



U.S. Department of Agriculture  
Office of Inspector General



# SEMIANNUAL REPORT TO CONGRESS

First Half

October 1, 2024–March 31, 2025

**Fiscal Year 2025  
Number 93  
April 2025**







# SEMIANNUAL REPORT TO CONGRESS

## OCTOBER 1, 2024–MARCH 31, 2025

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Produce at an urban market.  
USDA photo by Lance Cheung. It does not depict any particular audit, inspection, or investigation summarized or listed in this report.



# Message from the Acting Inspector General

I am pleased to present the U.S. Department of Agriculture's (USDA) Office of Inspector General (OIG) *Semiannual Report to Congress* (SARC) for the first half of fiscal year (FY) 2025. This report summarizes OIG's activities from October 1, 2024, through March 31, 2025, as required by the [Inspector General Act of 1978](#), as amended.

Our mission—to prevent and detect fraud, waste, and abuse and promote economy, efficiency, and integrity in USDA programs and operations—stands at the forefront of our oversight efforts. Per our most recent [Strategic Plan](#), issued in 2024, our focus areas include safety and security, integrity of benefits, and the efficient delivery of USDA programs and operations. We also provide critical oversight of multiple USDA programs and operations that receive supplemental funding.<sup>1</sup>

This reporting period, OIG's work resulted in a total dollar impact of more than \$380.6 million, culminating in cost savings and recoveries of more than \$6 for every dollar invested. We issued audits, inspections, and other reviews that identified \$233.9 million in questioned costs and made 69 recommendations to improve programs and operations. We processed 5,255 complaints through the OIG Hotline, and our investigative work resulted in 166 arrests, 114 indictments, 83 convictions, and a monetary impact of more than \$146 million. In addition, our Office of Analytics and Innovation (OAI) issued 3 public data-related products and provided analytics support to 56 audits, inspections, and investigations.

We are proud to have received the Alexander Hamilton Award this period, the Council of the Inspectors General on Integrity and Efficiency's (CIGIE) highest honor, for uncovering and stopping a more than \$11.5 million fraud scheme. Our investigative efforts led to seven defendants' sentences of 136 months in prison and paying restitution of over \$9 million, collectively.

The following examples highlight the independent, impactful oversight work OIG accomplished in the first half of FY 2025.

## Safety and Security

Our work in this area focuses on issues such as the safety of the food supply, animal welfare, and information technology (IT) security and management. This reporting period, OIG identified several key findings and issued multiple recommendations related to USDA security. In our evaluation of an Agricultural Research Service (ARS) facility's physical condition and security, we recommended six corrective actions and reached management decision on all of them. We also performed an inspection of multiple USDA agencies assessing the security posture of USDA's Industrial Control Systems to determine whether proper controls were implemented to minimize the risk of compromise. We made seven recommendations to multiple agencies and reached management decision on all of them.

OIG also investigates allegations of [Animal Welfare Act](#) (AWA) violations. In one case, a corporation that previously operated a Virginia dog-breeding facility was sentenced to 5 years of probation and more than \$35 million in payments and fines for violations of AWA and the Clean Water Act, including the largest fine in AWA history. Prior to sentencing, more than 4,000 beagles were rescued from the facility. OIG and the Environmental Protection Agency's (EPA) Criminal Investigation Division jointly investigated the case.

## Integrity of Benefits

Our work in this focus area helps 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.

<sup>1</sup> Supplemental funding USDA received from the [Infrastructure Investment and Jobs Act](#) (IIJA); the [Inflation Reduction Act of 2022](#) (IRA); the laws related to pandemic response, including the [Families First Coronavirus Response Act](#), the [Coronavirus Aid, Relief, and Economic Security Act](#), the [Coronavirus Response and Relief Supplemental Appropriations Act, 2021](#); the [American Rescue Plan Act of 2021](#); and the [American Relief Act of 2025](#).



## SEMIANNUAL REPORT TO CONGRESS OCTOBER 1, 2024–MARCH 31, 2025

Some of the programs are among the largest in the Federal Government and support nutrition, farm production, and rural development. In one Supplemental Nutrition Assistance Program (SNAP) fraud case, a Pennsylvania woman was sentenced to 18 months in prison and was ordered to pay more than \$1.8 million in restitution. The woman used the grocery store she owned to redeem SNAP benefits, even though she knew the store had not been approved to participate in SNAP as a merchant. She further abused the program by trading benefits for cash in her store. This was a joint investigation with the Federal Bureau of Investigation (FBI) and Homeland Security Investigations (HSI).

In another case, a Mississippi man was sentenced to 10 years in prison and ordered to pay more than \$69 million in restitution for committing fraud in connection with the operation of a grain elevator in the Mississippi Delta. His prison sentence was to be followed by 5 years of supervised release. This was a joint investigation with the FBI, Mississippi Attorney General's Office, and Internal Revenue Service, Criminal Investigations (IRS-CI).

### Efficient Delivery of USDA Programs, Operations, and Initiatives

Our work focuses on areas such as financial management and accountability, property management, employee integrity, and the Government Performance and Results Act. OIG audited USDA's consolidated financial statements for FYs 2024 and 2023. The Department received a qualified opinion on its consolidated financial statements due to the possible effect of the USDA's FY 2023 change in the obligation recognition point for the SNAP. Our consideration of USDA's internal control over financial reporting identified two material weaknesses and one significant deficiency. We also identified multiple instances of noncompliance with laws and regulations.<sup>2</sup> We made one recommendation and reached management decision.

### Oversight of USDA Activities Associated with Supplemental Funding

Our work in this focus area provides critical oversight of various USDA programs and operations that received

<sup>2</sup> Regulations include the [Federal Financial Management Improvement Act of 1996](#), the [Antideficiency Act](#), and the [Payment Integrity Information Act of 2019](#).

supplemental funding from Congress. During this reporting period, we continued to provide oversight of the \$5.5 billion that the Forest Service (FS) received from IJIA to fund projects and programs. A pair of audits on FS's implementation of the IJIA Legacy Road and Trail Remediation Program (LRT) resulted in five recommendations for improvement and more than \$19.4 million in questioned costs. We found that one region did not adequately support LRT project scoring and eligibility. We found that another region did not support project eligibility and selection decisions and approved and allocated LRT funding to ineligible tasks within approved projects. We reached management decision on all five recommendations.

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 and operations. We would like to thank the USDA staff for their coordination and cooperation as we carry out our important work. We appreciate our productive working relationships with the Secretary of Agriculture and the USDA management team, Congressional Committees, and Members of Congress to best ensure that USDA programs are accomplishing their intended missions.

Janet M. Sorensen  
Acting Inspector General

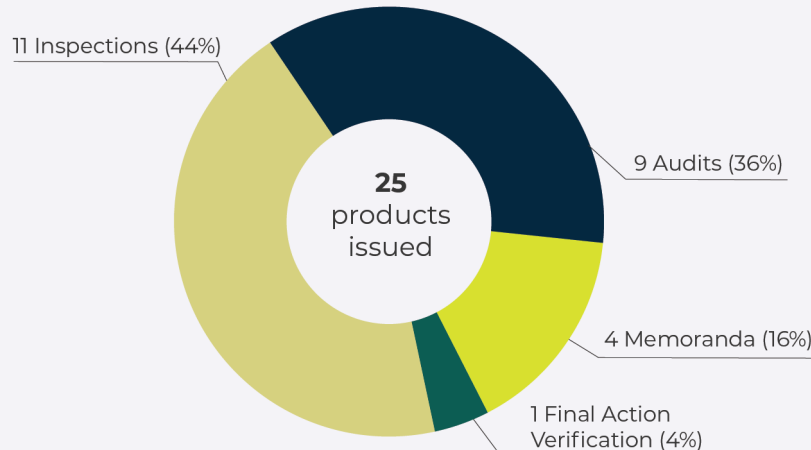




# HIGHLIGHTS

## Fiscal Year (FY) 2025, First Half

### Office of Audit

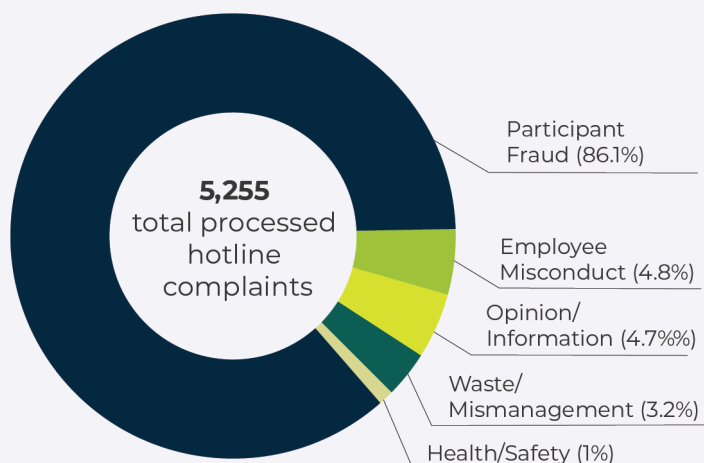


**69** recommendations to improve USDA programs & operations



**\$233.9 million**  
total monetary impact  
(questioned costs)

### Office of Investigations



The categories "Bribery" and "Reprisal" were less than 1% of the total processed complaints each.



**\$96,596,191**  
restitutions



**\$5,389,022**  
claims established



**\$22,326,820**  
fines



**\$235,346**  
recoveries/  
collections



**\$14,967,428**  
other monetary  
remedy



**\$27,113**  
administrative  
penalties



**\$6,471,917**  
asset forfeitures



**\$14,554**  
special assessments



**110** reports issued



**114**  
indictments



**83**  
convictions



**166**  
arrests



**\$146 million**  
total monetary impact of  
investigations



The Jamie L. Whitten Federal Building. USDA photo by Preston Keres. It does not depict any particular audit, inspection, or investigation summarized or listed in this report.

