for the District of Arizona, an individual

who was a passenger with a former seasonal FS employee (Passenger 2) was sentenced to 48 months of probation for conspiring in a scheme to transport and harbor illegal aliens for profit.

On July 27, 2022, in the same court, the former seasonal FS employee was sentenced to 84 days in prison and 36 months of probation for conspiring in a scheme to transport and harbor illegal aliens for profit.

USDA OIG initiated this investigation based on a referral from the FS LEI. In a previous investigation, a supervisory FS employee and a different passenger (Passenger 1) had been arrested while on duty by U.S. Customs and Border Protection (CBP) for illegally picking up and transporting three undocumented immigrants. The FS employee used a marked FS vehicle to transport the three undocumented immigrants. The FS employee was again arrested by CBP and an Arizona county sheriff's office for illegally picking up and transporting five undocumented immigrants.

Subsequently, the former seasonal FS employee and Passenger 2 were arrested while transporting undocumented immigrants. The

supervisory FS employee admitted to asking the former seasonal FS employee to assist in transporting the undocumented immigrants.

The former seasonal FS employee pled guilty to conspiracy to transporting and harboring illegal aliens for profit and Passenger 2 pled guilty to accessory after the fact. Previously, the supervisory FS employee and Passenger 1 were sentenced.

This was a joint investigation with DHS HSI, CBP, the FBI, FS LEI, and an Arizona sheriff's office.

Ongoing Reviews

- Review of Agency Financial Statements for Fiscal Years 2022 and 2021 (CCC, FCIC/RMA, NRCS, Rural Development (RD))
- IIJA–Community Wildfire Defense Grant Program for At-Risk Communities (FS)
- Controls Over Departmental Shared Cost Programs and Working Capital Fund (Multi-Agency)
- Agriculture and Food Research Initiative (National Institute of Food and Agriculture (NIFA))
- General and Application Controls Work for USDA’s Financial Statement Audits for Fiscal Years 2023 and 2022 (Office of the Chief Financial Officer (OCFO))
- USDA’s Consolidated Financial Statements for Fiscal Years 2022 and 2021 (OCFO)
- Government Purchase Card (Office of Contracting and Procurement (OCP))
- Uniform Residential Loan Application Project (Rural Housing Service (RHS))

Governmentwide Activities

Participation on Committees, Working Groups, and Task Forces

USDA OIG continues to support initiatives sponsored by the Council of the Inspectors General on Integrity and Efficiency (CIGIE). Our staff actively participates in the following working groups and projects within the Inspector General (IG) community:

Technology Committee

- Emerging Technologies Subcommittee
- Geospatial Data Act Working Group
- Data Analytics Working Group

Audit Committee

- Audit Peer Review Subcommittee
- Performance Audit Navigator Working Group
- Financial Statement Audit Network Workgroup

Federal Audit Executive Council

- FISMA Working Group

Investigations Committee

- Training Committee
- Firearms Working Group
- Small Business Innovation Research Working Group
- Foreign Influence Investigations Working Group
- IG Investigations Academy

Professional Development Committee

- CIGIE Coaching Subcommittee

Enterprise Risk Management Working Group

Leading, Inspiring, and Fostering Talent Working Group

Housing Compendium Working Group

Diversity, Equity, and Inclusion Work Group

- CIGIE Diversity, Equity, and Inclusion Work Group and Training and Awareness Sub-Work Group

CIGIE Assistant Inspector General for Management Working Group

CIGIE Monetary Impact Working Group

- OIG Reports Sub-group

CIGIE IIJA Sub-Working Group on Analytics

Oversight Logo Redesign Working Group

Pandemic Response Accountability Committee

- Data Sharing Working Group
- Paycheck Protection Program Data Working Group
- Public Affairs Officers Working Group

Across the United States, OIG Special Agents participate in various committees and working groups and collaborate with external Federal, State, and local

law enforcement partners, to further the mission of OIG. This is an illustrative sample list of such partnerships:

- Department of Homeland Security, Immigration and Customs Enforcement and Benefit Fraud Task Force
- U.S. Secret Service
 - Organized Fraud Task Force
 - High Tech Crimes Task Force
- U.S. Department of the Treasury Financial Crimes Enforcement Network
 - Regional Review Teams
 - Regional Money Laundering Task Forces
- Federal Bureau of Investigation
 - Joint Terrorism Task Force
 - National Counter Intelligence Task Force
 - Border Corruption Task Force
- States' Attorney's Office Regional Organized Crime Task Force
- Regional Bankruptcy Fraud Working Groups
- Federal Program Fraud Task Force, The Guardian Project
- U. S. Attorney's Office
 - Benefit Fraud Task Force

- Identity and Benefits Fraud Task Force
- COVID-19 Task Force
- Department of Justice's Procurement Collusion Strike Force—both OIG investigators and data analysts represent OIG

Review of Legislation, Regulations, Directives, and Memoranda

Technical Assistance to Congress.

OIG provided technical assistance to Congress through participation in CIGIE, on activities relating to the CIGIE Legislation Committee.

Proposed Amendments to S.3870 Meat and Poultry Special Investigator Act of 2022.

The proposed legislation would mandate that a Special Investigator within USDA use all available tools, including subpoenas, to investigate and prosecute violations of the Packers and Stockyards Act. The bill would authorize the Special Investigator to be the Department liaison to, and act in consultation with, the Department of Justice (DOJ) and the Federal Trade Commission with respect to competition and trade practices in the food and agricultural sector. OIG reviewed the

proposed legislation and recommended language to acknowledge the role of the IG within USDA, and to best ensure there is no duplication of efforts or jurisdiction concerns with respect to the roles of USDA OIG and any such Special Investigator.

Inspector General Act Reporting Requirements

IG Act Section	IG Act Description	USDA OIG Reported SARC October 2022
Section 4(a)(2)	Review of Legislation and Regulations	Page 33
Section 5(a)(1)	Significant Problems, Abuses, and Deficiencies	Goals 1, 2, and 3 Pages 1–31
Section 5(a)(2)	Recommendations for Corrective Action with Respect to Significant Problems, Abuses, and Deficiencies	Goals 1, 2, and 3 Pages 1–31
Section 5(a)(3)	Significant Recommendations from Agency's Previous Reports on Which Corrective Action Has Not Been Completed	Appendix A.10 Pages 56–70
Section 5(a)(4)	Matters Referred to Prosecutive Authorities and Resulting Convictions	Appendices B.1 and B.2 Pages 82 and 83
Section 5(a)(5)	Matters Reported to the Head of the Agency	N/A
Section 5(a)(6)	Reports Issued During the Reporting Period	Appendix A.6 Pages 50–54
Section 5(a)(7)	Summary of Significant Reports	Goals 1, 2, and 3 Pages 1–31
Section 5(a)(8)	Statistical Table: Questioned Costs	Appendix A.2 Page 47
Section 5(a)(9)	Statistical Table: Recommendations That Funds Be Put to Better Use	Appendix A.3 Page 48
Section 5(a)(10)(A)	Summary of Audit Reports Issued Before the Commencement of the Reporting Period for Which No Management Decision Has Been Made	Appendix A.7 Page 55
Section 5(a)(10)(B)	Summary of Audit Reports for Which the Department Has Not Returned Comment Within 60 Days of Receipt of the Report	Appendix A.15 Page 81

IG Act Section	IG Act Description	USDA OIG Reported SARC October 2022
Section 5(a)(10)(C)	Reports Without Agency Comments or Unimplemented Recommendations and Potential Costs Savings—Funds to Be Put to Better Use and Questioned Costs	Appendix A.13 Pages 73–80
Section 5(a)(11)	Significantly Revised Management Decisions Made During the Reporting Period	Appendix A.8 Page 55
Section 5(a)(12)	Significant Management Decisions with Which the Inspector General Is in Disagreement	Appendix A.9 Page 55
Section 5(a)(13)	Information Described Under Section 804(b) of the FFMIA of 1996	Appendix A.11 Page 71
Sections 5(a)(14) and 5(a)(15)	Peer Reviews of USDA OIG	Page 37
Section 5(a)(16)	Peer Reviews Conducted by USDA OIG	Page 37
Sections 5(a)(17) and 5(a)(18)	Additional Investigations Information	Appendix B.4 Pages 85–86
Section 5(a)(19)	Report on Each OIG Investigation Involving a Senior Government Employee Where Allegations of Misconduct Were Substantiated	Appendix B.5 Page 87
Section 5(a)(20)	Instances of Whistleblower Retaliation	Appendix B.6 Page 87
Section 5(a)(21)	Attempts by the Department to Interfere with OIG Independence, Including Budget Constraints and Incidents Where the Department Restricted or Significantly Delayed Access to Information	Appendix B.7 Page 87
Section 5(a)(22)	Detailed Description of Situations Where an Inspection, Evaluation, or Audit Was Closed and Not Disclosed to the Public; and an Investigation of a Senior Government Employee Was Closed and Not Disclosed to the Public	Appendices A.12, A.14, and B.8 Pages 72, 81, and 88

Other information that USDA OIG reports that is not part of these requirements:

- Performance measures,
- Participation on committees, working groups, and task forces,
- Program improvement recommendations, and
- Hotline complaint results.

