



United States  
Department of  
Agriculture

Office of  
Inspector  
General

# Office of Inspector General Annual Business Plan Fiscal Year 2007

October 1, 2006 - September 30, 2007



## Highlights of Office of Inspector General (OIG) Plans for Fiscal Year 2007

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### **GOAL 1: Support the United States Department of Agriculture's (USDA) enhancement of safety and security measures to protect USDA and agricultural resources and in related public health concerns**

- Investigate animal, animal product, plant, and plant product smuggling.
- Review avian influenza laboratories to determine whether they are accomplishing objectives and complying with testing policies and procedures.
- Coordinate investigations with joint terrorism and financial task forces.
- Evaluate security measures for USDA's wireless technology.

### **GOAL 2: Reduce program vulnerabilities and enhance integrity in the delivery of benefits to individuals**

- Investigate allegations of criminal activity in farm programs.
- Monitor development of 2007 Farm Bill.
- Monitor USDA-wide hurricane disaster relief efforts.
- Assess FSIS' progress toward implementing risk-based inspections.
- Review the Forest Service's (FS) Air Safety Program.
- Evaluate effectiveness of quality control reviews performed by the insurance providers in the Federal Crop Insurance Program.

### **GOAL 3: Increase the efficiency and effectiveness with which USDA manages and employs public assets and resources, including physical and information resources**

- Investigate adequacy of security over USDA's information technology resources.
- Audit the FY 07 USDA consolidated statements and six stand-alone agencies.
- Review National Information Technology Center, National Finance Center, and Information Technology Service's general controls.
- Review the Department's efforts to implement the Bioenergy Program.
- Evaluate the Foreign Agricultural Service's (FAS) export credit guarantee programs and implementation of trade initiatives and policies.
- Investigate alleged significant criminal activity by USDA employees.

### **GOAL 4 Ensure OIG readiness**

- Build on improvements in OIG internal management operations.
- Expand OIG's IT capability and security.
- Expand scientific expertise and policy analysis.
- Expand use of OIG legal resources in related mission work.
- Perform internal reviews of OIG operations.

## Message from the Inspector General

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I am pleased to present the USDA OIG annual business plan (ABP) for fiscal year (FY) 2007. Our plan sets out the goals and objectives for USDA OIG work in FY 2007. The ABP is aligned with our current strategic plan for FY 2004-2008.

The FY 2007 ABP describes how OIG will achieve its mission of promoting effectiveness and integrity in the delivery of USDA programs. The work outlined in the ABP is the most critical work being performed by OIG as we move towards our goals of assessing how effectively USDA uses taxpayer dollars, improves programs and operations, serves the American public, and increases efficiency and accountability.

OIG is committed to providing continued oversight to USDA programs supporting the Gulf Coast region devastated by Hurricanes Katrina, Rita, and Wilma to increase accountability in these programs and avoid waste and fraud in the distribution of benefits. We are responding to the threat of an avian influenza (AI) pandemic and taking prompt and comprehensive action to evaluate the implementation of the Department's Information Technology (IT) security system. Through a coordinated program of audits, investigations, and other reviews, USDA OIG is addressing the areas of highest risk and providing insight and support to USDA program agencies. Our concerted efforts focus heavily on prevention, including reviewing controls and advising Department officials of recommended improvements needed in agency programs and operations.

I have frequently shared with the whole OIG team my philosophy of our organization as "One OIG" and that each part of the OIG is necessary to achieving our goals. This ABP demonstrates that concept. Accomplishing the work highlighted here will require the active efforts of every OIG auditor, investigator, evaluator, lawyer, management professional, quality assurance reviewer, IT specialist, and administrative support staff. I know that I can count on the entire OIG team to continue to work together toward accomplishment of our strategic goals in order to provide the best possible results for the American taxpayer.

On behalf of the entire OIG team, let me say that we look forward to continuing to work with the Secretary and the Congress on behalf of the American public to improve USDA programs and operations.