## Our Oversight Work

USDA OIG was established to promote the economy, efficiency, and effectiveness of and to prevent and detect waste, fraud, and abuse regarding USDA's programs and operations. OIG conducts independent audits, investigations, inspections, data analytics, and other reviews to help USDA meet critical challenges in four focus areas: safety and security; integrity of benefits; efficient delivery of USDA programs, operations, and initiatives; and oversight of USDA activities associated with supplemental funding. Through effective oversight, we identify these issues and share them with stakeholders in USDA and Congress, and when we find criminal wrongdoing, we work with the U.S. Department of Justice (DOJ) or other prosecutorial entities. These activities help improve USDA programs and operations and therefore benefit all Americans.

The titles in the following focus areas are linked to the OIG reports and DOJ press releases issued between October 1, 2024, and March 31, 2025, and are published

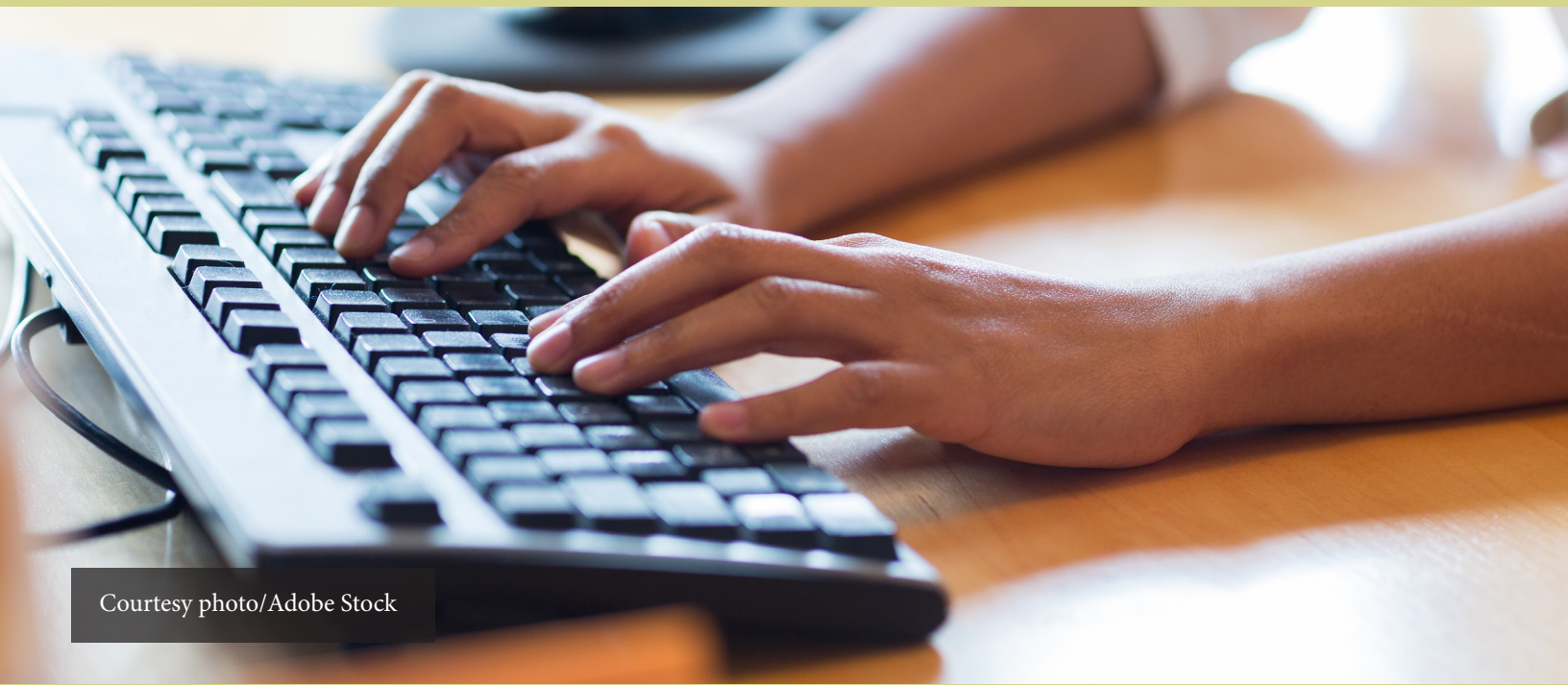
on [USDA OIG's website](#). Our [Audit Work Plan](#), also published on our website, includes the titles of our ongoing work, work in process, and mandatory work planned to start throughout the fiscal year.





# Safety and Security

Our work in this area focuses on issues such as the safety of the food supply, animal welfare, and IT security and management.



Courtesy photo/Adobe Stock

## Audits, Inspections, and Other Reviews

### **Agricultural Research Service Midwest Area Facility Condition and Security**

OIG performed an evaluation of an ARS facility's physical condition and security. We made six recommendations to ARS and reached management decision on all of them. (Inspection Report Number: 02801-0001-21)

### **Animal Care Program Oversight of Dog Breeder Inspections**

OIG assessed whether dog breeders corrected previous noncompliances and whether the Animal and Plant Health Inspection Service (APHIS) carried out enforcement actions for substantiated AWA violations. We made five recommendations to APHIS and reached management decision on all of them.

(Audit Report Number: 33601-0001-22)

### **Review of Inventory and Information Security Controls for Excessing IT Equipment**

OIG inspected two USDA offices to assess inventory and information security controls for excessing USDA's computer equipment. OIG made eight recommendations to the Office of the Chief Information Officer (OCIO) and one recommendation to the Office of Operations, and we reached management decision on all of them. (Inspection Report Number: 50801-0013-12)

### **USDA's Security Controls Over Industrial Control System**

OIG performed an inspection of multiple USDA agencies to assess the security posture of USDA's Industrial Control System to determine whether proper controls were implemented to minimize the risk of compromise. We made seven recommendations and reached management decision on all of them.<sup>3</sup>

(Inspection Report Number: 50801-0010-12)

<sup>3</sup> The seven recommendations included two each to APHIS and FS, one recommendation each to OCIO and ARS, and one recommendation jointly to ARS and Research, Education, and Economics.



## Safety and Security

### Investigations

#### **Animal Breeder Sentenced in Animal Welfare and Water Pollution Crimes. Will Pay More than \$35 Million. Including Record Fine in Animal Welfare Case**

A corporation that previously operated a Virginia dog-breeding facility was sentenced to 5 years of probation and more than \$35 million in payments and fines for violations of AWA and the Clean Water Act, including the largest fine in AWA history. Prior to sentencing, more than 4,000 beagles were rescued from the facility. OIG and the EPA's Criminal Investigation Division jointly investigated the case.

#### **Former Department of Defense Deputy Chief Sentenced to Federal Prison for Dogfighting Charges**

A Maryland man was sentenced to 18 months in prison, 6 months of home detention, and a \$20,000 fine, followed by 3 years of supervised release, for his involvement in a multi-State dogfighting conspiracy. At the time the man was charged in this case, he was the Deputy Chief Information Officer for Command, Control, and Communications for the Office of the Secretary of Defense. This was a joint investigation with the Defense Criminal Investigative Service (DCIS), the U.S. Marshals Service (USMS), a local police department, and a local animal control.

#### **Florida Man Sentenced for Dogfighting**

A Florida man was sentenced to 84 months in prison after pleading guilty to conspiring to violate the dogfighting prohibitions of the AWA and being a felon in possession of a firearm. According to court filings, the man conspired with others to purchase, acquire, and breed dogs for use in dogfights. He also staged dogfights at his home and traveled to dogfights in Massachusetts, Florida, and Connecticut. This was a large joint investigation with the Bureau of Alcohol, Tobacco, Firearms, and Explosives, and multiple state and local sheriff's offices and police departments across Massachusetts and Florida. Assistance was also provided by USMS, U.S. Coast Guard Investigative Service, HSI, and U.S. Customs and Border Protection (CBP).

#### **Maryland Man Sentenced to Federal Prison in Connection With Multi-State Dogfighting Conspiracy**

A Maryland man was sentenced to 6 months in prison and 6 months of home detention, followed by 3 years of supervised release, a \$10,000 fine, and an additional \$2,800 in a forfeiture money judgment for his involvement in a multi-State dogfighting conspiracy. This was a joint investigation with the FBI, DCIS, USMS, and a local sheriff's office in Maryland.

#### **Fifth Member of California Drug Ring Sentenced, Including Animal Welfare Charges**

A man residing in California was sentenced to 8 years and 1 month in prison for his involvement in a drug distribution operation and for unlawfully possessing animals for the purpose of cockfighting. During a search of his residence, law enforcement officers found numerous hens for breeding gamecocks and fighting roosters, various cockfighting implements, including razors and spurs, and six cockfighting trophies. More fighting roosters were found at another property. This was a joint investigation as a part of the Organized Crime Drug Enforcement Task Force with HSI, USMS, CBP, U.S. Secret Service, Bureau of Land Management, and multiple state and local police departments.



Many animal fighting ventures are held in portable or temporary accommodations, but larger cockfighting operations may have permanent facilities. OIG photo. It does not depict any particular audit, inspection, or investigation summarized or listed in this report.





# Integrity of Benefits

Our work in this focus area helps 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.



Produce for sale at a farmers market. USDA photo. It does not depict any particular audit, inspection, or investigation summarized or listed in this report.

## Audits, Inspections, and Other Reviews

### Meat and Poultry Processing Expansion Program—Oversight of Grant Recipients' Use of Funds

OIG reviewed the Rural Business-Cooperative Service's (RBS) internal controls over Meat and Poultry Processing Expansion Program grant recipients' use of funds. We made two recommendations to RBS and reached management decision on both. (Inspection Report Number: 34801-0001-21)

- Questioned costs – \$208,285,667
  - ◆ Unsupported – \$0
- Funds to be put to better use – \$0

### Eligibility of Conservation Reserve Program Climate-Smart Practice Incentive Payments

OIG reviewed whether Conservation Reserve Program recipients who received Climate-Smart Practice Incentive payments in FY 2023 were eligible for the incentive. OIG made one recommendation to the Farm Service Agency (FSA) and reached management decision on it. (Inspection Report Number: 03801-0001-41)

## Investigations

### Pennsylvania Store Owner Sentenced to 18 Months in Prison for Defrauding Supplemental Nutrition Assistance Program

A Pennsylvania woman was sentenced to 18 months in prison, over \$1.8 million in restitution, and forfeiture of proceeds of her offenses for defrauding the U.S. Government. The woman used the small corner grocery store she owned to redeem SNAP benefits, even though she knew the store had not been approved to participate



## Integrity of Benefits

in SNAP as a merchant. She gained access to the program by misappropriating merchant identification numbers that were assigned to stores that participated in the program legitimately. This was a joint investigation with the FBI and HSI.