National Defense Authorization Act for FY 2008

Section 845

Contract Audit Reports with Significant Findings

Appendix A.4
Page 49

Peer Reviews and Outstanding Recommendations

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 amended the IG Act of 1978 to require OIG to include in its semiannual reports any peer review results provided or received during the relevant reporting period. Peer reviews are required every 3 years. In compliance with the Act, we provide the following information.

Audit

In August 2018, the U.S. Treasury IG for Tax Administration issued its final report on the peer review it conducted of USDA OIG's Office of Audit. USDA OIG received a grade of "pass," the best evaluation an audit organization can receive. That report included no recommendations and no letter of comment.

During this reporting period, the Environmental Protection Agency OIG's peer review of the Office of Audit was ongoing.

Investigations

In June 2019, the DOL OIG conducted an external peer review of USDA OIG's system of internal safeguards and management procedures for the investigative function for the period ending April 2019.

The peer review was completed and DOL OIG issued its final report, dated November 1, 2019. DOL OIG determined that USDA OIG was compliant with the quality standards established by CIGIE and the other applicable guidelines and statutes cited. No findings or deficiencies were identified. In addition to reporting a rating of "compliant," the peer review team identified three best practices to our investigative operations, as follows: (1) robust understanding of the agency's evidentiary policies and procedures with maintenance of a comprehensive logging system, (2) Technical Crimes Division's

administrative requirements and digital media analysis exceeded industry standards, and (3) two offices visited maintained meticulous logs on their firearms and technical equipment.

Peer Reviews Conducted by USDA OIG

During the current reporting period, USDA OIG did not conduct a peer review of another audit or investigative organization.

Assessing the Impact of OIG

Our mission is to promote the economy, efficiency, and integrity of USDA programs and operations through audits, investigations, inspections, data analytics, and reviews. We accomplish our mission by way of an organizational culture that embraces the value and dignity of all individuals and encourages innovation, trust, and positive change through a diverse and inclusive workforce.

Measuring Progress Against the OIG Strategic Mission and Diversity and Inclusion Plan

We measure our impact by assessing the extent to which our work is focused on the key issues under our three mission goals. These goals are:

- Strengthen USDA’s ability to protect public health and safety and to secure agricultural and Department resources.

- Strengthen USDA’s ability to deliver program assistance with integrity and effectiveness.
- Strengthen USDA’s ability to achieve results-oriented performance.

Impact of OIG Audit, Inspection, and Investigative Work on Department Programs

We also measure our impact by tracking the outcomes of our audits, inspections, and investigations. Many of these measures are codified in the IG Act of 1978, as amended. The following pages present a statistical overview of OIG’s accomplishments this period.

For audits and inspections, we present:

- Reports issued;
- Management decisions made (number of reports and recommendations);

- Total dollar impact of reports (questioned costs and funds to be put to better use) at issuance and at the time of management decision;
- Program improvement recommendations; and
- Audits and inspections without management decision.

For investigations, we present:

- Reports issued;
- Indictments;
- Convictions;
- Arrests;
- Total dollar impact (recoveries, restitutions, fines, and asset forfeiture);
- Administrative sanctions; and
- OIG Hotline complaints.

Performance Results Under Our Strategic Goals

PERFORMANCE MEASURES	FY 2021 ACTUAL	FY 2022 TARGET	FY 2022 1st Half ACTUAL	FY 2022 FULL YEAR
OIG direct resources dedicated to critical-risk and high-impact activities	99.6%	96%	99.7%	99.5%
Audit recommendations where management decisions are achieved within 1 year	100%	95%	100%	100%
Mandatory, Congressional, Secretarial, and Agency-requested audits initiated where the findings and recommendations are presented to the auditee within established or agreed-to timeframes (includes verbal commitments)	100%	95%	100%	100%
Closed investigations that resulted in a referral for action to DOJ, State, or local law enforcement officials, or relevant administrative authority	99.1%	90%	98.6%	98.3%
Closed investigations that resulted in an indictment, conviction, civil suit or settlement, judgment, administrative action, or monetary result	91%	85%	89%	91.1%

Note: Unless we are reporting exact numbers, our general practice is to round numbers down to prevent overstating our results.

OIG Accomplishments for FY 2022, Second Half (April 1, 2022–September 30, 2022)

SUMMARY OF AUDIT ACTIVITIES	FY 2022 2nd Half
Number of Final Reports	10
Number of Interim Reports	2
Number of Inspection Reports	4
Number of Final Action Verification Reports	0
Number of Infrastructure Memoranda	0
Number of Final Report Recommendations (19 program improvements/1 monetary)	20
Number of Interim Report Recommendations (1 program improvement/1 monetary)	2
Number of Inspection Report Recommendations (10 program improvements/0 monetary)	10
Total Dollar Impact of Reports at Issuance	\$305,928,922
Questioned/Unsupported Costs	\$305,928,922
Funds to Be Put to Better Use	\$0
Management Decisions Reached	
Number of Final Reports	3
Number of Final Report Recommendations (5 program improvements/1 monetary)	6
Number of Interim Reports	1

SUMMARY OF AUDIT ACTIVITIES	FY 2022 2nd Half
Number of Interim Report Recommendations (1 program improvement/1 monetary)	2
Number of Inspection Reports	4
Number of Inspection Report Recommendations (10 program improvements/0 monetary)	10
SUMMARY OF INVESTIGATIVE ACTIVITIES	FY 2022 2nd Half
Reports Issued	71
Indictments	158
Convictions	129
Arrests	275
Administrative Sanctions	64
Total Dollar Impact	\$67,651,675

OIG Accomplishments for FY 2022, Full Year (October 1, 2021–September 30, 2022)

SUMMARY OF AUDIT ACTIVITIES	FY 2022 Full Year
Number of Final Reports	20
Number of Interim Reports	3
Number of Inspection Reports	6
Number of Final Action Verification Reports	0
Number of Infrastructure Memoranda	3
Number of Final Report Recommendations (85 program improvements/5 monetary)	90
Number of Interim Report Recommendations (1 program improvement/1 monetary)	2
Number of Inspection Report Recommendations (23 program improvements/0 monetary)	23
Total Dollar Impact of Reports at Issuance	\$388,250,829
Questioned/Unsupported Costs	\$388,250,829
Funds to Be Put to Better Use	\$0
Management Decisions Reached	
Number of Final Reports	12
Number of Final Report Recommendations (102 program improvements/5 monetary)	107
Number of Interim Reports	1

SUMMARY OF AUDIT ACTIVITIES	FY 2022 Full Year
Number of Interim Report Recommendations (1 program improvement/1 monetary)	2
Number of Inspection Reports	6
Number of Inspection Report Recommendations (23 program improvements/0 monetary)	23
SUMMARY OF INVESTIGATIVE ACTIVITIES	FY 2022 Full Year
Reports Issued	114
Indictments	257
Convictions	240
Arrests	397
Administrative Sanctions	115
Total Dollar Impact	\$99,279,492

Appendix A: Audit Tables

Appendix A.1: Activities and Reports Issued

Summary of Audit Activities, April 1, 2022–September 30, 2022

Reports Issued: 10	Audits Performed by OIG	6
	Audits Performed Under the Single Audit Act	0
	Audits Performed by Others	4
Management Decisions Made: 3	Number of Reports	3
	Number of Recommendations	6
Total Dollar Impact of Management- Decided Reports: \$300,000,000	Total Questioned/Unsupported Costs	\$300,000,000 ^a
	—Recommended for Recovery	\$0
	—Not Recommended for Recovery	\$300,000,000
	Funds to Be Put to Better Use	\$0

^a These were the amounts the auditees agreed to at the time of management decision. The recoveries realized could change as auditees implement the agreed-upon corrective action plan and seek recovery of amounts recorded as debts due USDA.

Summary of Interim Reports Issued, April 1, 2022–September 30, 2022

OIG uses interim reports to alert management to immediate issues during the course of an ongoing assignment. Typically, they report on one issue or finding requiring management’s attention. OIG issued two Interim Reports during this reporting period.

