

DATE: September 25, 2025

TO: The Honorable Brooke L. Rollins

Secretary

U.S. Department of Agriculture

The Honorable Stephen Alexander Vaden

Deputy Secretary

U.S. Department of Agriculture

ATTN: Kailee Buller

Chief of Staff

U.S. Department of Agriculture

Jennifer Tiller

Deputy Secretary Chief of Staff U.S. Department of Agriculture

FROM: Yarisis Rivera-Rojas

Acting Assistant Inspector General for Audit

OIG Engagements Relevant to the "One Big Beautiful Bill Act" **SUBJECT:**

On July 4, 2025, President Trump signed the Act to provide for reconciliation pursuant to Title II of H. Con. Res. 14 into law, also known as the "One Big Beautiful Bill Act" (OBBBA). This act addressed a wide range of Department of Agriculture (USDA) programs, including changes to the Supplemental Nutrition Assistance Program (SNAP) and extending other USDA programs authorized by the Agriculture Improvement Act of 2018 (commonly known as the 2018 farm bill).

Pursuant to OBBBA, the Office of Inspector General (OIG) conducted a review of OIG and Government Accountability Office (GAO) engagements related to USDA programs that received funding under the act. Through this review, we identified work that may provide USDA insight when administering these programs and disbursing funds. Our intent is that this information will help USDA determine whether existing program controls should be strengthened to better safeguard U.S. agricultural resources. By maintaining strong controls, agencies are better suited to implement the OBBBA-funded programs.

We summarized the relevant engagements below alphabetically by agency and in chronological order (most recent first).² To avoid duplicate information, we excluded summaries for engagements listed in a prior memo sent to the Secretary on July 24, 2025, that are noted as

¹ Pub. L. No. 119-21, 139 Stat. 72 (2025).

² We limited the engagement reports to those issued in 2018 or later.

applicable. Also, according to information maintained by the Office of the Chief Financial Officer (OCFO) and GAO, some of the recommendations associated with the engagements listed below have not been implemented as of September 22, 2025. These outstanding recommendations are also noted as applicable.

AGRICULTURE MARKETING SERVICE (AMS)

OBBBA Program: Specialty Crop Block Grants

Relevant OIG Work

• Agricultural Marketing Service Controls Over the Specialty Crop Block Grant (01601-0002-23, Oct. 2020). We found that both AMS and the States need to improve their processes used to monitor the Specialty Crop Block Grant Program (SCBGP) grants. First, we found that AMS did not effectively oversee the States to ensure funds were expended in accordance with applicable laws and regulations. As a result, AMS cannot provide reasonable assurance that the States disbursed more than \$12.2 million in SCBGP project funds in compliance with program requirements. We also found that two of the three States in our sample did not adequately monitor SCBGP projects. As a result, these States may be unable to ensure that their SCBGP projects achieved measurable performance outcomes and that subrecipients used \$739,355 in project funds in accordance with Federal regulations and AMS's terms and conditions. According to OCFO, the report's four recommendations have been closed.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE (APHIS)

OBBBA Programs: Plant Pest and Disease Management and Disaster Prevention Program, and National Animal Disease Preparedness and Response Program

Relevant OIG Work

- <u>Plant Pest and Disease Management and Disaster Prevention Program</u> (33601-0001-21, Jan. 2023). According to OCFO, the report's four recommendations have been closed.³
- <u>Cattle Health Program Disease Incident Response</u> (33601-0003-41, Nov. 2022). According to OCFO, the report's nine recommendations have been closed.⁴
- National Veterinary Stockpile Oversight (33701-0001-21, Sept. 2020). We found that APHIS' Veterinary Services (VS) unit did not adequately oversee the National Veterinary Stockpile (NVS) supply and equipment inventory levels. Additionally, VS officials identified concerns with a contractor's maintenance of VS equipment and instituted a corrective action plan to resolve the problem. However, VS officials had not taken appropriate followup actions to ensure the contractor improved its performance and adequately maintained equipment. Also, VS did not determine whether States and vaccine

³ See memo dated July 24, 2025.

⁴ See memo dated July 24, 2025.

manufacturers had implemented recommendations from NVS exercises designed to validate preparedness. These issues, if not mitigated, could impact the response to an animal disease outbreak due to supply shortages or inoperable equipment. In addition, VS officials were unaware if participants in exercises designed to validate emergency preparedness had improved their ability to respond to an animal disease outbreak. According to OCFO, the report's eight recommendations have been closed.