### **Mississippi Delta Grain Elevator Owner Sentenced for Fraud**

A Mississippi man was sentenced to 10 years in prison and was ordered to pay more than \$69 million in restitution for committing fraud in connection with the operation of a grain elevator in the Mississippi Delta. This was a joint investigation with the FBI, Mississippi Attorney General's Office, and IRS-CI.

### **Florida Man Sentenced to Prison for Theft of Government Money and Aggravated Identity Theft**

A Florida man was sentenced to 3 years and 9 months in prison for theft of Government money and aggravated identity theft. As part of his sentence, the man must also pay restitution to the Social Security Administration (SSA), USDA, and the identity theft victim. This matter was investigated with our law enforcement partners at HSI, and the U.S. Department of Labor (DOL) OIG.

### **New York Man Sentenced for Distributing Drugs in Exchange for Food Stamps**

A New York man was sentenced to 12 months in prison after pleading guilty to distributing controlled substances and food stamp fraud. The man admitted that on multiple occasions he exchanged fentanyl for food stamps in the deli his family owned and operated. He also unlawfully provided cash in exchange for food stamps, and redeemed food stamps for other prohibited items such as Xanax, alcohol, and tobacco. This was a joint investigation with HSI, New York State Police, and the local sheriff and police departments.

### **Ohio Individual Sentenced to 3 Years of Supervised Release and Restitution of \$407,564**

An Ohio individual was sentenced to 3 years of supervised release, including 5 months of home confinement, and was ordered to pay \$407,564 in restitution. The individual pleaded guilty to one count of making and subscribing false returns, one count of theft of Government property, and one count of conspiracy to defraud the United States. USDA OIG initiated an investigation into allegations of fraudulent SNAP transactions. The investigation determined the individual and a co-conspirator exchanged SNAP benefits for cash at their convenience store. They also concealed income and personal assets to obtain public assistance benefits. This was a joint investigation with the FBI, IRS-CI, and SSA OIG.

### **Illinois Individual Sentenced to 12 Months of Probation**

An Illinois individual was sentenced to 12 months of probation, restitution of \$1,062, and fined \$600 for crimes related to defrauding SNAP. Previously, the individual pleaded guilty to one count of conspiracy to unlawfully acquire SNAP benefits, one count of unlawful acquisition of SNAP benefits, and four counts of money laundering. OIG initiated this investigation based on an FBI referral. The investigation revealed the individual and two co-conspirators obtained and redeemed large



A grain bucket elevator and bin on a farm. USDA photo by Lance Cheung. It does not depict any particular audit, inspection, or investigation summarized or listed in this report.





## Integrity of Benefits

quantities of SNAP benefits by means other than the sale of eligible food items. This was a joint investigation with the FBI.

### **Missouri Individual Sentenced for Supplemental Nutrition Assistance Program Fraud and Identity Theft**

A Missouri individual was sentenced to 12 months and 1 day in prison, followed by 3 years of supervised release, and was ordered to pay \$193,287 in restitution for their role in SNAP trafficking. Previously, the individual pleaded guilty to one count of mail fraud. USDA OIG initiated an investigation from a referral from the Missouri Department of Social Services (MODSS) Welfare Fraud Investigation Unit. The investigation revealed the individual used fictitious Missouri identification and Social Security cards to unlawfully redeem SNAP benefits. Furthermore, the individual sold those benefits for cash proceeds. This was a joint investigation with MODSS, SSA OIG, and the U.S. Postal Inspection Service.

### **West Virginia Business Owner Sentenced for Federal Broadband Funding Fraud**

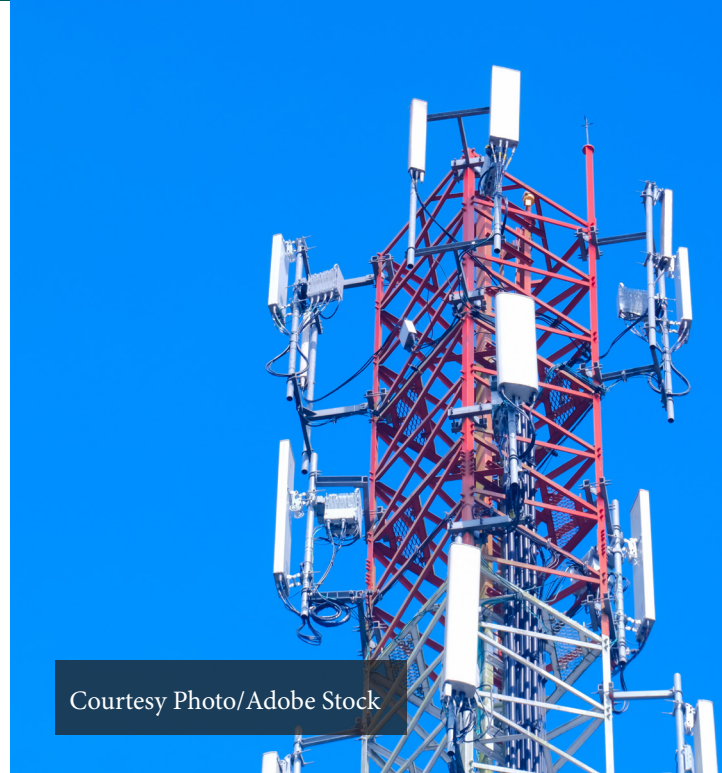
A West Virginia internet service provider owner was sentenced to 18 months in prison, followed by 3 years of supervised release, and was ordered to pay more than \$1.4 million in restitution for defrauding USDA's Community Connect Program. USDA's Community Connect Program offered grants to eligible applicants providing broadband services to rural areas. The service provider was awarded a \$1.96 million grant, then submitted false invoices to USDA to receive more than \$340,000, transferring \$322,900 into another bank account for his personal use. This was a joint investigation with IRS-CI.

### **Washington, D.C. Man Sentenced to 2 Years in Aggravated Identity Theft Case**

A Washington, D.C. man who pleaded guilty to aggravated identity theft was sentenced to 2 years in prison, followed by 1 year of supervised release. According to court records, the man stole two Federal Government vehicles, then drove both vehicles through multiple States while making unauthorized purchases on credit cards he had stolen. This was a joint investigation with the U.S. General Services Administration OIG, FS, the Vermont State Police, USMS, and the U.S. Federal Protective Service.

### **Michigan Farmer to Pay \$87,500 to Settle Allegations He Wrongfully Obtained Crop Insurance and Farm Benefits**

A Michigan man agreed to pay \$87,500 to resolve allegations that he violated the False Claims Act by



Courtesy Photo/Adobe Stock

obtaining Federal crop insurance coverage and FSA benefit payments for crops he did not farm. Despite leasing farm tracts to another farmer, the man certified that he was the sole producer of the crops on those farm tracts when seeking benefit payments from the FSA in crop years 2015, 2016, and 2017, when he was not. This was a joint investigation with USDA's FSA and USDA's Risk Management Agency (RMA).

### **Paroled Felon Sentenced to 6 Years for Fraudulent Use of Social Security Number and Theft of Benefits**

A Florida man was sentenced to 6 years in prison for making a false statement to a Federal agency, theft of Government property, and fraudulent use of a Social Security number. As part of his sentence, the man also was ordered to pay restitution of \$46,695. The man stole Supplemental Security Income disability benefits from SSA while on Federal supervision for prior Federal offenses. This was a joint investigation with SSA OIG, and the U.S. Department of Health and Human Services OIG.

### **Formerly Married Couple Sentenced for Multi-Million Dollar Fraud Schemes**

A 40-year-old man, formerly of Florida, and his ex-wife, also of Florida, were sentenced for their roles in a series of financial schemes defrauding USDA and other entities for a total of \$198 million. The man was sentenced to 27 years in prison, which must run consecutive to a 25-year term



## Integrity of Benefits

he is already serving from the Northern District of Illinois. His ex-wife was sentenced to 51 months in prison. Both are required to pay restitution to USDA and four other financial institutions. This was a joint investigation with the FBI.

### **Michigan Individual Sentenced for Crimes Related Crop Insurance Fraud**

A Michigan man was sentenced to 1 day in prison, followed by 1 year of supervised release, and was ordered to pay \$1.2 million in restitution for his role in a fraud scheme to obtain crop insurance from FSA. He agreed to a \$1.2 million dollar settlement agreement with the Western District of Michigan to resolve a civil case for violations of the False Claims Act, then pleaded guilty to one count of theft of Government funds. Subsequently, the investigation revealed that the man misrepresented his farming interests, thereby receiving FSA and RMA payments to which he was not entitled. This was a joint investigation with USDA's RMA.

### **Oklahoma Woman Sentenced to 6 Months of Home Confinement, 5 Years of Probation, and Restitution of \$148,916**

An Oklahoma woman was sentenced to 6 months of home confinement, 5 years of probation, and was ordered to pay restitution of \$148,916 after pleading guilty to one count of theft of Government money. OIG initiated an investigation after receiving a referral from the

Oklahoma Attorney General's Office, which alleged that a nursing home embezzled USDA's Rural Development (RD) Community Facilities Direct Loan & Grant Program (CFDL) program funds. The investigation revealed that the business manager of the facility misused her position to pay herself and other employees amounts more than their regular salaries through payroll advances and extra checks that were later concealed from payroll reports. The business manager funded the payroll expenditures by transferring CFDL funds from the facility's USDA account. The investigation also revealed the misuse of the facility's credit card in the form of regular cash withdrawals and personal expenditures also funded by CFDL monies.