Reports Issued: 2	Interim Reports Performed by OIG	2
Management Decisions Made: 1	Number of Reports	1
	Number of Recommendations	2
Total Dollar Impact of Management-Decided Reports: \$5,928,922	Total Questioned/Unsupported Costs	\$5,928,922
	—Recommended for Recovery	\$0
	—Not Recommended for Recovery	\$5,928,922
	Funds to Be Put to Better Use	\$0

Summary of Inspection Reports Issued, April 1, 2022–September 30, 2022

Reports Issued: 4	Inspections Performed by OIG	4
Management Decisions Made: 4	Number of Reports	4
	Number of Recommendations	10
Total Dollar Impact of Management-Decided Reports: \$0	Total Questioned/Unsupported Costs	\$0
	—Recommended for Recovery	\$0
	—Not Recommended for Recovery	\$0
	Funds to Be Put to Better Use	\$0

Summary of Final Action Verification Reports Issued, April 1, 2022–September 30, 2022

Final Action Verification (FAV) reports determine whether the final action documentation the agency provides to OCFO supports the agency's management decision reached with OIG. These verifications are not performed in accordance with Government Auditing Standards, issued by the Comptroller General of the United States, or the Quality Standards for Inspection and Evaluation, issued by CIGIE. Our objective in performing these verifications is to determine whether the documentation the agency provided to OCFO is sufficient to close the recommendations.

In this reporting period, OIG issued no FAV reports.

Appendix A.2: Inventory of Final Audit Reports and Interim Reports with Questioned Costs and Loans (April 1, 2022–September 30, 2022)

Category	No.	Questioned Costs and Loans	Unsupported ^a Costs and Loans
Reports for which no management decision had been made by April 1, 2022 ^b	0	\$0	\$0
Reports which were issued during the reporting period	2	\$305,928,922	\$0
Total Reports with Questioned Costs and Loans	2	\$305,928,922	\$0
		<i>Recommended for recovery</i>	\$0
Of the 2 reports, those for which management decision was made during the reporting period	2	<i>Not recommended for recovery</i> \$305,928,922	\$0
		<i>Costs not disallowed</i>	\$0
Of the 2 reports, those for which no management decision has been made by the end of this reporting period	0	\$0	\$0

^a Unsupported values are included in questioned values.

^b Carried over from previous reporting periods.

Appendix A.3: Inventory of Final Audit Reports with Recommendations That Funds Be Put to Better Use

Category	Number	Dollar Value
Reports for which no management decision had been made by April 1, 2022 ^a	0	\$0
Reports which were issued during the reporting period	0	\$0
Total Reports with Recommendations That Funds Be Put to Better Use	0	\$0
Of the 0 reports, that for which management decision was made during the reporting period	0	<i>Disallowed costs</i>
		<i>Costs not disallowed</i>
Of the 0 reports, that for which no management decision has been made by the end of this reporting period	0	\$0

^a Carried over from previous reporting periods.

Appendix A.4: Contract Audit Reports with Significant Findings

OIG is required by the National Defense Authorization Act for FY 2008 to list all contract audit reports issued during the reporting period that contained significant findings. OIG did not issue any such reports from April 1, 2022, through September 30, 2022.

Appendix A.5: Program Improvement Recommendations

Some of our audit and inspection recommendations are not monetarily quantifiable. However, their impact can be immeasurable in terms of safety, security, and public health. They also contribute considerably toward economy, efficiency, and effectiveness in USDA's programs and operations. During this reporting period, we issued 30 program improvement recommendations, and management agreed to implement 16 recommendations that were issued this period or earlier. Examples of those recommendations issued during this reporting period include the following

(see the main text of this report for a summary of the audits and inspections that prompted these recommendations):

- The Department and its mission areas need to develop a plan to ensure all hosts are included in regular vulnerability scans, as required.
- Develop and implement a plan to ensure FAS personnel are held accountable for the roles and responsibilities assigned to them in the new policy related to ensuring compliance with all applicable Federal regulations when awarding grants.
- Establish a process to ensure ERS updates its website to timely inform interested stakeholders of any changes in how ERS is evaluating its data products against OMB data quality standards and attributes.

Appendix A.6: Audit and Inspection Reports

OIG issued 10 audit reports, including 4 audits performed by others. OIG also issued two interim reports and four inspection reports. The following is a summary of those audit products by agency:

Audit and Inspection Report Totals

Total Funds to Be Put to Better Use	\$0
Total Questioned Costs and Loans	\$305,928,922

Summary of Audit Reports Released, April 1, 2022–September 30, 2022

Agency Type	Audits Released	Questioned Costs and Loans ^a	Unsupported Costs and Loans ^a	Funds to Be Put to Better Use
Single Agency Audit	6	\$300,000,000	\$0	\$0
Multi-Agency Audit	4	\$0	\$0	\$0
Total Completed Under Contract ^b	4	\$0	\$0	\$0
Issued Audits Completed Under the Single Audit Act	0	\$0	\$0	\$0

^a Unsupported values are included in the questioned values.

^b Audits performed by others, three of which are included in the single agency total and one of which is included in the multi-agency total.

Summary of Interim Reports Released, April 1, 2022–September 30, 2022

Agency Type	Interim Released	Questioned Costs and Loans ^a	Unsupported Costs and Loans ^a	Funds to Be Put to Better Use
Single Agency Audit	2	\$5,928,922	\$0	\$0
Multi-Agency Audit	0	\$0	\$0	\$0
Total Completed Under Contract	0	\$0	\$0	\$0

^a Unsupported values are included in the questioned values.

Summary of Inspection Reports Released, April 1, 2022–September 30, 2022

Agency Type	Inspections Released	Questioned Costs and Loans	Unsupported Costs and Loans	Funds to Be Put to Better Use
Single Agency Inspection	3	\$0	\$0	\$0
Multi-Agency Inspection	1	\$0	\$0	\$0
Total Completed Under Contract	0	\$0	\$0	\$0

Audit Reports Released and Associated Monetary Values, April 1, 2022–September 30, 2022

Report Number	Report Type*	Release Date	Title	Questioned Costs and Loans	Funds to Be Put to Better Use
FAS: Foreign Agricultural Service					
07601-0001-24	PA	08/29/2022	Oversight of the Agricultural Trade Promotion Program	\$300,000,000	
Total: 1					
FSIS: Food Safety and Inspection Service					
24601-0004-21	PA	07/14/2022	Initiatives to Address Workplace Misconduct		
Total: 1					
Multi-Agency					
50024-0002-24	FA	06/28/2022	USDA's Compliance with Improper Payment Requirements for Fiscal Year 2021		
50501-0026-12	PA	09/26/2022	USDA's Compliance with the Geospatial Data Act for Fiscal Year 2022		
50503-0009-12	PA	09/27/2022	U.S. Department of Agriculture, Office of Chief Information Officer, Fiscal Year 2022 Federal Information Security Modernization Act		

Report Number	Report Type*	Release Date	Title	Questioned Costs and Loans	Funds to Be Put to Better Use
50601-0010-31	PA	09/26/2022	Beginning Farmers		
Total: 4					
OCFO: Office of the Chief Financial Officer					
11303-0001-12	PA	09/19/2022	Independent Service Auditor's Report on National Finance Center's Description of Its Payroll and Personnel Systems and the Suitability of the Design and Operating Effectiveness of Its Controls for the Period October 1, 2021, Through June 30, 2022		
11303-0002-12	PA	09/21/2022	Independent Service Auditor's Report on Financial Management Services' Description of Its Financial Systems and the Suitability of the Design and Operating Effectiveness of Controls for the Period October 1, 2021, Through June 30, 2022		
11401-0007-31	FA	09/29/2022	Agreed-Upon Procedures—Employee Benefits, Withholdings, Contributions, and Supplemental Semiannual Headcount Reporting Submitted to the Office of Personnel Management for Fiscal Year 2022		
Total: 3					

Report Number	Report Type*	Release Date	Title	Questioned Costs and Loans	Funds to Be Put to Better Use
OCIO: Office of the Chief Information Officer					
88303-0001-12	PA	09/19/2022	Independent Service Auditor's Report on the Office of the Chief Information Officer's Description of Its Data Center Hosting and Security Systems and the Suitability of the Design and Operating Effectiveness of Its Controls for the Period October 1, 2021, to June 30, 2022		
Total: 1					
Grand Total: 10					

*Performance audits (PA), Financial audits (FA).

Interim Reports Released and Associated Monetary Values, April 1, 2022–September 30, 2022

Report Number	Report Type*	Release Date	Title	Questioned Costs and Loans	Funds to Be Put to Better Use
AMS: Agricultural Marketing Service					
01801-0001-22(1)	IE	06/24/2022	COVID-19—Farmers to Families Food Box Program Administration—Interim Report	\$5,928,922	
27801-0001-23(1)	IE	06/24/2022	COVID-19—Food and Nutrition Service's Pandemic Electronic Benefits Transfer—Interim Report		
Total: 2					
Grand Total: 2					

*Inspections and Evaluations (IE).