Phyllis K. Fong  
Inspector General



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## Introduction

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The United States Department of Agriculture (USDA), Office of Inspector General's (OIG) Strategic Plan for FY 2004-2008 established our mission, vision, goals, and areas of emphasis for 5 years. In so doing, it set the direction for OIG to provide a positive return on the U.S. taxpayers' investment by asking the following critical questions of all the work that we plan to undertake: Are we addressing the most important matters? Are we achieving significant results?

The FY 07 work that OIG intends to undertake in support of our current strategic plan is presented in this ABP.

## Planning Framework

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The USDA OIG Strategic Plan for FY 2004-2008 reflects a concerted effort at all levels of our organization to assess our purpose, our future, and what we must do to provide a worthy return on the U.S. taxpayers' investment. It constitutes a roadmap and guides our efforts in OIG.

As part of our strategic plan, we have identified three key challenges overall for USDA:

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1. Safety, Security, and Public Health
  2. Integrity of Benefits and Entitlements Programs
  3. Management of Public Resources
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To support the Department in these areas, we have prioritized our work to focus on five key areas of emphasis:

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- Public Health and Safety
  - Physical and Research Security
  - IT Security and Management
  - Farm Programs
  - Employee Corruption
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Our planning process addresses the challenges facing the Department as well as improvements needed within

OIG. We have developed four strategic goals to guide our work — three business goals to address the three key challenges facing the Department and one management goal geared towards improvements in OIG operations:

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1. Support USDA in the enhancement of safety and security measures to protect USDA and agricultural resources and in related public health concerns.
  2. Reduce program vulnerabilities and enhance integrity in the delivery of benefits to individuals.
  3. Increase the efficiency and effectiveness with which USDA manages and employs public assets and resources, including physical and information resources.
  4. Ensure OIG readiness to achieve its strategic goals.
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Ultimately, this ABP, budget requests, and semiannual reports will work in concert to present a unified view of historical trends, our current situation, ongoing efforts, and future goals, all based on the framework of our strategic plan. Our plans are flexible, and we anticipate amending them as needed in response to changing situations.

Appendix A lists Web sites that contain information on the OIG and USDA strategic plans and on USDA Management Challenges.

## Resources and Organization

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The work proposed for this ABP was also assessed in terms of the availability of the necessary resources to accomplish it. Appendix B describes our current organizational structure and functional responsibilities.

## FY 07 Work Plan

A summary of the work planned in support of each of the identified strategic goals for FY 07 follows.

### Goal 1

**Support USDA in the enhancement of safety and security measures to protect USDA and agricultural resources and in related public health concerns**

We expect to use 13 percent of our audit and 15 percent of our investigative resources for this goal.<sup>1</sup> Our focus includes the investigation of threats to the food supply, the agricultural sector, USDA employees, and national security. Our audit focus includes the assessment of management control systems designed to ensure that the Department is effectively protecting both the consumer and the Nation's agricultural resources. Our audit work will also focus on homeland security and the continued evaluation of the effectiveness of the Department's actions in coordinating and communicating increased security controls Departmentwide and with other Federal departments. Priority work in FY 07 will include the following:

- Determine whether the Animal and Plant Health Inspection Service (APHIS) is adequately implementing the National Strategy for Pandemic Influenza Implementation Plan issued in May 2006 by the Homeland Security Council.
- Determine if AI testing laboratories are effectively accomplishing their objectives and are in compliance with policies and procedures for conducting tests on submitted AI samples.
- Investigate threats involving the safety of meat, poultry, or egg products to ensure the timely response and appropriate, prompt corrective action necessary to protect the public from ill effects of food tampering or tainted food.
- Evaluate the Food Safety and Inspection Service (FSIS) management control system to determine if control activities of six identified key functions are objectively measured by the district offices.