### **Former New Mexico County Sheriff Sentenced to 5 Years of Probation and Restitution of \$39,400**

A former New Mexico county sheriff was sentenced to 5 years of probation and was ordered to pay \$39,400 in restitution for their role in embezzling FS funds. The individual pleaded no contest to charges of embezzlement, money laundering, engaging in official acts for personal financial gain, misuse of public money, and attempts to evade or defeat a tax. The investigation was initiated based on a referral from the New Mexico Office of the Attorney General. The investigation revealed the former sheriff embezzled \$39,400 in FS cooperative agreement funds that were reimbursed to the county for work completed by the sheriff's office while supporting an FS wildfire response. This was a joint investigation with the New Mexico Office of the Attorney General.

The Federal Crop Insurance Corporation (FCIC) promotes the economic stability of agriculture through a sound system of crop insurance. Fraud may occur when an individual allows crops to fail through neglect or takes deliberate actions in order to collect insurance. USDA photo. It does not depict any particular audit, inspection, or investigation summarized or listed in this report.







# Efficient Delivery of USDA Programs, Operations, and Initiatives

Our work focuses on areas such as financial management and accountability, property management, employee integrity, and the Government Performance and Results Act.



Courtesy photo/Adobe Stock

## Audits, Inspections, and Other Reviews

### [USDA's Consolidated Financial Statements for Fiscal Years 2024 and 2023](#)

OIG audited USDA's consolidated financial statements for FYs 2024 and 2023. The Department received a qualified opinion on its consolidated financial statements due to the possible effect of the USDA's FY 2023 change in the obligation recognition point for the SNAP. Management was unable to provide adequate evidential matter to support that more than \$9 billion and more than \$11 billion in obligations consistent with this change were proper charges against the FY 2024 and FY 2023 appropriations, respectively. As a result, we were unable to determine whether any adjustments to the consolidated financial statements were necessary. Except for the possible effects on the FY 2024 and FY 2023 consolidated financial statements, we determined that the consolidated financial statements presented fairly, in all material respects, USDA's financial position as of September 30, 2024, and 2023, in accordance with U.S. generally accepted accounting principles.

In the audits of the FYs 2024 and 2023 consolidated financial statements, we found two material weaknesses; one significant deficiency in internal controls over financial reporting; and noncompliance with the Federal Financial Management Improvement Act of 1996 (FFMIA), the Antideficiency Act, and the Payment Integrity Information Act of 2019. The material weakness identified: 1) improvements are needed in overall SNAP financial management; and 2) USDA needs to improve its IT security program. We made one recommendation to the Office of the Chief Financial Officer (OCFO) and reached management decision on it.  
(Audit Report Number: 50401-0023-11)

In auditing USDA's consolidated financial statements, OIG also either performed or oversaw Independent Public Accountants (IPA) as they performed audits of four stand-alone USDA agencies' financial statements. All four stand-alone agencies received unmodified opinions. For all four agencies, we or the IPA firm determined that the financial statements present fairly, in all material respects, the agency's financial position as of September 30, 2024, and 2023, in accordance with U.S. generally accepted accounting principles.



# Efficient Delivery of USDA Programs, Operations, and Initiatives

**Revenue**

	Amount	% of Sales	Amount	% of Sales
Gross sales	1,250,000	45	2,720,000	34
Less sales returns and allowances	160,000	60	800,000	48
<b>Net sales</b>	<b>1,070,000</b>	<b>1</b>	<b>1,920,000</b>	<b>1</b>

**Cost of Sales**

	Amount	% of Sales	Amount	% of Sales
Beginning inventory	540,000	1	45,000	0
Plus goods purchased/manufactured	123,000	0	250,000	0
<b>Total goods available</b>	<b>663,000</b>	<b>0</b>	<b>295,000</b>	<b>0</b>
Less ending inventory	200,000	0	200,000	0
<b>Total cost of goods sold</b>	<b>463,000</b>	<b>0</b>	<b>95,000</b>	<b>0</b>
<b>Gross profit (loss)</b>	<b>607,000</b>	<b>1</b>	<b>1,825,000</b>	<b>1</b>

**Operating Expenses**

	Amount	% of Sales	Amount	% of Sales
<b>Selling</b>	<b>122,000</b>	<b>0</b>	<b>65,000</b>	<b>0</b>
Salaries and wages	112,000	0	32,000	0
Commissions	335,000	0	22,000	0
Advertising	10,000	0	37,000	0
Depreciation	579,000	1	37,000	0
<b>General/Administrative</b>	<b>20,000</b>	<b>0</b>	<b>33,000</b>	<b>0</b>
Salaries and wages	12,000	0	1,000	0
Employee benefits	33,000	0	1,000	0
Payroll taxes	7,000	0	1,000	0
Insurance	1,000	0	1,000	0
Rent	1,000	0	1,000	0
Utilities	1,000	0	1,000	0
Depreciation	1,000	0	1,000	0

**Profit and Loss**

	Amount	% of Sales	Amount	% of Sales
Net sales	1,070,000	1	1,920,000	1
Cost of goods sold	463,000	0	95,000	0
<b>Gross profit</b>	<b>607,000</b>	<b>1</b>	<b>1,825,000</b>	<b>1</b>
Operating expenses	122,000	0	65,000	0
<b>Operating income</b>	<b>485,000</b>	<b>0</b>	<b>1,760,000</b>	<b>0</b>

Courtesy Photo/Adobe Stock

## Federal Crop Insurance Corporation/Risk Management Agency's Financial Statements for Fiscal Year 2024

OIG engaged an independent certified public accounting firm to audit the financial statements of FCIC/RMA for FYs 2024 and 2023. We made one recommendation to RMA and reached management decision on it. (Audit Report Number: 05403-0001-11)

## USDA Compliance with Anti-Gag Provisions

OIG reviewed USDA's compliance with a specific provision of the Whistleblower Protection Enhancement Act of 2012. We made 12 recommendations to various agencies<sup>4</sup> and reached management decision on all of them. (Inspection Report Number: 50801-0001-23)

## Rural Housing Service's Uniform Residential Loan Application Project

OIG evaluated RD's administration and oversight of the Rural Housing Service's Uniform Residential Loan Application IT Project. OIG made seven recommendations to RD and reached management decision on all of them. (Inspection Report Number: 04801-0001-41)

## Rural Development's Performance Measures Associated with the 2022 National Drug Control Strategy

At the request of the Office of National Drug Control Policy, OIG reviewed RD contributions to the National Drug Control Strategy. OIG made no recommendations in this report. (Inspection Report Number: 09801-0001-24)

## Office of the Assistant Secretary for Civil Rights' Equal Employment Opportunity Complaint—Final Agency Action Process

OIG determined whether OASCR processed final agency decisions and final agency orders for formal equal employment opportunity civil rights complaints filed in a timely manner. As OASCR has implemented corrective actions during OIG's audit, OIG made no recommendations. (Audit Report Number: 60601-0003-23)

## Potential Anomalies Related to Locality Pay

OIG was asked to respond to questions regarding potential anomalies related to locality pay, including telework

## Natural Resources Conservation Service's Financial Statements for Fiscal Years 2024 and 2023

OIG engaged an independent certified public accounting firm to audit the financial statements of Natural Resources Conservation Service (NRCS) for FYs 2024 and 2023. We made two recommendations to NRCS and reached management decision on both. (Audit Report Number: 10403-0007-11)

## Commodity Credit Corporation's Financial Statements for Fiscal Years 2024 and 2023

OIG engaged an independent certified public accounting firm to audit the financial statements of the Commodity Credit Corporation (CCC) for FYs 2024 and 2023. We made one recommendation to CCC and reached management decision on it. (Audit Report Number: 06403-0007-11)

## Rural Development's Financial Statements for Fiscal Years 2024 and 2023

OIG audited the financial statements of RD for FYs 2024 and 2023. We made no recommendations in this report. (Audit Report Number: 85401-0015-11)

<sup>4</sup> We made one recommendation to each of the following agencies: AMS, APHIS, ARS, the Economic Research Service, the Foreign Agricultural Service, the Food and Nutrition Service (FNS), FS, the National Agricultural Statistics Service, the Office of the Assistant Secretary for Civil Rights (OASCR), OCFO, the Office of Contracting and Procurement, and the Office of General Counsel.





# Efficient Delivery of USDA Programs, Operations, and Initiatives

situations. We found that up to \$282,394 could be saved per year by adjusting locality pay to the remote work location for these employees. OIG made no recommendations in this report. (OAI Report)

## **Final Action Verification—Food and Nutrition Service Summer Food Service Program**

OIG completed a final action verification (FAV) of 143 recommendations in 12 audit reports on the FNS Summer Food Service Program.<sup>5</sup> Based on review of the documentation that FNS provided to the OCFO, we concurred with OCFO's decision to close all 143 recommendations. However, more than 3 percent of the management decisions and 70 percent of the recommendations' corrective actions were not reached and implemented timely by FNS and the States.<sup>6</sup> (FAV Report 27026-0001-23)

## Single Audits

The [Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. part 200](#) (Uniform Guidance), requires that non-Federal entities that expend \$750,000 or more in Federal awards within the entity's fiscal year must obtain an annual independent financial audit, referred to as a "single audit."<sup>7</sup> Non-Federal entities subject to the Uniform Guidance are States, local

Governments, Indian tribes, nonprofit organizations, and institutions of higher education, such as universities and colleges. The Uniform Guidance also requires that these non-Federal entities and their auditors upload the audit report and other relevant documents (reporting package) to the Federal Audit Clearinghouse (FAC).

To ensure the single audit reporting packages comply with the reporting requirements in the Uniform Guidance, we conduct desk reviews on reporting packages for which the Department is the cognizant or oversight agency. Specifically, we examine each selected entity's financial statement audit report and data collection form uploaded to FAC. The purpose of a desk review is to determine compliance with single audit reporting standards, identify any quality issues that may warrant revisions to the reporting package and/or follow-up audit work, and identify any potential need for quality control reviews of an auditing firm. A desk review is not designed to evaluate the adequacy of the audit work performed or examine the associated audit documentation.