Inspection Reports Released and Associated Monetary Values, April 1, 2022–September 30, 2022

Report Number	Report Type*	Release Date	Title	Questioned Costs and Loans	Funds to Be Put to Better Use
ERS: Economic Research Service					
14801-0001-24	IE	09/28/2022	Economic Research Service's Data Product Review Council Review Process		
Total: 1					
FNS: Food and Nutrition Service					
27801-0001-21	IE	08/18/2022	COVID-19—Oversight of the Emergency Food Assistance Program		
Total: 1					
FSIS: Food Safety and Inspection Service					
24801-0001-23	IE	07/26/2022	COVID-19—Food Safety and Inspection Service Pandemic Response at Establishments		
Total: 1					
Multi-Agency					
50801-0003-12	IE	08/18/2022	Secure Configuration of USDA's Virtualization Platforms		
Total: 1					
Grand Total: 4					

*Inspections and Evaluations (IE).

Appendix A.7: Management Decisions

In this reporting period, there were no instances where management decision was not made within the 6-month limit imposed by Congress.

Appendix A.8: Significantly Revised Management Decisions Made During the Reporting Period

There were no significantly revised management decisions for this reporting period.

Appendix A.9: Significant Management Decisions with Which the IG Is in Disagreement

There were no significant management decisions the IG is in disagreement with for this reporting period.

Appendix A.10: List of OIG Reports with Recommendations Pending Corrective Action for Period Ending September 30, 2022, by Agency

Grand Total	Total Number of Recommendations	Pending Collection (OCFO)	Pending Final Action (OCFO)	Pending Management Decision (OIG)
	221	28	179	14

Report Number	Report Title	Issue Date	Pending Recommendations	Pending Collection (OCFO)	Pending Final Action (OCFO)	Pending Management Decision (OIG)	Recommendation Details
AMS: Agricultural Marketing Service							
01801-0001-22 (1)	COVID-19—Farmers to Families Food Box Program Administration—Interim Report	06/24/2022	2		2		Pending Final Action: 1, 2
Total			2		2		
APHIS: Animal and Plant Health Inspection Service							
33601-0002-31	Animal Care Program Oversight of Dog Breeders	06/30/2021	3		3		Pending Final Action: 1, 2, 3
33601-0003-23	Followup to Animal and Plant Health Inspection Service's Controls Over Licensing of Animal Exhibitors	03/12/2021	1		1		Pending Final Action: 2

Report Number	Report Title	Issue Date	Pending Recommendations	Pending Collection (OCFO)	Pending Final Action (OCFO)	Pending Management Decision (OIG)	Recommendation Details
33601-0004-23	Follow-Up on Smuggling Interdiction and Trade Compliance Program	09/29/2021	10		10		Pending Final Action: 2, 3, 4, 5, 6, 8, 9, 11, 12, 13
33701-0001-21	National Veterinary Stockpile Oversight	09/23/2020	1		1		Pending Final Action: 7
33701-0002-21	Controls Over Select Agents	07/27/2021	8		8		Pending Final Action: 1, 3, 4, 6, 7, 8, 9, 10
50601-0001-32	Controls Over APHIS' Introduction of Genetically Engineered Organisms	09/22/2015	1		1		Pending Final Action: 8
50701-0001-21	USDA Agency Activities for Agroterrorism Prevention, Detection, and Response	09/12/2018	2		2		Pending Final Action: 4, 5
Total			26		26		
CCC: Commodity Credit Corporation							
06403-0004-11	Commodity Credit Corporation's Financial Statements for Fiscal Years 2021 and 2020	11/15/2021	1		1		Pending Final Action: 7
Total			1		1		

Report Number	Report Title	Issue Date	Pending Recommendations	Pending Collection (OCFO)	Pending Final Action (OCFO)	Pending Management Decision (OIG)	Recommendation Details
ERS: Economic Research Service							
14801-0001-24	Economic Research Service's Data Product Review Council Review Process	09/28/2022	3		3		Pending Final Action: 1, 2, 3
Total			3		3		
FAS: Foreign Agricultural Service							
07601-0001-24	Oversight of the Agricultural Trade Promotion Program	08/29/2022	3		3		Pending Final Action: 1, 2, 3
Total			3		3		
FNS: Food and Nutrition Service							
27004-0003-21	Summer Food Service Program in Texas—Sponsor Costs	03/14/2019	2		2		Pending Final Action: 18, 19
27004-0004-21	Texas' Controls Over Summer Food Service Program	03/14/2019	2	1	1		Pending Collection: 17 Pending Final Action: 5

Report Number	Report Title	Issue Date	Pending Recommendations	Pending Collection (OCFO)	Pending Final Action (OCFO)	Pending Management Decision (OIG)	Recommendation Details
27601-0001-31	FNS: Controls for Authorizing Supplemental Nutrition Assistance Program Retailers	07/31/2013	3		3		Pending Final Action: 9, 10, 11
27601-0002-41	FNS Quality Control Process for SNAP Error Rate	09/23/2015	1		1		Pending Final Action: 11
27601-0003-10	New Mexico's Compliance with SNAP Certification of Eligible Households Requirements	09/27/2016	7	3	4		Pending Collection: 2, 11, 16 Pending Final Action: 5, 9, 14, 18
27601-0005-41	Consolidated Report of FNS and Selected State Agencies' Controls Over SFSP	09/18/2020	10		10		Pending Final Action: 3, 4, 5, 6, 7, 9, 10, 11, 13, 15
27601-0010-10	Pennsylvania's Compliance with SNAP Requirements for Participating State Agencies (7 CFR, Part 272)	08/09/2017	1		1		Pending Final Action: 1
27601-0011-10	South Carolina's Compliance with SNAP Requirements for Participating State Agencies (7 CFR, Part 272)	09/14/2017	1		1		Pending Final Action: 1

Report Number	Report Title	Issue Date	Pending Recommendations	Pending Collection (OCFO)	Pending Final Action (OCFO)	Pending Management Decision (OIG)	Recommendation Details
27601-0013-10	Compilation Report of States' Compliance with SNAP Requirements for Participating State Agencies (7 CFR, Part 272)	12/19/2017	1		1		Pending Final Action: 1
27601-0019-10	Compilation Report of States' Compliance with Requirements for the Issuance and Use of Supplemental Nutrition Assistance Program Benefits (7 CFR, Part 274)	09/28/2018	1		1		Pending Final Action: 3
27702-0001-22	Review of FNS' Nutrition Assistance Program Disaster Funding to Puerto Rico as a Result of Hurricanes Irma and Maria	10/18/2019	1	1			Pending Collection: 8
27801-0001-21	COVID-19—Oversight of the Emergency Food Assistance Program	08/18/2022	4		4		Pending Final Action: 1, 2, 3, 4
27801-0001-21 (1)	COVID-19—Oversight of the Emergency Food Assistance Program—Interim Report	08/24/2021	1		1		Pending Final Action: 2
27801-0003-22	COVID-19—Supplemental Nutrition Assistance Program Online Purchasing in Response to Coronavirus Disease 2019	08/25/2021	2		2		Pending Final Action: 1, 2
Total			37	5	32		

Report Number	Report Title	Issue Date	Pending Recommendations	Pending Collection (OCFO)	Pending Final Action (OCFO)	Pending Management Decision (OIG)	Recommendation Details
FPAC: Farm Production and Conservation Business Center							
10801-0001-12	Review of an NRCS IT-Related Contract	03/30/2020	1		1		Pending Final Action: 1
Total			1		1		
FSA: Farm Service Agency							
03006-0001-TE	1993 Crop Disaster Payments—Brooks/Jim Hogg Cos., TX	01/02/1996	1	1			Pending Collection: 1A
03099-0181-TE	Farm Service Agency Payment Limitation Review in Louisiana	05/09/2008	1	1			Pending Collection: 2
03601-0001-22	Farm Service Agency Compliance Activities	07/31/2014	2		2		Pending Final Action: 3, 5
03601-0003-31	Market Facilitation Program	03/09/2022	4	1	3		Pending Collection: 3 Pending Final Action: 1, 2, 4
03601-0003-31(1)	Market Facilitation Program—Interim Report	09/30/2020	1		1		Pending Final Action: 2

Report Number	Report Title	Issue Date	Pending Recommendations	Pending Collection (OCFO)	Pending Final Action (OCFO)	Pending Management Decision (OIG)	Recommendation Details
03601-0007-TE	Emergency Feed Program in Texas	09/18/1996	2	2			Pending Collection: 4A, 5B
03601-0012-AT	Tobacco Transition Payment Program—Quota Holder Payments and Flue-Cured Tobacco Quotas	09/26/2007	1	1			Pending Collection: 2
03601-0023-KC	Hurricane Relief Initiative: Livestock Indemnity and Feed Indemnity Programs	02/02/2009	1	1			Pending Collection: 4
03702-0001-23	2017 Emergency Assistance for Honeybee Claims	09/28/2020	10	6	4		Pending Collection: 1, 2, 3, 6, 9, 11 Pending Final Action: 7, 8, 12, 13
03702-0001-32	FSA Livestock Forage Program	12/10/2014	1		1		Pending Final Action: 10