- Assess FSIS' progress toward implementing risk-based inspections that were developed by the agency to produce a flexible, more efficient, fully integrated meat and poultry inspection system during the slaughter process.
- Continue to monitor USDA's implementation of the Bovine Spongiform Encephalopathy (BSE) Maintenance Program.
- Determine if Performance Based Inspection System enhancements for specified risk material violations have been implemented and what management reports are being generated.
- Investigate animal, animal product, plant, and plant product smuggling that may introduce devastating pests and diseases into the American agricultural sector.
- Evaluate USDA's controls over the importation and movement of live animals.
- Assess the effectiveness of corrective actions taken by APHIS over the permit process for agricultural products.
- Review USDA's controls over genetically engineered animal/insect research to determine whether departmental regulations provide adequate authority and whether sufficient controls are in place.
- Determine the status of USDA's progress in enhancing agricultural bio-security through diagnostic and reporting networks.
- Coordinate investigations with joint terrorism and financial task forces throughout the Nation in support of homeland security efforts, many of which target funds transferred overseas.
- Protect USDA employees and facilities from threats to safety and security, including investigations of Forest Service (FS) firefighter deaths and violent assaults on employees.
- Continue to review the Air Safety Program to determine whether the aircraft FS uses to fight wildland fires are adequately maintained and whether pilots have proper training and qualifications.
- Respond to national emergencies impacting the American agricultural sector.
- Continue to review USDA Homeland Security initiatives to evaluate specific areas of the Department's implementation of Homeland Security Presidential Decision Directive 9.
- Evaluate security measures in place over the use of wireless technology to connect to USDA networks.
- Review Natural Resources Conservation Service's (NRCS) program controls for rehabilitation of flood control dams to mitigate potential threats or dangers to life and property.

<sup>1</sup> All of the OIG teams contribute to the different goals, but currently we can quantify and project out only audit and investigations resources to be directed to each goal.

## Goal 2

### Reduce program vulnerabilities and enhance integrity in the delivery of benefits to individuals

We expect to use 23 percent of our audit and 65 percent of our investigative resources for Goal 2. Our investigative focus includes threats to the integrity and effectiveness of USDA benefits programs. The audit focus includes the continued examination of improper payments and the effectiveness of internal control systems. Additional work will focus on identifying risk indicators to increase OIG's and USDA's ability to prevent or detect program abuse and criminal activity. Work to be performed in FY 07 will include the following:

- Evaluate the effectiveness of the status review process in assessing producer compliance with conservation provisions and the producer's eligibility to receive farm program payments.
- Investigate allegations of criminal activity in farm programs, such as crop insurance fraud, payment limitation fraud, and illegal conversion of mortgaged property.
- Monitor development of the Farm Security and Rural Investment Act of 2002 (2002 Farm Bill). The Farm Bill, which expires in September 2007, authorized many USDA programs, including farm price and income support programs.
- Continue to assess the Farm Service Agency's (FSA) implementation of the Tobacco Transition Payment (Tobacco Buyout) Program.
- Evaluate crop loss payments and quality adjustments made on aflatoxin-infected corn.
- Review USDA crop insurance indemnity payments to identify improper payments that were paid based on fraudulent reporting by producers, as well as improper appraisals/evaluation of aflatoxin-infected corn. Additionally, focus on whether such corn was released into the food supply.
- Investigate allegations of criminal activity in rural development programs, such as loan fraud and embezzlement of project funds.