Related GAO Reports

• GAO-19-103, Foot-And-Mouth Disease: USDA's Efforts to Prepare for a Potential Outbreak Could Be Strengthened (GAO-19-103, Mar. 2019). According to GAO the report's two recommendations to USDA have been closed.

AGRICULTURAL RESEARCH SERVICE (ARS)

OBBBA Program: Research Facilities

Relevant OIG Work

- <u>USDA's Implementation of the National Bio and Agro-Defense Facility</u> (50601-0011-31, Apr. 2025). According to OCFO, the report's nine recommendations remain open.⁵
- <u>Agricultural Research Service Northeast Area Facility's Condition and Security</u> (02801-0002-21, Apr. 2025). According to OCFO, the report's four recommendations remain open.⁶
- <u>Agricultural Research Service Midwest Area Facility Condition and Security</u> (02801-0001-21, Nov. 2024). According to OCFO, five of the report's six recommendations remain open.⁷

FARM SERVICE AGENCY (FSA)

OBBBA Programs: Conservation Reserve Program; Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish; Agricultural Risk Coverage and Price Loss Coverage; and Dairy Margin Coverage

Relevant OIG Work

• Eligibility of Conservation Reserve Program Climate-Smart Practice Incentive Payments (03801-0001-41, Oct. 2024). We found FSA did not establish a formal policy that outlined its process when the per-acre national maximum payment rate limitations for the Conservation Reserve Program (CRP) were being reviewed to determine if rates needed to be revised. Without a formal policy in place outlining FSA's process for reviewing the

⁵ See memo dated July 24, 2025.

⁶ See memo dated July 24, 2025.

⁷ See memo dated July 24, 2025.

per-acre national maximum payment rate limitations to determine if the rates need to be revised, the agency risks inconsistency in its approach to analyzing the rates and providing incomplete information to USDA officials who establish the rate limitations. According to OCFO, the report's one recommendation remains open.

- 2017 Emergency Assistance for Honeybee Claims (03702-0001-23, Sept. 2020). In two of three States we visited, county officials did not include inventory additions in Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP) payment calculations for 18 of the 60 honeybee applications we reviewed, resulting in more payments than allowed. We also questioned payments that FSA approved for two ineligible honeybee producers. Finally, four out of the five district directors responsible for the counties we reviewed either did not perform the required oversight reviews or did not report the results of these reviews to the State office. As a result, State officials were unaware of the county offices' implementation of ELAP, thus increasing the agency's risk of erroneous payments. For the one State and district that did not conduct the required reviews, we questioned all payments due to a lack of oversight. In total, we questioned costs of over \$10.1 million. According to OCFO, the report's 14 recommendations have been closed.
- Agricultural Risk Coverage and Price Loss Coverage Programs (03601-0002-31, Sept. 2018). We found that FSA issued documentation that may have incorrectly characterized Agricultural Risk Coverage county coverage (ARC-CO) as revenue protection as the Department characterized the program differently. As a result, the public may not understand the goal of the program clearly. We also found that FSA made ARC-CO payments based on each farm's administrative county instead of the county where the farm was physically located. As a result, FSA issued payments to over 72,500 farms in 2014 and over 75,400 farms in 2015 based on the administrative county for these farms when at least part of each farm was physically located in another county. Lastly, we found that 10 of 30 Price Loss Coverage (PLC) yields we reviewed were incorrect based on our review of production records and historical FSA records. As a result, FSA made \$109,580 of improper payments in crop year 2015. According to OCFO, the report's seven recommendations have been closed.

Related GAO Reports

- GAO-25-106595, DAIRY FARMERS: USDA Should Assess the Effectiveness of its Communications Regarding Key Program Benefits (GAO-25-106595, July 2025). According to GAO, the report's one recommendation to USDA remains open.
- GAO-24-106311, Conservation Reserve Program: Improving How USDA Selects Land Could Increase Environmental Benefits (GAO-24-106311, Sept. 2024). According to GAO, the report's four recommendations to USDA remain open.