Report Number	Report Title	Issue Date	Pending Recommendations	Pending Collection (OCFO)	Pending Final Action (OCFO)	Pending Management Decision (OIG)	Recommendation Details
03702-0002-23	2017 Hurricane Relief Emergency Conservation Program	06/09/2021	8	1	7		Pending Collection: 9 Pending Final Action: 1, 3, 4, 5, 6, 8, 10
03702-0002-31	Wildfires and Hurricanes Indemnity Program	09/28/2020	2	1	1		Pending Collection: 2 Pending Final Action: 3
50099-0011-SF	Natural Resources Conservation Service and Farm Service Agency: Crop Bases on Lands with Conservation Easement—State of California	08/27/2007	1	1			Pending Collection: 2
50601-0003-22	Coordination of USDA Farm Program Compliance—FSA, RMA, and NRCS	01/27/2017	1		1		Pending Final Action: 2
50601-0010-31	Beginning Farmers	09/26/2022	1		1		Pending Final Action: 1
50601-0015-AT	Hurricane Indemnity Program—Integrity of Data Provided by RMA	03/31/2010	1	1			Pending Collection: 5

Report Number	Report Title	Issue Date	Pending Recommendations	Pending Collection (OCFO)	Pending Final Action (OCFO)	Pending Management Decision (OIG)	Recommendation Details
50703-0001-23	American Recovery and Reinvestment Act, Trade Adjustment Assistance for Farmers Program	10/18/2013	1	1			Pending Collection: 9
Total			39	18	21		
FSIS: Food Safety and Inspection Service							
24016-0001-23	Food Safety and Inspection Service Followup on the 2007 and 2008 Audit Initiatives	06/07/2017	2		2		Pending Final Action: 3, 12
24801-0001-23	COVID-19—Food Safety and Inspection Service Pandemic Response at Establishments	07/26/2022	1		1		Pending Final Action: 1
Total			3		3		
Multi-Agency							
11601-0002-12	USDA's Digital Accountability and Transparency Act Compliance Efforts for Fiscal Years 2020 and 2021	11/03/2021	6		6		Pending Final Action: OCP: 2 OCFO: 3, 6, 7, 8, 9

Report Number	Report Title	Issue Date	Pending Recommendations	Pending Collection (OCFO)	Pending Final Action (OCFO)	Pending Management Decision (OIG)	Recommendation Details
50024-0002-24	USDA's Compliance with Improper Payment Requirements for Fiscal Year 2021	06/28/2022	2		1	1	Pending Final Action: FSA: 1 Pending Management Decision: OCFO: 2
Total			8		7	1	
NIFA: National Institute of Food and Agriculture							
13601-0001-22	NIFA Formula Grant Programs' Controls Over Fund Allocations to States	08/07/2019	3		3		Pending Final Action: 8, 10, 11
Total			3		3		
NRCS: Natural Resources Conservation Service							
10099-0001-23	Controls Over the Conservation Innovation Grants Program	09/11/2018	1	1			Pending Collection: 6

Report Number	Report Title	Issue Date	Pending Recommendations	Pending Collection (OCFO)	Pending Final Action (OCFO)	Pending Management Decision (OIG)	Recommendation Details
10403-0003-11	Natural Resources Conservation Service's Financial Statements for Fiscal Years 2020 and 2019	11/19/2020	1		1		Pending Final Action: 9
10403-0004-11	Natural Resources Conservation Service's Financial Statements for Fiscal Years 2021 and 2020	11/15/2021	8		8		Pending Final Action: 1, 3, 4, 5, 6, 7, 9, 13
10601-0004-31	NRCS Regional Conservation Partnership Program Controls	06/28/2018	2	2			Pending Collection: 3, 4
10601-0004-31(2)	NRCS Regional Conservation Partnership Program Controls—Interim Report	11/13/2017	1	1			Pending Collection: 2
10702-0001-23	Hurricane Disaster Assistance—Emergency Watershed Protection Program	06/25/2021	8	1	7		Pending Collection: 3 Pending Final Action: 1, 2, 4, 6, 7, 8, 9
11601-0001-12	USDA's Fiscal Year 2019, First Quarter [Digital Accountability and Transparency Act] DATA Act Submission	11/08/2019	1		1		Pending Final Action: 3
Total			22	5	17		

Report Number	Report Title	Issue Date	Pending Recommendations	Pending Collection (OCFO)	Pending Final Action (OCFO)	Pending Management Decision (OIG)	Recommendation Details
OASCR: Office of the Assistant Secretary for Civil Rights							
60601-0001-21	USDA Oversight of Civil Rights Complaints	09/22/2021	16		16		Pending Final Action: 1, 2, 3, 4, 6, 8, 9, 12, 13, 14, 15, 16, 17, 18, 20, 21
Total			16		16		
OCFO: Office of the Chief Financial Officer							
50401-0020-11	USDA's Consolidated Financial Statements for Fiscal Years 2021 and 2020	11/15/2021	1		1		Pending Final Action: 1
Total			1		1		
OCIO: Office of the Chief Information Officer							
50501-0017-12	Security Over Select USDA Agencies' Networks and Systems	09/28/2018	2		2		Pending Final Action: 1, 3
50501-0020-12(1)	Improper Usage of USDA's Information Technology Resources—Interim Report	06/27/2018	2		2		Pending Final Action: 2, 5

Report Number	Report Title	Issue Date	Pending Recommendations	Pending Collection (OCFO)	Pending Final Action (OCFO)	Pending Management Decision (OIG)	Recommendation Details
50501-0021-12	Data Encryption Controls Over Personally Identifiable Information on USDA Information Technology Systems	08/01/2019	2		2		Pending Final Action: 1, 2
50501-0022-12	Security Over Select USDA Agencies' Networks and Systems FY 2019	09/30/2020	5		5		Pending Final Action: 3, 4, 6, 7, 10
50501-0023-12	U.S. Department of Agriculture's 2020 Compliance with the Geospatial Data Act	09/29/2020	1		1		Pending Final Action: 1
50501-0026-12	USDA's Compliance with the Geospatial Data Act for Fiscal Year 2022	09/26/2022	6			6	Pending Management Decision: 1, 2, 3, 4, 5, 6
50503-0005-12	U.S. Department of Agriculture, Office of the Chief Information Officer, Fiscal Year 2021 Federal Information Security Modernization Act	10/29/2021	7		7		Pending Final Action: 3, 4, 6, 8, 10, 12, 13
50503-0009-12	U.S. Department of Agriculture, Office of the Chief Information Officer, Fiscal Year 2022 Federal Information Security Modernization Act	09/26/2022	7			7	Pending Management Decision: 1, 2, 3, 4, 5, 6, 7

Report Number	Report Title	Issue Date	Pending Recommendations	Pending Collection (OCFO)	Pending Final Action (OCFO)	Pending Management Decision (OIG)	Recommendation Details
50801-0002-12	Security Over USDA Web Applications	10/27/2021	3		3		Pending Final Action: 1, 2, 3
50801-0003-12	Secure Configuration of USDA's Virtualization Platforms	08/18/2022	2		2		Pending Final Action: 1, 2
Total			37		24	13	
OPPE: Office of Partnerships and Public Engagement							
91601-0001-21	Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers and Veteran Farmers and Ranchers Program (2501 Program) in Fiscal Years 2018 and 2019	11/10/2021	10		10		Pending Final Action: 3, 4, 5, 6, 7, 12, 13, 14, 15, 16
Total			10		10		
OSDBU: Office of Small and Disadvantaged Business Utilization							
50601-0003-23	Office of Small and Disadvantaged Business Utilization's Controls Over the Eligibility of Contract Recipients	09/28/2018	3		3		Pending Final Action: 1, 2, 3
Total			3		3		
RD: Rural Development							
85401-0012-11	Rural Development's Financial Statements for Fiscal Years 2021 and 2020	11/09/2021	2		2		Pending Final Action: 1, 2
Total			2		2		

Report Number	Report Title	Issue Date	Pending Recommendations	Pending Collection (OCFO)	Pending Final Action (OCFO)	Pending Management Decision (OIG)	Recommendation Details
REE: Research, Education, and Economics							
84801-0001-22	USDA Research Integrity and Capacity	12/08/2020	1		1		Pending Final Action: 1
Total			1		1		
RMA: Risk Management Agency							
05601-0006-31	Annual Forage Program and Followup on Pasture, Rangeland, and Forage Program Recommendations	07/26/2019	1		1		Pending Final Action: 2
05601-0007-31	Controls Over Crop Insurance Section 508(h) Products	06/30/2020	2		2		Pending Final Action: 1, 2
Total			3		3		

Appendix A.11: Information Described Under Section 804(b) of the Federal Financial Management Improvement Act of 1996

The Federal Financial Management Improvement Act (FFMIA) requires agencies to assess annually whether their financial systems comply substantially with: (1) Federal Financial Management System Requirements, (2) applicable Federal accounting standards, and (3) the Standard General Ledger at the transaction level. In addition, FISMA requires each agency to report significant information security deficiencies, relating to financial management systems, as a lack of substantial compliance with FFMIA. FFMIA also requires auditors to report in their annual Chief Financial Officer's Act financial statement audit reports whether financial management systems substantially comply with FFMIA's system requirements.