- Assess the effectiveness of the quality control reviews performed by approved insurance providers (AIP) and of the Risk Management Agency's (RMA) oversight of AIP quality control reviews.
- Review scientific misconduct cases to identify program vulnerabilities and to make recommendations that support integrity in USDA-funded research.
- Review the risk assessment process and the progress of corrective actions taken for those programs to be determined at high risk for improper payments.
- Review Agricultural Research Service (ARS) research facility organizational structure, age, condition of the laboratories, and associated capital improvement funding levels to identify program vulnerabilities and options for maximizing facility usage.
- Investigate allegations of criminal activity in USDA programs designed to enhance and protect U.S. food commodities overseas.
- Investigate allegations of criminal activity in various USDA programs relating to national emergencies.
- Monitor USDA-wide hurricane disaster relief efforts to ensure accountability for USDA disaster assistance funds and enhance integrity in the delivery of benefits. As part of these efforts, OIG is participating with the U.S. Attorneys' Hurricane Katrina fraud taskforces. Participation in these taskforces assists in identifying criminal activity in USDA assistance programs (e.g., crop insurance, indemnity programs, food stamp/Electronic Benefits Transfer (EBT) benefits, grant and loan fraud, etc.) that OIG will pursue through investigation.
- Investigate allegations of criminal activity in nutrition programs, such as large-scale food stamp benefit and Women, Infants, and Children (WIC) voucher trafficking, and fraud in school lunch, commodity, and other feeding programs.
- Continue to monitor EBT systems for the Food Stamp Program to determine if controls are in place and newly implemented systems are functioning as designed.
- Evaluate USDA's progress with regard to employee civil rights complaints and employee accountability for acts of discrimination.

## Goal 3

### Increase the efficiency and effectiveness with which USDA manages and employs public assets and resources including physical and information resources

We expect to use 64 percent of our audit and 20 percent of our investigative resources for Goal 3. Our audit focus is the FY 07 financial statements, security over USDA's IT resources, and USDA programs' internal controls and operations. Our investigative focus includes allegations involving potential criminal violations that have employee corruption or fraud implications. Priority work in FY 07 will include the following:

- Audit the FY 07 USDA consolidated financial statements and the financial statements of the six stand-alone agencies.
- Investigate allegations involving potential criminal violations that have employee corruption and fraud implications.
- Evaluate the adequacy of security over USDA's Information Technology resources to ensure compliance with the Federal Information Security Management Act of 2002.
- Review the National IT Center, the National Finance Center, and the Information Technology service's general controls to determine whether controls are in place and operating effectively.
- Identify the various programs within USDA involved in renewable energy and determine if entities are receiving multiple or overlapping loan and grant funds for the same projects.
- Monitor the effectiveness and enforcement of disqualification, debarment, and suspension regulations in USDA.
- Evaluate security measures in place for select USDA E-Gov initiatives.
- Review ARS controls for monitoring internal and external research agreements.
- Determine whether FS implemented an adequate system

of internal controls to ensure the agency is accountable for the efficient and effective delivery of its programs.

- Monitor development of the 2007 Farm Bill, identifying farm program areas for which program efficiency and effectiveness may be improved on.
- Evaluate the effectiveness of Federal crop insurance program policies and procedures over prevented planting payments and optional unit policy.
- Analyze NRCS' vehicle inventory and utilization policy internal controls.
- Continue to evaluate the effectiveness of RMA's compliance office activities.
- Assess the FAS Export Credit Guarantee Programs and, if warranted, identify changes to improve program operations.
- Review USDA loan programs to ensure equitable accessibility for individuals to program funds, loan terms, and conditions. Create a "best practices" document dealing with tiered guaranteed loan programs.
- Investigate alleged significant criminal activity by USDA employees.
- Investigate allegations of criminal misuse of Government computers by employees, including accessing and downloading child pornography.
- Monitor agencies' outreach efforts in administering the FY 2005 hurricane disaster relief programs. OIG will finalize audits in process to determine if the various hurricane relief efforts are achieving the desired results and what lessons can be learned so USDA can better prepare to respond to future disasters.
- Additional OIG work in support of Goal 3 will focus on the level of adherence to USDA requirements by USDA compliance staffs, to include agency-specific compliance reviews.