FOOD AND NUTRITION SERVICE (FNS)

OBBBA Program: SNAP

Relevant OIG Work

- Food and Nutrition Service's Supplemental Nutrition Assistance Program Fraud Risk Assessments (27601-0001-24, May 2025). We found that FNS has not comprehensively assessed SNAP fraud risks in adherence with the GAO Fraud Risk Management Framework, nor has it documented a prioritized approach to managing fraud risks. As a result, FNS is not meeting the objective of fraud risk management which is to ensure program integrity by continuously and strategically mitigating both the likelihood and effects of fraud, while also facilitating the program's mission. According to OCFO, the report's four recommendations remain open.
- <u>Supplemental Nutrition Assistance Program Waiver Process</u> (27601-0006-41, Jan. 2023). Our review of SNAP waiver policies and procedures found that the divisions responsible for issuing waivers did not consistently document policies and procedures and did not meet Departmental recordkeeping requirements. As a result, there is reduced assurance that approved waivers meet regulatory and statutory requirements. According to OCFO, the report's two recommendations have been closed.
- COVID-19—Supplemental Nutrition Assistance Program Online Purchasing in Response to the Coronavirus Disease 2019 (27801-0003-22, Aug. 2021). We found that FNS had not updated its risk assessment of the SNAP Online Purchasing Pilot since creating the pilot in 2014. Without updating its risk assessment to assess new risks in the rapidly evolving e-commerce market, the pilot could be susceptible to fraud and abuse—particularly as FNS rapidly expanded the pilot between March and December 2020. We also found FNS did not establish controls to effectively monitor, evaluate, or document how participating retailers protect SNAP participants' online personal information. Instead, the agency relied on retailers' assurance and attestation that online retailers will protect the privacy of SNAP participants' information. In order to proactively ensure that SNAP participants' personal information is not compromised, sold, shared, or given to any third party without authorization, FNS needs to better monitor, evaluate, and document retailers' compliance with safeguarding participants' personal information. According to OCFO, two of the report's three recommendations remain open.
- SNAP Employment and Training Pilot Projects (27601-0004-22, Dec. 2019). The 10 State agencies receiving employment and training (E&T) pilot program grants were required to maintain the same level of funding in their regular E&T programs as in fiscal year (FY) 2013 and to not replace this funding with Federal funding for the pilot projects. However, we found that 6 of the 10 States spent almost \$38.7 million less on their regular programs from FYs 2015–2017 than their FY 2013 funding levels. As a result, States may have replaced almost \$27.6 million of State funds with Federal funds. According to OCFO, the report's two recommendations have been closed.

• Compilation Report of States' Compliance with Requirements for the Issuance and Use of Supplemental Nutrition Assistance Program Benefits (7 CFR, Part 274) (27601-0019-10, Sept. 2018). This consolidated report presented a summary of the findings and recommendations from five State reports, and found each of the States did not properly maintain exempt retailer agreements and ensure they contained the minimum required content in accordance with Federal regulations. Given the prevalence of the non-compliances identified within the five States, and the number of States served by the same Electronic Benefits Transfer Contractor, it provided additional recommendations to FNS beyond those included in the individual State reports. According to OCFO, the report's three recommendations have been closed.

Related GAO Reports

- <u>SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM: Federal Actions Needed to Help Connect College Students with Benefits</u> (GAO-25-106000, Mar. 2025). According to GAO, the report's two recommendations to USDA remain open.
- Improper Payments: USDA's Oversight of the Supplemental Nutrition Assistance Program (GAO-24-107461, Sept. 2024). This report did not include any new recommendations.
- GAO-19-56, SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM: More Complete and Accurate Information Needed on Employment and Training Programs (GAO-19-56, Nov. 2018). According to GAO, the report's four recommendations to USDA have been closed.

NATURAL RESOURCES CONSERVATION SERVICE (NRCS)

OBBBA Programs: Watershed Protection and Flood Prevention Program, Conservation Stewardship Program, Agricultural Conservation Easement Program, Environmental Quality Incentives Program, and Regional Conservation Partnership Program

Relevant OIG Work

• IIJA – Watershed and Flood Prevention Operations (10801-0001-24, June 2024). We found that NRCS did not accurately report Infrastructure Investment and Jobs Act (IIJA) Watershed and Flood Prevention Operations (WFPO) data to the public. As a result, NRCS' IIJA WFPO obligations are publicly underreported by more than \$176.9 million, and there is reduced transparency of these obligations as reported to the public. Additionally, NRCS did not provide documentation supporting its review and selection process for the WFPO awards. NRCS agreed that it needed to implement a review and selection process in the future, when WFPO funding needs unrelated to IIJA will likely require NRCS to compete the awards and document its review and selection process, to ensure NRCS selects projects that are most likely to be successful in delivering results based on program objectives. According to OCFO, the report's three recommendations remain open.