During this period, we performed six desk reviews. These single audits covered \$378.8 billion in total Federal expenditures, including \$320.2 billion related to the Department's expenditures. We determined that one of the six reporting packages did not fully meet Federal reporting requirements.

<sup>5</sup> Audit Reports 27004-0001-23, [New York's Controls Over Summer Food Service Program](#); 27004-0001-23(1), [New York's Controls Over Summer Food Service Program—Interim Report](#); 27004-0001-31, [Florida's Controls Over Summer Food Service Program](#); 27004-0001-31(1), [Florida's Controls Over Summer Food Service Program—Interim Report](#); 27004-0001-41, [California's Controls Over Summer Food Service Program](#); 27004-0001-41(1), [California's Controls Over Summer Food Service Program Interim Report](#); 27004-0003-21, [Summer Food Service Program in Texas—Sponsor Costs](#); 27004-0003-21(1), [Summer Food Service Program —Texas Sponsor Cost—Interim Report](#); 27004-0004-21, [Texas' Controls Over Summer Food Service Program](#); 27004-0004-21(1), [Texas' Controls Over Summer Food Service—Interim Report](#); 27601-0004-41, [FNS Controls over Summer Food Service Program](#); 27601-0005-41, [Consolidated Report of FNS and Selected State Agencies Controls Over SFSP](#).

<sup>6</sup> Corrective actions must be completed within 1 year of the management decision date or by the estimated completion date (ECD) agreed upon by agency management and OIG. OCFO implemented controls requiring agencies to request approval from OCFO for ECD revisions with justification for delays. However, OCFO was not able to provide OIG with documentation showing that 10 recommendations with revised ECDs were approved by OCFO. We do not have a recommendation to streamline and standardize the process for ECD revision. However, we strongly encourage FNS and OCFO ensure compliance with the ECD policy as they move forward with recommendations for other engagements. Assessing compliance with OCFO's policy could also be included in our future audit work.

<sup>7</sup> For periods beginning on or after October 1, 2024, entities that expended \$1,000,000 or more in Federal awards must obtain a single audit.



# Oversight of USDA Activities Associated with Supplemental Funding

Our work in this focus area provides critical oversight of various USDA programs and operations that received supplemental funding from Congress.

A trail in a rural town. USDA photo by Lance Cheung. It does not depict any particular audit, inspection, or investigation summarized or listed in this report.

## American Relief Act of 2025

### OIG Oversight Plan American Relief Act Funding

The American Relief Act of 2025 provided USDA with approximately \$39.8 billion to carry out projects and activities related to agricultural disaster assistance. It also provided OIG with \$7.5 million for oversight of such projects and activities carried out with the funds made available to USDA under the Act. This document describes our plan to oversee these funds. (Other Report)

### **Prior OIG Engagements Relevant to Supplemental Disaster Relief Funding**

As part of OIG's oversight responsibility, we reviewed the results of prior OIG and Government Accountability Office (GAO) engagements that were relevant to the supplemental disaster funding provided by the American Relief Act of 2025. Identifying areas in which OIG reported past weaknesses and recommendations may provide insight to maintain or further strengthen existing controls

<sup>8</sup> FPAC agencies include FSA, NRCS, and RMA.

for programs receiving supplemental disaster funding. We issued four memoranda to the following agencies:

- [Agricultural Research Service](#)
- [Rural Development](#)
- [FPAC<sup>8</sup>](#)
- [Forest Service](#)

OIG made no recommendations in these memoranda.

## Infrastructure Investment and Jobs Act Reviews and Other Reports

IIJA, 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 other initiatives. 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.





# Oversight of USDA Activities Associated with Supplemental Funding

## IIJA—Legacy Road and Trail Remediation Program—Region 3

OIG reviewed FS Region 3's implementation of IIJA LRT, including controls over project selection and spending. OIG made one recommendation to FS and reached management decision on it.

(Audit Report Number: 08601-0005-31)

- Questioned costs – \$5,590,000
  - ◆ Unsupported costs – \$0
- Funds to be put to better use – \$0

## IIJA—Legacy Road and Trail Remediation Program—Region 6

OIG reviewed FS Region 6's implementation of IIJA LRT, including controls over project selection and spending. OIG made four recommendations to FS and reached management decision on all of them.

(Audit Report Number: 08601-0006-31)

- Questioned costs – \$13,856,571
  - ◆ Unsupported costs – \$0
- Funds to be put to better use – \$0

## IIJA—Collaborative Aquatic Landscape Restoration Program

OIG reviewed FS' funding and monitoring of selected IIJA project proposals for the Collaborative Aquatic Landscape Restoration Program. OIG made two recommendations to FS and reached management decision on both.

(Inspection Report Number: 08801-0002-22)

- Questioned costs – \$5,713,000
  - ◆ Unsupported costs – \$0
- Funds to be put to better use – \$0

## IIJA—Forest Service Implementation of Federal Wildland Firefighter Salary Requirements and the Conversion of Employees

OIG determined whether FS converted seasonal wildland firefighters to full-time permanent Federal employees and accurately implemented salary increases for Federal wildland firefighters according to IIJA. OIG made five recommendations to FS and reached management decision on all of them.

(Inspection Report Number: 08801-0002-23)

- Questioned costs – \$519,907
  - ◆ Unsupported costs – \$0
- Funds to be put to better use – \$0

## IIJA—Restoration Projects on Federal Land

OIG determined whether FS had controls for selecting, funding, tracking, and implementing infrastructure funding to mitigate environmental hazards on Federal land. OIG made three recommendations to FS and reached management decision on all of them.

(Inspection Report Number: 08801-0002-41)

## USDA OIG Firefighter Pulse Survey (IIJA)

OIG conducted a survey of FS Firefighters to better understand the perceived impact of IIJA on firefighters, including authorized pay increases, occupational series changes, and programs relevant to firefighters. (OAI Report Number: 23-099-01)

## Broadband: A Data Stroll Version 2

OIG developed a second version of *Broadband: A Data Stroll* in partnership with the U.S. Department of Commerce OIG and the Federal Communications Commission OIG. (OAI Report Number: 24-004-1)



The Forest Service allocated more than \$5.5 million in total Legacy Road and Trail Remediation Program funding to Region 3 for fiscal years 2022 and 2023. USDA photo. It does not depict any particular audit, inspection, or investigation summarized or listed in this report.





# Oversight of USDA Activities Associated with Supplemental Funding

## Pandemic Benefits Investigations

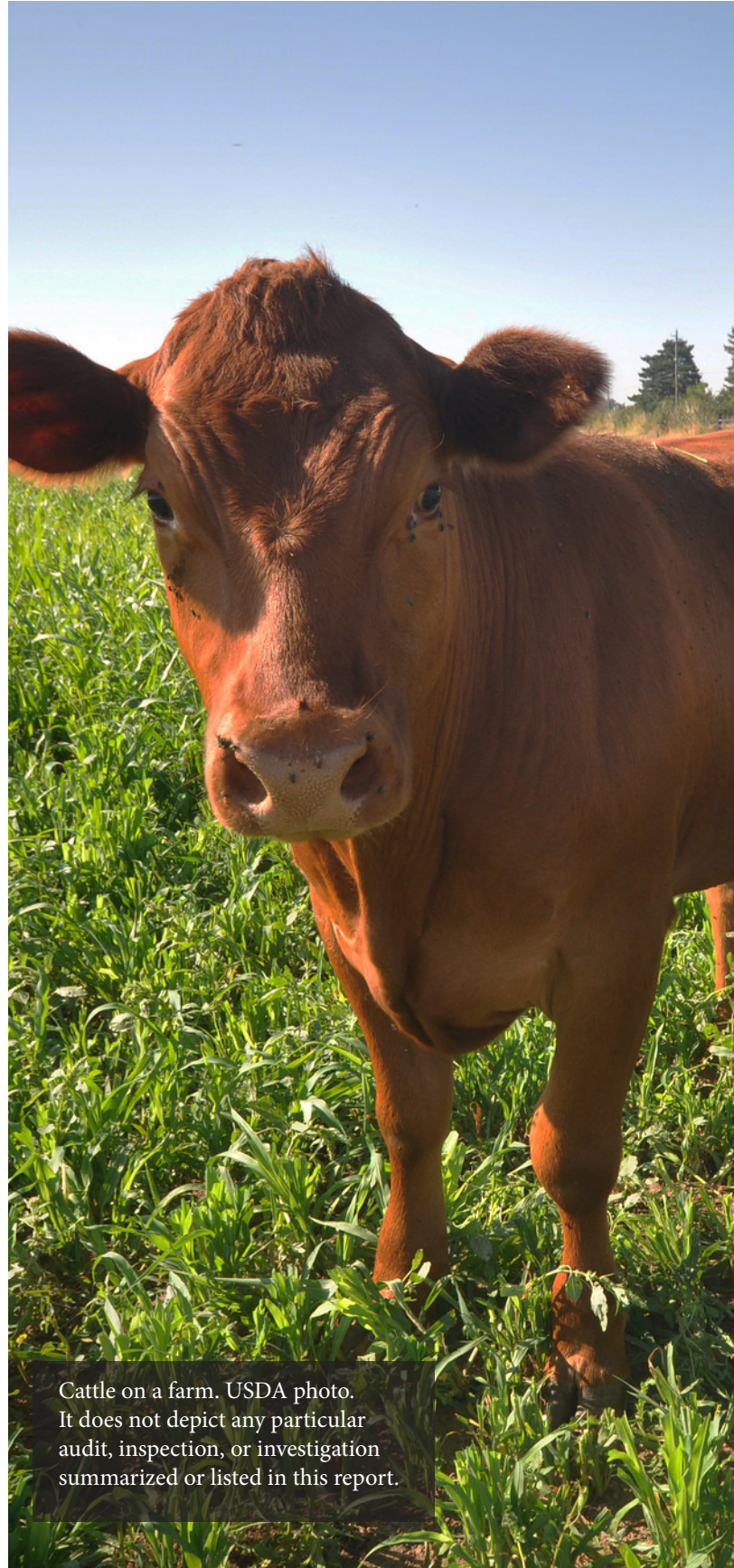
OIG continues to address allegations of fraud by those who seek to take improper advantage of COVID-19 relief programs and benefits.