## Goal 4

### Ensure OIG readiness resources

We in the OIG are dedicated to constantly improving the way that we do our jobs and the readiness of the OIG to meet the challenges in our strategic plan. While the main thrust of work under this goal belongs to our Office of Management (which handles human resources, information technology, and budget, among other matters), each of the OIG offices contributes to this goal. Work to be performed in FY 07 includes the following:

- Expand OIG's information technology capability by developing an automated investigations case management system and implementing an advanced electronic filing/hotline management system.
- Enhance OIG's information technology security by deploying encryption on all laptops and software.
- Expand scientific expertise and policy analysis within OIG.
- Enhance quality of work life by following through on issues raised in the FY 2006 Organizational Assessment Survey.
- Perform self-assessment through continual internal review and improvement of OIG operations. Provide quality assurance that OIG operations meet professional standards through a regular process of quality assessments, peer reviews, internal control reviews, internal investigations, and special reviews.
- Enhance the Office of Counsel Intranet Web Page and expand use of OIG legal expertise in mission-related work.

## Performance Summary and Results

Our Strategic Plan established a life-cycle approach to our outputs that tracks individual actions at critical milestones to identify the results of our work. We began measuring the results of our work in FY 04. During this time period, 100 percent of OIG's performance results met or exceeded performance targets. The following illustrates our FY 06 results in comparison to our performance targets.

### OIG Strategic and Performance Goals and FY 2006 Results

Strategic Goal	Performance Goals
(1) Safety, Security, and Public Health	Support USDA in the enhancement of safety and security measures to protect USDA and agricultural resources and in related public health concerns
(2) Integrity of Benefits and Entitlement Programs	Reduce program vulnerabilities and enhance integrity in the delivery of benefits to individuals
(3) Management of Public Resources	Increase the efficiency and effectiveness with which USDA manages and employs public assets and resources, including physical and information resources

Performance Measure	FY 06 Target	FY 06 Actual	FY 07 Target
(1) Audit/Investigation resources dedicated to critical risk and high-impact work	90%	92.6%	90%
(2) Audit recommendations resulting in management decision within 1 year	85%	89.5%	85%
(3) Investigative cases where criminal, civil, or administrative action is taken in response to OIG reports	65%	77.4%	65%

## FY 07 Performance Commitment, Measurements, and Reporting

For tracking and reporting purposes, the FY 07 Work Plan has been organized into seven OIG initiatives. For each FY 07 initiative, a performance indicator, performance objectives (i.e., tasks and projects), and a lead unit have been identified. Though we recognize that unanticipated circumstances or events may require us to adjust timeframes and priorities, OIG is committed to performing the work as described below.

Initiative	Performance Indicators	Performance Objectives	Lead Unit
Initiative 07-1: Implementation of OIG's Audit and Investigative Work Plans for FY 07	Decreased vulnerability in USDA program areas	Execute OIG's Annual Audit Plan (see Appendix E).  Execute OIG's Investigative Program for FY 07.	Audit  Investigations
Initiative 07-2: Identification of risk indicators.	Increased ability to prevent or detect USDA program fraud and criminal activity and to reduce program costs	Review USDA international programs to identify and provide remediation options for vulnerabilities to improve the integrity of program implementation.  Review scientific misconduct cases to identify program vulnerabilities and to make recommendations that support integrity in USDA funded research.  Review USDA loan programs to ensure equitable accessibility of all individuals to program funds, loan terms, and conditions. Create a "best practices" document dealing with tiered guaranteed loan programs.	Inspections and Research  Inspections and Research  Inspections and Research