- Conservation Stewardship Program Participant Control of Land (50601-0005-23, Jan. 2024). We reviewed 30 contracts and found that 52 of 83 required annual reviews were not fully documented according to NRCS policy for the scope of our audit. Documentation is necessary for potential appeals or other legal circumstances where an improper payment may have occurred, and an official record of events is necessary. Additionally, without properly documenting the annual contract reviews, the agency does not have assurance that the participants maintained control of the land under contract, which may result in improper payments. During the audit, we found that NRCS did not identify one instance in which a participant did not maintain control of land for the entire contract period. According to OCFO, the report's three recommendations have been closed.
- Agricultural Conservation Easement Program Application and Selection Priorities (10601-0007-31, Sept. 2019). We found that NRCS did not consistently maintain sufficient supporting documentation for 52 of 71 sampled applications in a manner that allowed it to be readily available for examination. As a result, we were unable to fully evaluate the ranking scores for the approved applications, which totaled over \$26.5 million of approximately \$51.4 million in fiscal year 2017 and 2018 obligations. Furthermore, without adequate documentation, there is reduced assurance that applications were accurately ranked and selected. According to OCFO, the report's one recommendation has been closed.
- Environmental Quality Incentives Program Payment Schedules (10601-0005-31, Sept. 2019). We found that NRCS' use of Environmental Quality Incentives Program (EQIP) regional payment schedules did not consistently represent the producer's cost to implement conservation practices. Furthermore, the component cost estimates used in regional payment schedules were not always current and cost-effective. Because NRCS relied on outdated and inaccurate component prices to calculate payment schedules, we questioned over \$2.16 billion obligated for fiscal years 2016–2017. Additionally, NRCS did not properly administer EQIP when disbursing 8 payments identified from 45 sampled files. As a result, NRCS improperly overpaid six EQIP producers \$30,416 and underpaid two producers \$1,176. Moreover, NRCS did not provide sufficient oversight at the State and national levels to detect and correct EQIP payment issues. According to OCFO, the report's six recommendations have been closed.
- Regional Conservation Partnership Program Controls (10601-0004-31, June 2018). We found that NRCS did not always effectively administer or oversee the Regional Conservation Partnership Program (RCPP). During our review, we identified inconsistencies regarding the administration of the program and an absence of a formal oversight process by the NRCS national office. Specifically, NRCS inconsistently implemented the RCPP proposal review process, and we also identified documentation retention issues. Furthermore, NRCS did not always act within or enforce compliance with statutory or program requirements. As a result, NRCS allocated over \$570 million in agreements without adequate internal controls. According to OCFO, the report's four recommendations have been closed.

RISK MANAGEMENT AGENCY (RMA)