### **Iowa Farmer Sentenced to More Than 15 Years in Cattle Theft and Bankruptcy Fraud Scheme**

An Iowa farmer who stole more than \$5 million in livestock and COVID-19 pandemic benefits was sentenced to more than 15 years in prison. The man pleaded guilty to one count of theft of livestock, one count of wire fraud, and one count of false bankruptcy declaration. He also was ordered to pay more than \$5.7 million in restitution to victims of cattle theft, pandemic benefits fraud, and forced and foreign labor fraud. This was a joint investigation with the Small Business Administration (SBA) OIG, the Federal Deposit Insurance Corporation OIG, DOL OIG, and HSI.

### **Former D.C. Public Official Sentenced to 15 Months for Bank Fraud**

A former D.C. Homeland Security Commissioner and former employee with USDA was sentenced to 15 months in prison for submitting fraudulent applications seeking money from the Paycheck Protection Program, which netted her \$844,000. In addition to the 15-month prison sentence, the woman was ordered to serve 2 years of supervised release. This was a joint investigation with SBA OIG, and the FBI.



Cattle on a farm. USDA photo. It does not depict any particular audit, inspection, or investigation summarized or listed in this report.





## Peer Reviews and Other Reviews

### External Peer Review of USDA's OIG Audit Division

In March 2025, the Special Inspector General for Afghanistan Reconstruction issued its final report on the Inspections and Evaluations (I&E) peer review it conducted on USDA OIG's Office of Audit. I&E organizations can receive a rating of *pass*, *pass with deficiencies*, or *fail*. USDA OIG received an External Peer Review rating of *pass*. The report included no recommendations.

### External Peer Review of USDA's OIG Investigations Division

In June 2019, 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 other applicable guidelines and statutes cited. No findings or deficiencies were identified.

### **Peer Review Conducted by USDA OIG**

During the reporting period, USDA OIG conducted a peer review of the U.S. Department of Veterans Affairs (VA) OIG's audit organization. Audit organizations can receive a rating of *pass*, *pass with deficiencies*, or *fail*. We issued a final report in March 2025 with a grade of *pass* and issued two recommendations, both of which were accepted by VA OIG.



### **PEER-REVIEW ACTIVITIES**

## Review of Legislation, Regulations, Directives, and Memoranda

Pursuant to the Inspector General Act of 1978, one of the duties and responsibilities of the Inspector General is to review existing and proposed legislation and regulations relating to the agency's programs and operations and to make recommendations concerning the impact of such legislation or regulations on (1) the economy and efficiency in the administration of programs and operations administered or financed by the agency or (2) the prevention and detection of fraud and abuse in such programs and operations. As such, OIG reviews proposed legislation and regulations that we identify or are sent to us for review through USDA. OIG also participates in review of legislative items that may affect the Inspector General community at large, through participation in CIGIE activities. OIG also responds to Congressional requests for technical assistance and input as requested.

During this reporting period, OIG reviewed six legislative/regulatory items and provided input on four of those items. Specifically, OIG reviewed three legislative proposals and provided comments on one of those items, regarding proposed changes to AWA. We also reviewed three internal USDA regulations/policies proposals and provided comments on all three of them. Additionally, we provided input to CIGIE regarding its legislative priorities proposal and reviewed one Office of Management and Budget circular.



## Assessing Performance Results

### Measuring Progress Against the USDA OIG Strategic Plan—Fiscal Years 2025–2029

We measure our impact by assessing the extent to which our work is focused on the key issues under our first goal: Promote effective oversight of USDA programs and operations with a focus on safety and security, integrity of benefits, and efficient delivery of USDA programs and initiatives. This goal is split into four focus areas:

- Safety and Security
- Integrity of Benefits
- Efficient Delivery of USDA Programs, Operations, and Initiatives
- Oversight of USDA Activities Associated with Supplemental Funding

### Impact of OIG Audits, Inspections, Investigations, and Analytics Work on Department Programs

We also measure our impact by tracking the outcomes of our audits, inspections, investigations, and analytics work. Many of these measures are codified in the Inspector General Act of 1978, as amended. This report presents 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), and
- Total dollar impact of reports (questioned costs and funds to be put to better use) at issuance.

For investigations, we present:

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

For analytics, we present public data-related products issued.





## Assessing Performance Results

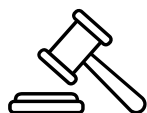
### Performance Results Under Our Strategic Goal

OIG developed new performance measures that support OIG's strategic and performance goals, as outlined in its [USDA OIG Strategic Plan—Fiscal Years 2025–2029](#). We have begun to pilot these performance measures in FY 2025 to assess their feasibility and establish a baseline for the performance measure targets for FYs 2026 through 2029. The following graphic presents our performance measures and the FY 2025 first half actual results of those measures.



**100%**

Audit recommendations where management decisions are achieved within 1 year



**96.1%**

Percentage of cases closed with a result



**\$6.82**

OIG's return on investment



**N/A**

Strategies that assess and communicate the value created by OIG's engagements

Note: Unless we are reporting exact numbers, our general practice is to round numbers down to prevent overstating our results. N/A means that no results were reported this half.



## Assessing Performance Results

### OIG Accomplishments for Fiscal Year 2025, First Half (October 1, 2024–March 31, 2025)

Summary of Audit Activities		FY 2025 1st Half
Number of Final Reports		9
Number of Final Report Recommendations		15
Number of Inspection Reports		11
Number of Inspection Report Recommendations		54
Number of Final Action Verification Reports		1
Memoranda		4
Total Dollar Impact of Reports at Issuance		\$233,965,145
Total Questioned Costs/Unsupported Costs		\$233,965,145/\$0
Funds to Be Put to Better Use		\$0
Management Decisions Reached		
Number of Final Reports		8
Number of Final Report Recommendations		21
Number of Inspection Reports		11
Number of Inspection Report Recommendations		56
Summary of Investigative Activities		
Reports Issued		110
Indictments		114
Convictions		83
Arrests		166
Administrative Sanctions		12
Total Dollar Impact		\$146,028,481
Summary of Analytics and Innovation Activities		
Number of Public Data Analytics Projects		3

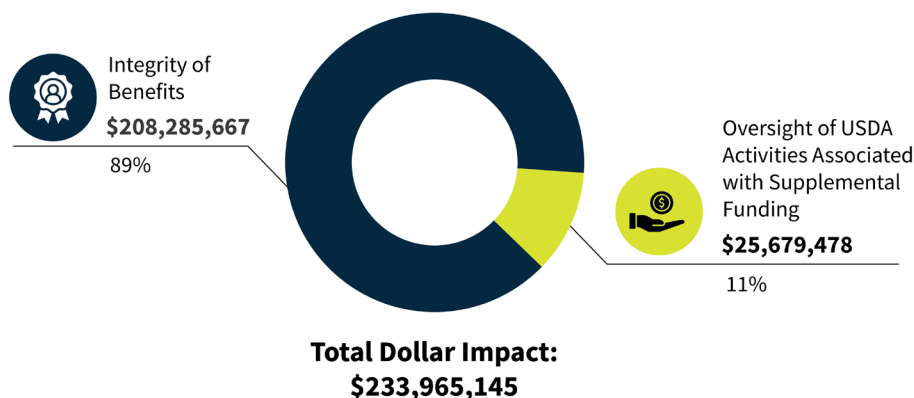




## Assessing Performance Results

### Reports with Quantifiable Monetary Benefits for the Period October 1, 2024–March 31, 2025

Focus Area/Reports	Number of Reports	Questioned Costs	Funds to Be Put to Better Use	Total Monetary Impact
<b>Safety and Security</b>	0	\$0	\$0	<b>\$0</b>
<b>Integrity of Benefits</b>	1	\$208,285,667	\$0	<b>\$208,285,667</b>
Meat and Poultry Processing Expansion Program—Oversight of Grant Recipients' Use of Funds (Inspection Report 34801-0001-21 issued 12/23/2024)	1	\$208,285,667	\$0	<b>\$208,285,667</b>
<b>Efficient Delivery of USDA Programs, Operations, and Initiatives</b>	0	\$0	\$0	<b>\$0</b>
<b>Oversight of USDA Activities Associated with Supplemental Funding</b>	4	\$25,679,478	\$0	<b>\$25,679,478</b>
IIJA—Legacy Road and Trail Remediation Program—Region 3 (Audit Report 08601-0005-31 issued 12/16/2024)	1	\$5,590,000	\$0	<b>\$5,590,000</b>
IIJA—Legacy Road and Trail Remediation Program—Region 6 (Audit Report 08601-0006-31 issued 12/17/2024)	1	\$13,856,571	\$0	<b>\$13,856,571</b>
IIJA—Collaborative Aquatic Landscape Restoration Program (Inspection Report 08801-0002-22 issued 12/12/2024)	1	\$5,713,000	\$0	<b>\$5,713,000</b>
IIJA—Forest Service Implementation of Federal Wildland Firefighter Salary Requirements and the Conversion of Employees (Inspection Report 08801-0002-23 issued 03/18/2025)	1	\$519,907	\$0	<b>\$519,907</b>
<b>Total Monetary Impact</b>	<b>5</b>	<b>\$233,965,145</b>	<b>\$0</b>	<b>\$233,965,145</b>





## Assessing Performance Results

# Recognition of OIG Employees by the Inspector General Community

### **OIG Receives CIGIE Alexander Hamilton Award**

OIG recently received the Alexander Hamilton Award, CIGIE's highest honor, at the Inspector General community's 27th annual award ceremony. The Alexander Hamilton Award recognizes individuals or groups who demonstrate outstanding achievements in improving the integrity, efficiency, or effectiveness of agency operations.