During the first half of FY 2022, we issued our annual financial statement reports for FY 2021 and

addressed USDA's compliance with FFMIA. The Department reported that it was not compliant with Federal Financial Management System Requirements, applicable accounting standards, U.S. Standard General Ledger at the transaction level, and FISMA requirements. As noted in its management's discussion and analysis in the Department's annual agency financial report, USDA continues its work to meet FFMIA and FISMA objectives. We concurred with the Department's assessment and discussed the compliance issues in our audit report on the Department's consolidated financial statements for FY 2021. The Department continues to move forward with remediation plans to achieve compliance for longstanding Departmentwide weaknesses related to applicable accounting standards, the U.S. Standard General Ledger, and FISMA.

Appendix A.12: Canceled Engagements

We have one canceled engagement for this reporting period.

Agency	Date Closed	Title of Report	Reason for Cancellation
AMS	09/14/2022	Agricultural Marketing Service Controls Over Pandemic Response and Safety Grant Program	To allow AMS to prioritize its time toward writing and awarding grants.

We will consider this area in future audit planning.

Appendix A.13: Reports Without Agency Comment or Unimplemented Recommendations and Potential Cost Savings—Funds to Be Put to Better Use and Questioned Costs

USDA agencies had 37 outstanding recommendations with a potential value of more than \$665.5 million. Monetary amounts listed represent questioned costs and funds that could be put to better use for those recommendations for which management decision has been reached, but remain unimplemented. With the exception of audits issued from 1992 to 1996, the cited reports can be viewed on OIG’s website: <https://usdaoig.oversight.gov/>.

Report #	Recommendation Cited	Management Decision Date	Released Amount
TOTAL			\$665,532,550
AMS: Agricultural Marketing Service			
0180-0001-22(1)	<i>COVID-19—Farmers to Families Food Box Program Administration—Interim Report</i>		
	AMS should upload all relevant Food Box Program supporting documentation for Round 1 in the agency’s system of record.	06/24/2022	\$5,928,922
FAS: Foreign Agricultural Service			
07601-0001-24	<i>Oversight of the Agricultural Trade Promotion Program</i>		
	Approve and implement a written policy that is designed to ensure FAS complies with Federal grant requirements, as well as published program regulations, when awarding grants. This policy should include, at a minimum, a merit reviewer conflict of interest policy and a policy to document decisions throughout the grant selection process, especially if deviations from the process occur. This policy should also include the assigned roles and responsibilities and the processes and procedures that FAS personnel will use to follow relevant grant and program regulations.	08/29/2022	\$300,000,000

Report #	Recommendation Cited	Management Decision Date	Released Amount
FNS: Food and Nutrition Service			
27004-0004-21	<i>Texas' Controls Over Summer Food Service Program</i> Direct the State agency to determine if the four identified sponsors received approximately \$201 in reimbursements for the 53 meals we identified as non[-]reimbursable during site observations. The State agency should recover any reimbursements paid to sponsors for those non[-]reimbursable meals identified by our review.	03/14/2019	\$201
27601-0002-41	<i>FNS Quality Control Process for SNAP Error Rate</i> Amend FNS QC [quality control] policies and procedures (including FNS Handbook 310) to require the error tolerance threshold not be applied when calculating the SNAP recipient's reportable error amount until all variances (including those permitted by SNAP policy) have been properly identified and accounted for during the QC process.	04/06/2016	\$5,568,534
27601-0003-10	<i>New Mexico's Compliance with SNAP Certification of Eligible Households Requirements</i> Require New Mexico HSD [Human Services Department] verify enrollment and/or exemption, as applicable, for the four student cases identified, and if it is determined the students were ineligible, require HSD to determine if payments were improper and warrant establishment of a claim.	09/27/2016	\$2,194
	Require New Mexico HSD review the two identified cases and verify income to determine if payments were improper and warrant establishment of a claim.	09/27/2016	\$6,721
	Require HSD review the two cases identified to determine if payments were improper and warrant establishment of a claim.	09/27/2016	\$2,900

Report #	Recommendation Cited	Management Decision Date	Released Amount
27601-0005-41	<p data-bbox="394 370 1486 402"><i>Consolidated Report of FNS and Selected State Agencies' Controls Over SFSP</i></p> <p data-bbox="394 418 1283 634">Revise guidance to provide instructions to State agencies on how to monitor and verify the sponsors' use of unused reimbursements, including directions for cross-program reviews and sufficient followup, and to define what constitutes an "excessive gap" for unused reimbursement corrective action requirements.</p>	09/18/2020	\$6,089,279
27702-0001-22	<p data-bbox="394 654 1808 719"><i>Review of FNS' Nutrition Assistance Program Providing Disaster Funding to Puerto Rico [As] a Result of Hurricanes Irma and Maria</i></p> <p data-bbox="394 735 1268 959">Require ADSEF [Administration for Socioeconomic Development of the Family] to regularly perform checks against SSA national death information to ensure deceased individuals are not receiving benefits. Review cases identified through the audit and establish claims for overpayments, as appropriate.</p>	10/18/2019	\$1,258,308
FSA: Farm Service Agency			
03006-0001-TE	<p data-bbox="394 1024 1184 1057"><i>1993 Crop Disaster Payments—Brooks/Jim Hogg Cos., TX</i></p> <p data-bbox="394 1073 1268 1252">Coordinate with OIG Investigations before taking administrative action regarding the cited 27 producers whose eligibility was questioned. Take administrative action to recover payments on cases that are not handled through the legal system.</p>	07/01/2002	\$2,203,261
03099-0181-TE	<p data-bbox="394 1268 1003 1300"><i>FSA Payment Limitation Review in Louisiana</i></p> <p data-bbox="394 1317 1255 1528">If an adverse determination is made for Recommendation 1, collect program payments subject to limitation for each year for which a scheme or device was adopted and for the subsequent year. (The producers' payments subject to limitation totaled over \$1.4 million for the 2000 through 2002 crop years. See Exhibit E.)</p>	01/30/2009	\$1,432,622

Report #	Recommendation Cited	Management Decision Date	Released Amount
03601-0003-31	<i>Market Facilitation Program</i>		
	Conduct a review of [Market Facilitation Program] MFP policies and guidance to identify controls over producer self-certifications that could be strengthened and used in future programs to improve payment accuracy.	03/09/2022	\$57,199,419
	Review the 21 producers with overpayments OIG identified as totaling \$7,992, and establish bills for collection or other corrective actions, as appropriate.	03/09/2022	\$7,992
03601-0007-TE	<i>Emergency Feed Program in Texas</i>		
	Instruct the Reeves County [Executive Director] CED to recover the cited ineligible benefits from Producer A (\$30,773) and Producer B (\$21,620).	01/12/2001	\$52,393
	If the COC [County Committee] determines a scheme or device was used to defeat the purpose of the EFP [Emergency Feed Program], instruct the Reeves County [Executive Director] CED to recover the \$70,529 in benefits paid this producer for crop years 1994 and 1995 and cancel the \$12,350 in benefits which otherwise are available for the 1995 crop year. (NOTE: \$30,773 of this amount is also included in Recommendation No. 4.)	01/12/2001	\$52,106
03601-0012-AT	<i>Tobacco Transition Payment Program—Quota Holder Payments and Flue-Cured Tobacco Quotas</i>		
	Instruct Kentucky, North Carolina, South Carolina, and Virginia to require the 5 [county offices] COs to review the 14 contracts where applicants did not meet FSA's eligibility requirements and take appropriate recovery actions to collect \$119,568 of improper payments made in FYs 2005, 2006, and 2007.	02/26/2008	\$119,568