OBBBA Program: Crop Insurance

Relevant OIG Work

- Assessment of Risk Management Agency's Oversight of High-Dollar Indemnities (05601-0003-41, Aug. 2025). We found that RMA did not ensure all required high dollar indemnity reviews were completed by approved insurance providers (AIPs). Specifically, for Crop Year (CY) 2022, AIPs did not submit reports for 148 out of 8,698 of the required \$200,000 Indemnity Reviews to indicate that a review was completed. As a result, without evidence of these reviews, RMA had reduced assurance that AIPs accurately determined indemnities, resulting in more than \$61.9 million in questioned unsupported costs for CY 2022. According to OCFO, the report's three recommendations remain open.
- Whole-Farm Revenue Protection Pilot Program (05601-0005-22, May 2024). We found that RMA did not ensure the Whole-Farm Revenue Protection Pilot Program's (WFRP) insurance year 2019 activities were consistently included in its existing oversight processes. Overall, RMA did not document which existing oversight processes the agency used to ensure it performed sufficient and recurrent oversight of WFRP activities. We concluded that RMA's oversight of WFRP activities for insurance year 2019 was not sufficient to ensure that more than \$185.5 million in indemnities paid were accurately determined. According to OCFO, the report's one recommendation has been closed.
- <u>Prevented Planting Followup</u> (05601-0008-31, Feb. 2024). We found that RMA did not ensure the specific acreage in a producer's land was eligible for an insurance payment. Without documentation from the AIPs that demonstrated which acres were eligible, we determined that 9 of 9 AIPs related to our sample made prevented planting payments totaling more than \$1.087 billion in crop year 2020 in North Dakota and South Dakota that were not fully supported. According to OCFO, the report's two recommendations have been closed.
- Apiculture Pilot Insurance Program (05601-0002-41, May 2023). For three of the five Apiculture policies we reviewed that used lease certification forms, in lieu of providing lease agreements, we found the forms did not provide sufficient information to verify that a lease was in place. As a result, the lack of lessor information required on the form hinders the reviewer's ability to properly confirm eligibility for the Apiculture program and potentially puts producers at risk for not meeting insurability requirements. Therefore, the indemnities paid on the three policies totaling \$442,188 are questionable. Our review also found that an AIP was not in compliance with the review requirements for policies that pay indemnities of \$200,000 or more. Without adequate reviews of these policies, there is reduced assurance that the payments made for four policies in crop year (CY) 2020—totaling \$1,082,604—met all insurability requirements. Finally, although the Apiculture Program pays indemnities based on a lack of or decline in precipitation, the indemnity payment calculations do not differentiate between irrigated and non-irrigated farming practices. As a result, producers insuring bee colonies on irrigated land are able

to receive the same level of indemnity payments even if they may not have been impacted by the lack of or decline in precipitation. According to OCFO, one of the report's eight recommendations remain open.

- Controls Over Crop Insurance Section 508(h) Products (05601-0007-31, June 2020). We found several weaknesses that RMA needed to address to improve its oversight of Section 508(h) submissions. First, RMA did not have a formalized system for documenting reviews for Section 508(h) products. Consequently, there was an increased potential for RMA to detect nor address vulnerabilities in privately developed products, which may result in losses. Second, we found that none of the divisions that review Section 508(h) products had fully assessed certain vulnerabilities of such products. As a result, RMA is missing an opportunity to identify—and therefore prevent—product vulnerabilities and potential fraud, waste, and abuse. According to OCFO, the report's two recommendations have been closed.
- Annual Forage Program and Follow Up on Pasture, Rangeland, and Forage Program Recommendations (05601-0006-31, July 2019). We determined that although RMA made appropriate changes to the Pasture, Rangeland, and Forage (PRF) insurance plan based on prior recommendations, further improvements are needed in both the PRF and Annual Forage insurance plans. First, we determined that rain gauges in two States provided suspicious rainfall readings, which led to producers in one State receiving at least \$8.52 million more in Annual Forage indemnity payments than they should have received for crop year 2017. Within the scope of our review, we also found that the county base values used to calculate indemnity payments exceeded the production capability of the land. This resulted in producers receiving high or disproportionate Annual Forage indemnities. According to OCFO, the report's four recommendations have been closed.
- Actual Revenue History Underwriting for Sweet Cherries (05601-0003-22, Apr. 2018). We identified revenue reporting errors and supporting documentation issues in approximately 33 percent of the policies in the non-statistical sample we reviewed. As a result, the two AIPs we reviewed made policy determinations based on inaccurate revenue histories and, in one instance, overpaid an indemnity by \$3,683. According to OCFO, the report's three recommendations have been closed.
- <u>RMA Indemnity Payments to Pistachio Producers</u> (05601-0001-41, Feb. 2018). We found that four of five producer claim files from one AIP did not contain the required evidence to support the paid insurance indemnities. Specifically, three claim files did not contain sufficient evidence of the loss adjuster's field inspections, and four claim files did not contain evidence documenting the loss adjuster's determination that all trees were completely harvested. As a result, indemnity payments of nearly \$7.7 million paid to four producers are questionable. According to OCFO, the report's two recommendations have been closed.

Related GAO Reports

• <u>CROP INSURANCE: Update on Opportunities to Reduce Program Costs</u> (GAO-24-106086, Nov. 2023). This report did not include new recommendations.

This memorandum contains publicly available information and will be posted in its entirety to our website (https://usdaoig.oversight.gov).



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