Through exceptional dedication, resilience, and inter-agency cooperation, this team uncovered and stopped an \$11.5 million fraud scheme, leading to the successful prosecution of all seven defendants.





## APPENDIX 1

# Reports with Corrective Actions That Have Not Been Completed by March 31, 2025, by Agency

This appendix provides a summary of audit and inspection reports issued by OIG prior to October 1, 2024, with recommendations that have corrective actions that were not completed by March 31, 2025. Corrective actions are recommendations that are pending final action, collection, or management decision and the Department has not taken corrective action to close them in its records. A link to each report shows the detail for each recommendation on OIG's website.

### **FAS: Foreign Agricultural Service**

07601-0002-41

[Foreign Agricultural Service's Controls Over McGovern-Dole International Food for Education Program](#)

Issue Date: 07/10/2024

Recommendation No. 2

Potential Cost Savings: \$67,773,633

Recommendation Nos. 3, 4, 5, 6, 7, 8, 9, 10

Potential Cost Savings: N/A

### **FNS: Food and Nutrition Service**

27601-0003-10

[New Mexico's Compliance with SNAP Certification of Eligible Households Requirements](#)

Issue Date: 09/27/2016

Recommendation No. 2

Potential Cost Savings: \$2,194

Recommendation No. 11

Potential Cost Savings: \$6,721

Recommendation No. 16

Potential Cost Savings: \$2,900

Recommendation Nos. 5, 9, 14, 18

Potential Cost Savings: N/A

27702-0001-22

[Review of FNS' Nutrition Assistance Program Disaster Funding to Puerto Rico as a Result of Hurricanes Irma and Maria](#)

Issue Date: 10/18/2019

Recommendation No. 8

Potential Cost Savings: \$1,258,308

27801-0003-22

[COVID-19—Supplemental Nutrition Assistance Program Online Purchasing in Response to Coronavirus Disease 2019](#)

Issue Date: 08/25/2021

Recommendation Nos. 1, 2

Potential Cost Savings: N/A

### **FS: Forest Service**

08801-0002-24

[IJA – Community Wildfire Defense Grant Program for At-Risk Communities](#)

Issue Date: 08/29/2024

Recommendation No. 1

Potential Cost Savings: \$32,640,000

### **FSA: Farm Service Agency**

03099-0181-TE

[Farm Service Agency Payment Limitation Review in Louisiana](#)

Issue Date: 05/08/2008

Recommendation No. 2

Potential Cost Savings: \$1,432,622

03601-0003-31

[Market Facilitation Program](#)

Issue Date: 03/09/2022

Recommendation No. 1

Potential Cost Savings: \$57,199,419

Recommendation Nos. 2, 4

Potential Cost Savings: N/A

03702-0002-23

[2017 Hurricane Relief Emergency Conservation Program](#)

Issue Date: 06/09/2021

Recommendation No. 3

Potential Cost Savings: \$718,755

Recommendation Nos. 4, 5

Potential Cost Savings: N/A

03702-0002-31

[Wildfires and Hurricanes Indemnity Program](#)

Issue Date: 09/28/2020

Recommendation No. 2

Potential Cost Savings: \$4,268,395



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03702-0003-31

[Wildfires and Hurricanes Indemnity Program—Puerto Rico](#)

Issue Date: 03/24/2023

Recommendation No. 1

Potential Cost Savings: \$157,212,092

Recommendation No. 4

Potential Cost Savings: \$15,681,325

Recommendation No. 2

Potential Cost Savings: N/A

03801-0001-31

[COVID-19 – Coronavirus Food Assistance Program – Direct Support](#)

Issue Date: 09/25/2023

Recommendation No. 1

Potential Cost Savings: \$1,286,786

50024-0003-24

[USDA's Compliance with Improper Payment Requirements for Fiscal Year 2022](#)

Issue Date: 05/22/2023

Recommendation No. 2

Potential Cost Savings: N/A

50401-0022-11

[USDA's Consolidated Financial Statements for Fiscal Years 2023 and 2022](#)

Issue Date: 01/16/2024

Recommendation No. 1

Potential Cost Savings: N/A

50601-0015-AT

[Hurricane Indemnity Program—Integrity of Data Provided by RMA](#)

Issue Date: 03/31/2010

Recommendation No. 5

Potential Cost Savings: \$1,061,958<sup>9</sup>

50703-0001-23

[American Recovery and Reinvestment Act, Trade Adjustment Assistance for Farmers Program](#)

Issue Date: 10/18/2013

Recommendation No. 9

Potential Cost Savings: \$84,000

### Multi-Agency

50024-0004-24

[USDA's Compliance with Improper Payment Requirements for Fiscal Year 2023](#)

Issue Date: 07/12/2024

Recommendation Nos. 2, 5 (FNS)

Potential Cost Savings: N/A

Recommendation No. 6 (OCFO)

Potential Cost Savings: N/A

50503-0013-12

[U.S. Department of Agriculture, Office of the Chief Information Officer, Fiscal Year 2024 Federal Information Security Modernization Act](#)

Issue Date: 07/25/2024

Recommendation Nos. 4, 5, 6, 7, 11, 14, 17, 18, 26 (OCIO)

Potential Cost Savings: N/A

Recommendation No. 12 (FS)

Potential Cost Savings: N/A

Recommendation No. 16 (RD)

Potential Cost Savings: N/A

### NIFA: National Institute of Food and Agriculture

13601-0002-22

[Agriculture and Food Research Initiative](#)

Issue Date: 06/26/2023

Recommendation No. 5

Potential Cost Savings: \$18,543

Recommendation No. 4

Potential Cost Savings: N/A

### NRCS: Natural Resources Conservation Service

10801-0001-24

[IIJA – Watershed and Flood Prevention Operations](#)

Issue Date: 06/25/2024

Recommendations 1, 2, 3

Potential Cost Savings: N/A

50501-0027-12

[USDA's Compliance with the Geospatial Data Act for Fiscal Year 2024](#)

Issue Date: 09/25/2024

Recommendation No. 1

Potential Cost Savings: N/A

<sup>9</sup> 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 [Hurricane Indemnity Program] payments need to be corrected. Direct the approved insurance providers to reverse the changes, and provide FSA a list of these corrections.





## APPENDIX 1

50801-0001-22

[USDA Climate Hubs: Enhancing Working Lands' Resilience and Productivity](#)

Issue Date: 09/24/2024

Recommendation Nos. 1, 2, 3, 4

Potential Cost Savings: N/A

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**OASCR: Office of the Assistant Secretary for Civil Rights**

60601-0001-21

[USDA Oversight of Civil Rights Complaints](#)

Issue Date: 09/22/2021

Recommendation No. 2

Potential Cost Savings: N/A

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**OC: Office of Communications**

50801-0002-12

[Security Over USDA Web Applications](#)

Issue Date: 10/27/2021

Recommendation Nos. 1, 2

Potential Cost Savings: N/A

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**OCFO: Office of the Chief Financial Officer**

50601-0004-23

[USDA's Controls Over Departmental Shared Cost Programs and Working Capital Fund](#)

Issue Date: 03/14/2024

Recommendation No. 3

Potential Cost Savings: \$1,149,574

Recommendation No. 4

Potential Cost Savings: \$222,205

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**OCIO: Office of the Chief Information Officer**

50501-0020-12(1)

[Improper Usage of USDA's Information Technology Resources—Interim Report](#)

Issue Date: 06/26/2018

Recommendation No. 2

Potential Cost Savings: N/A

.....

50801-0007-12

[USDA's Compliance with Binding Operational Directives 19-02 and 22-01](#)

Issue Date: 08/17/2023

Recommendation Nos. 1, 2, 3, 4

Potential Cost Savings: N/A

.....

50801-0011-12

[Fiscal Year 2023 Quarter 4 Security Evaluation](#)

Issue Date: 07/26/2024

Recommendation Nos. 1, 3

Potential Cost Savings: N/A

.....

50801-0012-12

[USDA's Management of Default Credentials](#)

Issue Date: 06/03/2024

Recommendation No. 1

Potential Cost Savings: N/A

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**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](#)

Issue Date: 11/10/2021

Recommendation No.16

Potential Cost Savings: N/A

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**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](#)

Issue Date: 09/28/2018

Recommendation Nos. 2, 3

Potential Cost Savings: N/A

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**RMA: Risk Management Agency**

05601-0002-41

[RMA Apiculture Pilot Insurance Program](#)

Issue Date: 05/09/2023

Recommendation No. 3

Potential Cost Savings: \$1,082,604



## APPENDIX 2

# Summary of Management Decisions Made During the Reporting Period for Reports Issued During a Previous Reporting Period

This appendix provides a summary of audit or inspection reports OIG issued prior to October 1, 2024, with all recommendations that reached management decision between October 1, 2024, and March 31, 2025. OIG reached management decision on four recommendations for two engagement reports issued during a previous reporting period. A link to each report shows the detail for each recommendation on [OIG's website](#).

### **Forest Service**

08801-0002-24

[IIJA – Community Wildfire Defense Grant Program for At-Risk Communities](#)

Issue date: 08/29/2024

Recommendation No. 1

### **Office of the Chief Financial Officer**

50024-0004-24

[USDA's Compliance with Improper Payment Requirements for Fiscal Year 2023](#)

Issue date: 07/12/2024

Recommendation No.: 1, 3, 4





## APPENDIX 3

### Reports That Were Closed and Not Disclosed to the Public as of March 31, 2025

OIG published summary information for all its reports from October 1, 2024, through March 31, 2025; however, eight reports contained sensitive content that was not publicly released.

This appendix is also intended to report any audits, inspections, or data analytics products that were not publicly released. We have six audits and one inspection that were closed or canceled and not disclosed to the public during this reporting period.