Report #	Recommendation Cited	Management Decision Date	Released Amount
03601-0023-KC	<i>Hurricane Relief Initiatives: Livestock and Feed Indemnity Programs</i>		
	For each application for which it is determined (under Recommendation 3) that the third-party statements and/or beginning inventory documentation omitted from the application did not meet program requirements, recover resultant overpayments.	03/16/2011	\$860,971
03702-0001-23	<i>2017 Emergency Assistance for Honeybee Claims</i>		
	Require both State offices to review the \$293,801 of miscalculated honeybee payments and take appropriate corrective actions, per FSA instructions.	09/28/2020	\$293,801
	Ensure the State office completes its review of the remaining \$2.37 million in honeybee payments in [program year] PY 2017 and takes appropriate corrective actions, per FSA instructions.	09/28/2020	\$2,375,851
	Ensure the State office completes its review of the \$3.3 million payments in [program year] PY 2018 and takes appropriate corrective actions, per FSA instructions.	09/28/2020	\$3,303,414
	Review the two ineligible producers' honeybee applications totaling over \$88,000 in gross payments, and take appropriate corrective actions.	09/28/2020	\$88,932
	Require the State office to review the honeybee producer-reported inventories of the 18 honeybee producers with late-filed colony reports, and take appropriate corrective action on questioned costs totaling \$1,102,008.	09/28/2020	\$1,102,008
	Require the State office to review applications and payments in the identified district, and take appropriate corrective action on questioned costs totaling \$3,028,335.	09/28/2020	\$3,028,335

Report #	Recommendation Cited	Management Decision Date	Released Amount
03702-0002-23	<i>2017 Hurricane Relief Emergency Conservation Program</i>		
	Develop and implement a standardized monitoring process to document district director concurrence when FSA grants relief to producers who started their practice before submitting an [Emergency Conservation Program] ECP application. The process should also include reporting to State officials.	06/09/2021	\$661,078
	Establish and implement monitoring procedures in guidance requiring State officials to ensure district directors complete reviews and evaluate the results of the reviews to ensure ECP policies are being followed.	06/09/2021	\$718,755
	Require the State office to review the questionable applications totaling \$556,678, and take appropriate action on any payments that are determined to be improper.	06/09/2021	\$556,678
03702-0002-31	<i>Wildfires and Hurricanes Indemnity Program</i>		
	Assess, confirm, and recover the previously issued improper [Wildfires and Hurricanes Indemnity Program] WHIP payments of \$4,268,395 to program participants.	03/31/2021	\$4,268,395
50099-0011-SF	<i>Crop Bases on Lands with Conservation Easements</i>		
	Direct FSA's California State office to remove crop bases from the 33 easement-encumbered lands and recover \$1,290,147 in improper payments.	01/15/2009	\$1,290,147
50601-0015-AT	<i>Hurricane Indemnity Program—Integrity of Data Provided by RMA</i>		
	FSA should recover the \$815,612 in [Hurricane Indemnity Program] HIP overpayments that have been identified, and recover any other overpayments resulting from RMA's review of the AIP's [approved insurance provider] changes to cause of loss and date of damage.	09/30/2010	\$1,061,958 ³

³ Recommendation 6 in the report was coded to be included in this Recommendation 5 monetary amount. Recommendation 6 reads: RMA should determine whether the 18 policies that OIG identified with unsupported changes and that resulted in \$246,346 in HIP payments need to be corrected. Direct the approved insurance providers to reverse the changes, and provide FSA a list of these corrections.

Report #	Recommendation Cited	Management Decision Date	Released Amount
50703-0001-23	<i>American Recovery and Reinvestment Act Trade Adjustment Assistance for Farmers Program</i> Collect Trade Adjustment Assistance for Farmers Program payments, totaling \$84,000, from those producers whose self-certification was not supported by their records submitted to OIG.	09/10/2014	\$84,000
NRCS: Natural Resources Conservation Service			
10099-0001-23	<i>Controls Over Conservation Innovation Grants</i> Ensure the identified \$1,271,659 of insufficiently supported matching funds is verified and reconciled. NRCS should take appropriate action where applicable.	09/11/2018	\$1,271,659
10601-0004-31	<i>NRCS Regional Conservation Partnership Program Controls</i> Obtain and review additional supporting documentation for the questioned \$632,687 in [Regional Conservation Partnership Program] RCPP payments made without adequate documentation and recover any payments that are determined to be ineligible for technical assistance expenses.	09/10/2019	\$632,687
	Request the return of previously issued RCPP technical assistance payments of \$60,357 to partners for ineligible expenses.	11/14/2019	\$36,047
10601-0004-31(2)	<i>NRCS Regional Conservation Partnership Program Controls—Interim Report</i> NRCS should request the RCPP partner to provide supporting documentation that includes the land and producer information for all previously made payments. NRCS should review any additional documentation provided and, if the partner does not provide the unredacted documentation, then NRCS should request a return of the previous payments.	05/02/2018	\$267,410

Report #	Recommendation Cited	Management Decision Date	Released Amount
10702-0001-23	<i>Hurricane Disaster Assistance—Emergency Watershed Protection Program</i>		
	Review the 15 sampled [Damage Survey Reports] DSRs that were approved for more than \$41.2 million and their subsequent cooperative agreements to confirm eligibility. Collect funds from applicants that are found to be ineligible.	06/25/2021	\$41,245,287
	Develop and implement controls to ensure States timely and accurately submit 60-day and final reports.	06/25/2021	\$198,502,181
OPPE: Office of Partnerships and Public Engagement			
91601-0001-21	<i>Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers and Veteran Farmers</i>		
	Develop and implement oversight controls, such as supervisory reviews of score sheets, to evaluate the performance of the independent review panel to ensure guidance OPPE established to score and rank applications is followed.	11/10/2021	\$23,958,536

Appendix A.14: Reports That Were Not Publicly Released (as of September 30, 2022)*

OIG published summary information for all of its reports from April 1, 2022, through September 30, 2022; however, six reports contained sensitive content that were not publicly released.

*This appendix is also intended to report any inspections or evaluations that were not publicly released. We have no instances of an inspection or evaluation that was closed and not disclosed to the public during this reporting period.

Appendix A.15: Summary of Reports for Which the Department Has Not Returned Comment Within 60 Days of Receipt of the Report

In this reporting period, there were no instances where the Department did not return comment within 60 days of receipt of a report.

Appendix B: Investigations Tables

Appendix B.1: Summary of Investigative Activities, April 1, 2022–September 30, 2022*

Reports Issued: 71	Cases Opened	87
	Cases Referred for Prosecution	54
Impact of Investigations	Indictments	158
	Convictions ^a	129
	Searches	249
	Arrests	275
Total Dollar Impact: \$67,651,675	Recoveries/Collections ^b	\$863,790
	Restitutions ^c	\$38,229,541
	Fines ^d	\$332,538
	Asset Forfeitures ^e	\$14,445,077
	Claims Established ^f	\$1,951,367
	Cost Avoidance ^g	\$589,634
	Administrative Penalties ^h	\$11,239,728
Administrative Sanctions: 64	Employees	6
	Businesses/Persons	58

^a Includes convictions and pretrial diversions. The period of time to obtain court action on an indictment varies widely; therefore, the 129 convictions do not necessarily relate to the 275 arrests or the 158 indictments.

^b Includes money received by USDA or other Government agencies as a result of OIG investigations.

^c Restitutions are court-ordered repayments of money lost through a crime or program abuse.

^d Fines are court-ordered penalties and special assessments.

^e Asset forfeitures are judicial or administrative results.

^f Claims established are agency demands for repayment of USDA benefits.

^g Consists of loans or benefits not granted as the result of an OIG investigation.

^h Includes monetary fines, remedies, or Program Fraud Civil Remedies Act penalties authorized by law and imposed through an administrative process as a result of OIG findings.

*This table includes Office of Compliance and Integrity results.

Appendix B.2: Indictments and Convictions

Indictments and Convictions—April 1, 2022–September 30, 2022

Agency	Indictments	Convictions*
AMS	19	1
APHIS	68	45
ARS	0	3
FNS	52	54
FS	3	3
FSA	2	7
FSIS	1	7
Multi-Agency	8	3
Rural Business-Cooperative Service	0	3
Rural Housing Service	3	1
RMA	2	2
Totals	158	129

* This category includes pretrial diversions.

Appendix B.3: OIG Hotline

Number of Complaints Processed

Type	Number
Employee Misconduct	573
Participant Fraud	4,236
Waste/Mismanagement	430
Health/Safety Problem	227
Opinion/Information	1,225
Bribery	4
Reprisal	0
Total Number of Complaints Processed	6,695

Disposition of Complaints

Method of Disposition	Number
Referred to OIG Audit or Investigations for Review	285
Referred to Other Law Enforcement Agencies	0
Referred to USDA Agencies for Response	2,448
Referred to FNS for Tracking	3,496
Filed Without Referral—Insufficient Information	233
Referred to State Agencies	233
Total Number of Complaints Referred or Filed	6,695

Appendix B.4: Additional Investigations Information

In fulfillment of the Inspector General Empowerment Act’s reporting requirements, the following table shows the number of investigative reports OIG has issued in this reporting period, the number of persons OIG referred to DOJ for criminal prosecution, the number of persons OIG referred to State/local authorities for criminal prosecution, the number of indictments/criminal informations that resulted from OIG referrals, and a description of the metrics used for developing the data for this statistical table.