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Initiative	Performance Indicators	Performance Objectives	Lead Unit
<p>Initiative 07-2: Identification of risk indicators. (continued)</p>	<p>Increased ability to prevent or detect USDA program fraud and criminal activity and to reduce program costs</p>	<p>Analyze NRCS vehicle inventory and utilization policy internal controls.</p> <p>Prioritize USDA's scientific laboratories that handle biological agents by type and threat level and develop a comprehensive review process to validate laboratory security practices.</p> <p>Develop USDA and Government wide protocols that coordinates activities between the different Federal entities involved in smuggling detection and investigation activities.</p> <p>Review disaster claims for Hurricanes Katrina, Rita, and Wilma for suspected fraud, waste, and abuse.</p>	<p>Inspections and Research</p> <p>Inspections and Research</p> <p>Investigations</p> <p>Investigations</p>
<p>Initiative 07-3: Human Capital Program Development and Implementation</p>	<p>Increased capacity to meet mission requirements</p>	<p>Update Human Capital Plan to incorporate requirements of the USDA Human Capital Accountability System Plan.</p>	<p>Management</p>
<p>Initiative 07-4: Civil Rights Program Development and Implementation</p>	<p>Increased internal awareness of OIG programs</p>	<p>Develop Civil Rights &amp; Equal Employment Opportunity training. Implement training for all OIG employees.</p>	<p>Management</p>
<p>Initiative 07-5: Financial Management Restructure</p>	<p>Increased ability to plan and execute critical expenditures and operating costs within constraints of fiscal year spending</p>	<p>Initiate independent review of vendor payment process.</p>	<p>Management</p>
<p>Initiative 07-6: Communications and Information Systems Enhancement</p>	<p>Reduced staff hours preparing and processing travel authorization of vouchers; reduced administrative operating costs</p>	<p>Upgrade electronic travel system from PC-based, hard authorization and manual travel voucher processing to web-based, beginning to end processing of travel authorization, flight selection, and voucher submission and approval</p>	<p>Management</p>

Initiative	Performance Indicators	Performance Objectives	Lead Unit
Initiative 07-6: Communications and Information Systems Enhancement (continued)	Increased internal OIG tracking capabilities, requirements, and accomplishments	Upgrade UNIX servers and ORACLE database management system  Support requested OIG Program Changes.	Management
	Increase security of OIG data	Implement data encryption system	Management
	Enhance Intranet Web Page	Update Office of Counsel's Web Page	Counsel and Management
	Increased internal and external email capabilities	Implement Department mandate to switch from Groupwise to Microsoft Exchange	Management
	Enhance quality of work life	Follow through on issues raised in the FY 2006 Organizational Assessment Survey.	OIG-wide
	Increased external interagency cooperation	Coordinate conference for the President's Council on Integrity and Efficiency, and the Executive Council on Integrity and Efficiency membership.	Management

## Conclusion

Throughout the FY 07 performance year, periodic reporting will measure progress toward the performance objectives identified for work under this ABP. Adjustments may be made to reflect shifting priorities, increased or reduced resources, or other circumstances that may arise.

Every effort was made in developing this ABP to ensure realistic assessment of the planned work's strategic

alignment and importance, anticipated outcomes, and resource requirements. We believe it represents a balanced and achievable set of performance objectives for FY 07.

As with any plan, it is subject to change when necessary to allow OIG to remain responsive to critical or emerging issues and to assist the Department in managing risks appropriately.

# APPENDIX A

## Related Materials and Information

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*OIG Strategic Plan for FY 2004-2008:*