Agency	Date Closed	Title of Report	Reason for Cancellation
APHIS	02/26/2025	Animal and Plant Health Inspection Service Highly Pathogenic Avian Influenza (HPAI) Indemnification Payment Process for Recurring Outbreaks	OIG cancelled this audit due to the recent issuance of the interim rule amending the regulations pertaining to conditions for payment of indemnity for HPAI.
Food Safety and Inspection Service	01/07/2025	Food Safety and Inspection Service's Oversight of the Virginia Meat and Poultry Inspection Program—Boar's Head Establishment	OIG cancelled this inspection due to extenuating circumstances.
NIFA	02/20/2025	Incurred Cost Performance Audits—Recipients of Grants from the National Institute of Food and Agriculture for Fiscal Year 2023	This was a series of 5 audits, 1 consolidated and 4 of individual institutions. OIG cancelled all 5 audits due to other higher priority work.

## APPENDIX 4

### Contract Audit Reports with Significant Findings

OIG is required by the [National Defense Authorization Act for Fiscal Year 2008](#) to list all contract audit reports issued during the reporting period that contained significant findings. OIG did not issue any such reports from October 1, 2024, through March 31, 2025.



## APPENDIX 5

### Information Described Under Section 804(b) of the Federal Financial Management Improvement Act of 1996

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 U.S. Standard General Ledger at the transaction level. 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. In addition, Federal Information Security Modernization Act (FISMA) deficiencies are a component of FFMIA compliance.

During the first half of FY 2025, we issued our annual financial statement reports for FY 2024 and addressed USDA's compliance with FFMIA. The Department reported that it was not compliant with Federal financial management system requirements and the U.S. Standard General Ledger at the transaction level. As noted in its management's discussion and analysis in the Department's annual agency financial report, USDA agencies continue working 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 2024. The Department continues to move forward with remediation plans to achieve compliance for longstanding Departmentwide weaknesses related to FISMA and the U.S. Standard General Ledger.





## APPENDIX 6

### Additional Investigations Metrics

In fulfillment of the Inspector General Act's reporting requirements, the following table shows the number of investigative reports OIG 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.

Metric	Description of the Metric	October 1, 2024—March 31, 2025 Results
Investigative Reports Issued	Number of investigative reports issued on OIG investigations during the reporting period.	110 Reports
Total Number of Persons Referred to DOJ for Criminal Prosecution	Number of individuals and organizations formally referred to DOJ for criminal and civil prosecutorial decisions.	109 individuals (Criminal only) 2 Individuals (Civil only) 2 individuals (Criminal and Civil)
Total Number of Persons Referred to State and Local Prosecuting Authorities	Number of individuals and organizations formally referred to State and local prosecuting authorities for prosecutorial decisions during the reporting period.	17 Individuals
Indictments, Criminal Informations, and Other Charging Mechanisms That Resulted from Prior Referral to Prosecuting Authorities	Number of indictments and/or other charging mechanisms claimed during the reporting period, that had been referred for prosecution prior to FY 2024.	96 Individuals



## APPENDIX 7

### Information Related to Administrative False Claims Act Cases

We have no instances to report.

## APPENDIX 8

### OIG Investigations Involving a Senior Government Employee Where Allegations of Misconduct Were Substantiated

#### **Allegation of Misconduct Relating to Mishandling of Classified Information**

OIG investigated a USDA senior Government employee regarding allegations that they mishandled classified information by sending classified information via email on the unclassified USDA email server. OIG's investigation determined that the classified information was mishandled via email transmission. The investigative findings were referred to the Deputy Secretary and OCIO for review and appropriate action. The investigation was referred to the Department for action and closed on July 8, 2024. On February 24, 2025, the Office of Human Resource Management, Employee Relations Branch, confirmed no administrative action was issued. This case was not referred to DOJ.

## APPENDIX 9

### Instances of an Investigation of a Senior Government Employee That Was Closed and Not Disclosed to the Public

#### **Allegation of Misconduct Relating to Conflict of Interest and Ethics Violations**

OIG investigated a USDA senior Government employee who was alleged to have engaged in a conflict of interest and ethics violations associated with an executive coaching contract in that they were alleged to have awarded the contract to a specific vendor, and that the employee had a personal relationship with the awardee. The investigation revealed that the senior Government employee did not engage in those activities and that a separation of responsibilities ensured that the relevant contracting process proceeded in accordance with USDA regulations. The investigation was closed on December 11, 2024, with no action taken.





## APPENDIX 10

### Instances of Whistleblower Retaliation

We have no instances to report.

## APPENDIX 11

### 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 12

### Inspector General Act Reporting Requirements

IG Act Section	IG Act Description	OIG Reported SARC March 2025
Section 404(a)(2)	Review of Legislation and Regulations	Page 15
Section 405(a)(1)	Significant Problems, Abuses, and Deficiencies	Focus Areas Pages 2–14
Section 405(a)(2)	Recommendations Made Before the Reporting Period for Which Corrective Action Has Not Been Completed	Focus Areas Pages 2–14
Section 405(a)(3)	Significant Investigations Closed	Focus Areas Pages 2–14
Section 405(a)(4)	Matters Referred to Prosecutive Authorities and Resulting Convictions	Statistical Highlights Page 1
Section 405(a)(5)	Reports Issued During the Reporting Period	Focus Areas Pages 2–14
Section 405(a)(6)	Management Decision Made on Reports Issued in a Prior Reporting Period	Appendix 2 Page 24
Section 405(a)(7)	Information Described Under Section 804(b) of the FFMIA of 1996	Appendix 5 Page 26
Section 405(a)(8)	Peer Reviews of USDA OIG	Page 15
Section 405(a)(9)	Outstanding Recommendations from Any Peer Review	Page 15
Section 405(a)(10)	Peer Reviews Conducted by USDA OIG	Page 15
Section 405(a)(11)-(12)	Statistical Tables Pertaining to OIG Investigations and a Description of the Metrics Used for Developing the Tables	Appendix 6 Page 27
Section 405(a)(13)	Report on Each OIG Investigation Involving a Senior Government Employee Where Allegations of Misconduct Were Substantiated	Appendix 8 Page 28
Section 405(a)(14)	Instances of Whistleblower Retaliation	Appendix 10 Page 29
Section 405(a)(15)	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 11 Page 29
Section 405(a)(16)(A)	Detailed Description of Situations Where an Inspection, Evaluation, or Audit Was Closed and Not Disclosed to the Public	Appendix 3 Page 25



## APPENDIX 12

IG Act Section	IG Act Description	OIG Reported SARC March 2025
Section 405(a)(16)(B)	Investigation of a Senior Government Employee That Was Closed and Not Disclosed to the Public	Appendix 9 Page 28
Other information that OIG reports that is not part of these requirements:		
<ul style="list-style-type: none"><li>• Performance measures,</li><li>• Hotline complaint results.</li></ul>		
<b>National Defense Authorization Act for FY 2008</b>		
Section 845	Contract Audit Reports with Significant Findings	Appendix 4 Page 25
<b>Servicemember Quality of Life Improvement and National Defense Authorization Act for FY 2025</b>		
Section 5203	Information Related to Administrative False Claims Act Cases	Appendix 7 Page 28





## 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](#).

Our [2024 USDA Management Challenges report](#) highlighted three major challenges: Ensuring Safety and Security, Providing Benefits, and Delivering Efficient Programs. We also identified what OIG considers “key challenge indicators” within the three areas to assist USDA to focus its attention to address the challenges. The key challenge indicators for 2024 were:

- Plant and Animal Health
- Cybersecurity and Information Technology
- Food and Nutrition Assistance Programs
- Farm Programs
- Crop Insurance
- Grants Oversight
- Outreach
- Financial Reporting
- Emerging Challenge: Climate Impact

Copies of our past Management Challenges reports are available on our website: <https://usdaoig.oversight.gov/reports/list/top-management-challenges>



## ACRONYMS AND ABBREVIATIONS

APHIS.....	Animal and Plant Health Inspection Service
ARS .....	Agricultural Research Service
AWA .....	Animal Welfare Act
CBP .....	U.S. Customs and Border Protection
CCC .....	Commodity Credit Corporation
CFDL .....	Community Facilities Direct Loan & Grant Program
CIGIE.....	Council of the Inspectors General on Integrity and Efficiency
COVID-19 .....	coronavirus disease 2019
DOJ .....	U.S. Department of Justice
DOL.....	U.S. Department of Labor
ECD .....	estimated completion date
FAC.....	Federal Audit Clearinghouse
FBI.....	Federal Bureau of Investigation
FCIC.....	Federal Crop Insurance Corporation
FFMIA .....	Federal Financial Management Improvement Act of 1996
FISMA .....	Federal Information Security Modernization Act
FNS .....	Food and Nutrition Service
FPAC .....	Farm Production and Conservation
FS.....	Forest Service
FSA.....	Farm Service Agency
FY.....	fiscal year
HPAI .....	Highly Pathogenic Avian Influenza
GAO .....	Government Accountability Office
HSI .....	Homeland Security Investigations
IIJA .....	Infrastructure Investment and Jobs Act
IPA .....	Independent Public Accountant
IRA .....	Inflation Reduction Act of 2022
IRS-CI .....	Internal Revenue Service, Criminal Investigations
IT.....	information technology
LRT .....	Legacy Road and Trail Remediation Program



## ACRONYMS AND ABBREVIATIONS

MODSS .....	Missouri Department of Social Services
NIFA .....	National Institute of Food and Agriculture
NRCS .....	Natural Resources Conservation Service
OAI .....	Office of Analytics and Innovation
OASCR.....	Office of the Assistant Secretary for Civil Rights
OCFO .....	Office of the Chief Financial Officer
OCIO .....	Office of the Chief Information Officer
OIG .....	Office of Inspector General
RBS .....	Rural Business-Cooperative Service
RD .....	Rural Development
ReConnect Program.....	Rural eConnectivity Pilot Program
RMA.....	Risk Management Agency
SARC .....	Semiannual Report to Congress
SBA .....	Small Business Administration
SNAP .....	Supplemental Nutrition Assistance Program
USDA.....	U.S. Department of Agriculture
USMS.....	U.S. Marshals Service
VA .....	U.S. Department of Veterans Affairs



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