	Description of Data	Number	Explanation	Source of Data
1	Number of reports issued	71		Number obtained from ARGOS database is routinely reported.
2	Number of people referred to DOJ criminal	253	Number of people referred for criminal prosecution Federally in FY 2022 second half.	Created a report from the database to show cases referred for prosecution during the second half of FY 2022. Queried each case in the database to determine how many individuals were referred for prosecution and to whom they were referred.
2a	Number of people referred to DOJ civil	10	Six of the above 253 people were referred to DOJ criminal and civil, while an additional 3 people were referred to DOJ civil only and 1 person was referred to DOJ civil and State/local authorities in FY 2022 second half.	Same as Number 2 above.

	Description of Data	Number	Explanation	Source of Data
3	Number of people referred to State/local authorities	71	71 people were referred to only State/local authorities in FY 2022 second half.	Created a report from the database to show cases referred for prosecution during the second half of FY 2022. Queried each case in the database to determine how many individuals were referred for prosecution and to whom they were referred.
3a	Number of people referred to DOJ and State/local authorities	3	This number 3 is comprised of 2 of the 253 people in block 2 and 1 of the 10 people in block 2a. These 3 people were referred to both Federal and State/local entities.	Same as Numbers 2 and 3 above.
4	Indictments from prior referrals	82	Indictments include other charging mechanisms.	Created a report from the database to show cases that had indictments and/or other charging mechanisms claimed during FY 2022 second half, regardless of when they were referred.
5	Convictions from prior referrals	118	Convictions include pre-trial diversions.	Created a report from the database to show cases that had convictions and/or pre-trial diversions claimed during FY 2022 second half, regardless of when they were referred.

Appendix B.5: OIG Investigations Involving a Senior Government Employee Where Allegations of Misconduct Were Substantiated

Allegations of Possible Insider Threat Activity

OIG initiated an investigation into an APHIS senior Government employee regarding allegations of possible insider threat activity, including inappropriate relationships with foreign nationals, violating IT security, failing to report personal and official foreign travel, and accepting a gift from a foreign official. OIG's investigation confirmed that the APHIS official maintained unreported relationships with foreign nationals; removed a U.S. Government computer from a U.S. Embassy in violation of USDA and Department of State policy and allowed a foreign national employee to do the same; did not report personal and official travel; and accepted a gift from a foreign official without properly reporting acceptance of that gift. On March 3, 2022, OIG referred

the allegations of misconduct to DOJ. On March 17, 2022, DOJ declined to prosecute this matter. On March 29, 2022, OIG referred the findings to APHIS for review and appropriate action. APHIS reported the senior Government employee's security clearance was suspended, and this investigation was closed on September 29, 2022.

Appendix B.6: Instances of Whistleblower Retaliation

We have no instances to report.

Appendix B.7: Attempts by Department to Interfere with OIG Independence Including Budget Constraints and Incidents Where the Department Restricted or Significantly Delayed Access to Information

We have no instances to report.

Appendix B.8: Instances of an Investigation of a Senior Government Employee That was Closed and Not Disclosed to the Public

We have no instances to report.

Appendix C: Office of Analytics and Innovation Tables

Appendix C.1: Surveys and Reports Issued

USDA Farmers to Families Food Box Program (Analytics and Innovation Report 22-001-01)

Acronyms and Abbreviations

AMS.....	Agricultural Marketing Service	DOJ.....	U.S. Department of Justice	FFMIA	Federal Financial Management Improvement Act
APHIS.....	Animal and Plant Health Inspection Service	DOL.....	U.S. Department of Labor	FISMA	Federal Information Security Modernization Act
ARS.....	Agricultural Research Service	DPRC.....	Data Product Review Council	FMIA.....	Federal Meat Inspection Act
ATP	Agricultural Trade Promotion Program	EBT	electronic benefits transfer	FMS.....	Financial Management Services
AUP	agreed-upon procedure	ECP.....	Emergency Conservation Program	FNS	Food and Nutrition Service
AWA.....	Animal Welfare Act	EGMO	Enterprise Geospatial Management Office	FS.....	Forest Service
CACFP	Child and Adult Care Food Program	ERA.....	Eligible Recipient Agencies	FSA	Farm Service Agency
CARES	Coronavirus Aid, Relief, and Economic Security	ERS	Economic Research Service	FSIS	Food Safety and Inspection Service
CBP	U.S. Customs and Border Protection	FA	financial audit	FY.....	fiscal year
CCC.....	Commodity Credit Corporation	FAR.....	Federal Acquisition Regulation	GDA	Geospatial Data Act
CIGIE.....	Council of the Inspectors General on Integrity and Efficiency	FAS	Foreign Agricultural Service	GSA.....	General Services Administration
COVID-19	coronavirus disease 2019	FAV.....	Final Action Verification	HHS.....	U.S. Department of Health and Human Services
DHS.....	U.S. Department of Homeland Security	FBI.....	Federal Bureau of Investigation	HIP	Hurricane Indemnity Program
DOD	U.S. Department of Defense	FCIC	Federal Crop Insurance Corporation	HSD.....	Human Services Department
				HSI	Homeland Security Investigations

HUD	U.S. Department of Housing and Urban Development	OMB	Office of Management and Budget	SFSP	Summer Food Service Program
IE	inspection and evaluation	OPM	Office of Personnel Management	SNAP	Supplemental Nutrition Assistance Program
IG	Inspector General	OPPE	Office of Partnerships and Public Engagement	SSA	Social Security Administration
IJA	Infrastructure Investment and Jobs Act	P-EBT	Pandemic Electronic Benefits Transfer	TEFAP	The Emergency Food Assistance Program
IT	information technology	PA	performance audit	Treasury	U.S. Department of the Treasury
LEI	Law Enforcement and Investigations	PIIA	Payment Integrity and Information Act of 2019	USDA	U.S. Department of Agriculture
ME	management evaluation	PPE	personal protective equipment	USDA-Foods	Federally purchased commodities
MFP	Market Facilitation Program	QC	quality control	VA	U.S. Department of Veterans Affairs
NFC	National Finance Center	RBEG	Rural Business Enterprise Grant	WIC	Special Supplemental Nutrition Program for Women, Infants, and Children
NIFA	National Institute of Food and Agriculture	RCPP	Regional Conservation Partnership Program		
NIST	National Institute of Standards and Technology	RD	Rural Development		
NRCS	Natural Resources Conservation Service	RHS	Rural Housing Service		
OCFO	Office of the Chief Financial Officer	RMA	Risk Management Agency		
OCIO	Office of the Chief Information Officer	RUS	Rural Utilities Service		
OCP	Office of Contracting and Procurement	SARC	Semiannual Report to Congress		
OIG	Office of Inspector General	SBA	U.S. Small Business Administration		
		SDVOSB	Service-Disabled Veteran-Owned Small Business		

Management Challenges

What are Management Challenges?

Management challenges are agency programs or management functions with greater vulnerability to fraud, waste, abuse, and mismanagement, where a failure to perform well could seriously affect the ability of an agency or the Federal Government to achieve its mission or goals, according to the Government Performance and Results Modernization Act of 2010.

In our FY 2021 USDA Management Challenges report, we consolidated and reduced the previous seven major challenge areas to four: Program Oversight and Accountability; Safety and Security; Program Performance, Results, and Outreach; and Financial Management. These challenges have continued into our FY 2022 Management Challenges report. We also highlight what OIG considers “key challenge indicators” within the four areas as a means to assist USDA to focus its attention to address the challenges.

2022 Challenge Areas and Indicators

Program Oversight and Accountability

Key Challenge Indicator: Program Process Improvements for Enhanced Integrity

Related material can be found on pages 9–12, 25–26

Key Challenge Indicator:
Accurate Improper Payment Reporting

Safety and Security

Key Challenge Indicator:
Compliance with Information Technology Laws and Regulations

Related material can be found on page 2

Key Challenge Indicator:
Improved Processes Related to Food Safety

Program Performance, Results, and Outreach

Key Challenge Indicator:
Program Performance Monitoring

Related material can be found on pages 9–10, 26

Key Challenge Indicator:
Data Quality and Integrity to Measure Performance and Impact

Financial Management

Key Challenge Indicator:
Internal Controls and Compliance with Federal Laws and
Regulations

Related material can be found on page 26

A rural landscape at sunset. In the foreground, a person wearing a blue shirt and a hat stands in a field of harvested crops. To the left, there are several large, cylindrical metal silos. The background shows a line of trees under a bright, low sun that creates a warm, golden glow across the sky and the field.

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