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

*USDA Strategic Plan for FY 2005-2010:*

<http://www.usda.gov/ocfo/usdaspl/pdf/sp05-08.pdf>

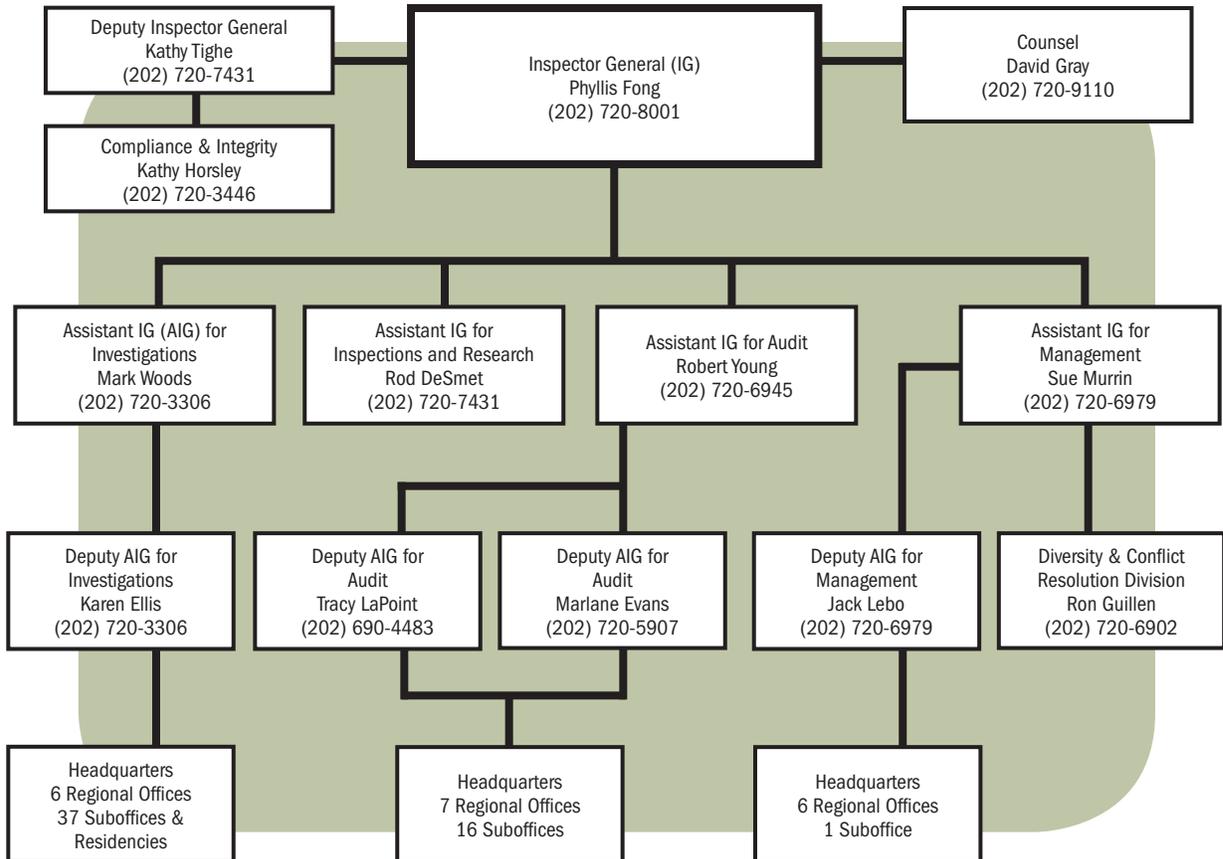
*USDA Major Management Challenges for FY 2006-2007:*

<http://www.usda.gov/oig/webdocs/MgmtChallenges2006.pdf>

# APPENDIX B

## OIG Organization Chart and Functional Responsibilities

As of October 2006



## Areas of Responsibility:

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### Audit

Audit examines and verifies the economy and efficiency of USDA agency operations to include effectiveness in achieving program results, compliance with applicable laws and regulations, and fairness in reporting of financial operations. In addition to audits performed by OIG staff, Audit contracts with certified public accountants for some audits and oversees the quality of the work of auditors under contract to other agencies of USDA.

OIG auditors conduct their work in accordance with Government Auditing Standards: June 2003 Revision, GAO-03-673G, (“Yellow Book”), published by the U.S. Government Accountability Office and in accordance with the professional standards set by the American Institute of Certified Public Accountants.

The planned distribution of audit resources for FY 07 work is allocated along USDA agency lines in Appendix C.

### Investigations

The Office of Investigations is responsible for conducting investigations of allegations of criminal activity, waste, abuse, and serious employee misconduct in the programs and operations of USDA. This requires the conduct of investigations, preparation of investigative reports, assistance in preparing for court proceedings, and followup with the USDA agencies involved. Investigative work is intended to result in appropriate actions to resolve allegations and to prevent and deter future instances of illegal or fraudulent acts or misconduct.

The planned distribution of investigative resources for FY 07 work is allocated down along USDA agency lines in Appendix D.

### Inspections and Research

The Office of Inspections and Research (I&R) contributes to the OIG mission by providing activities that complement those of Audit and Investigations. I&R projects address emerging issues or issues that may require specific competencies through short-term, targeted reviews and

inspections of USDA’s programs and operations. I&R products also include research papers addressing broad issues of interest to OIG and USDA, best practices studies, and other projects involving analysis of OIG and USDA activities. Additionally, I&R provides requested technical and scientific advice in the areas of agricultural science, economics, statistics, and agricultural law to OIG’s offices of Audit and Investigations as they carry out their mission.

### Counsel

The Office of Counsel provides legal advice on issues arising in the course of audit and investigative activities and provides legal advice and representation on administrative and management issues. This office is also responsible for congressional and media relations, managing OIG’s ethics program, and managing OIG’s Freedom of Information Act (FOIA) and Privacy Act program.

### Management

The Office of Management (OM) provides the administrative infrastructure that supports accomplishment of the OIG’s mission, vision, and goals. Responsibilities include asset management, budget formulation and execution, financial management, human resources, information technology, and policy preparation for the OIG. The work of OM ensures that people, money, technology and equipment, and policies are in place so that the work of OIG can be performed efficiently and effectively. In addition, OM facilitates OIG’s planning and reporting apparatus and prepares cross-cutting documents on OIG accomplishments, to include the Semiannual Report to Congress, the ABB, and the Strategic Plan.

### Compliance and Integrity

The Office of Compliance and Integrity conducts systematic and independent reviews and investigations of the operations of OIG. Reviews are generally focused on management and internal controls, and investigations are generally in response to allegations of OIG employee misconduct or mismanagement issues.

# APPENDIX C

## Distribution of Audit Resources by Agency

FY 2007 PLANNED		
MISSION AREA	AGENCY	
NATURAL RESOURCES AND ENVIRONMENT - 10.6%	Forest Service (FS)	6.3
	Natural Resources Conservation Service (NRCS)	4.3
FARM AND FOREIGN AGRICULTURAL SERVICES - 15.9%	Farm Service Agency (FSA)	7.8
	Foreign Agricultural Service (FAS)	1.7
	Risk Management Agency (RMA)	6.2
	Commodity Credit Corporation (financial) (CCC)	0.2
RURAL DEVELOPMENT - 12.3%	Rural Development (RD)	3.7
	Rural Utilities Service (RUS)	1.5
	Rural Housing Service (RHS)	4.7
	Rural Business-Cooperative Service (RBS)	2.3
	Rural Telephone Bank (financial) (RTB)	0.1
FOOD, NUTRITION, AND CONSUMER SERVICES - 11.8%	Food and Nutrition Service (FNS)	11.8
FOOD SAFETY - 0.8%	Food Safety and Inspection Service (FSIS)	4.4
MARKETING AND REGULATORY PROGRAMS - 6.7%	Agricultural Marketing Service (AMS)	1.5
	Animal and Plant Health Inspection Service (APHIS)	4.8
	Grain Inspection, Packers and Stockyards Administration (GIPSA)	0.4
RESEARCH, EDUCATION, AND ECONOMICS - 2.5%	Agricultural Research Service (ARS)	1.3
	Cooperative State Research, Education, and Extension Service (CSREES)	1.2
EXECUTIVE SECRETARIAT AND OTHER ENTITIES - 4.4%	Office of the Chief Financial Officer (OCFO), Office of the Chief Information Officer (OCIO), Delta Regional Authority (DRA), and Civil Rights (CR)	4.4
MULTIPLE AGENCY - 31.4%		31.4

# APPENDIX D

## Distribution of Investigative Resources by Agency

FY 2007 ANTICIPATED		
MISSION AREA	AGENCY	
NATURAL RESOURCES AND ENVIRONMENT - 5.8%	Forest Service (FS)	4.3
	Natural Resources Conservation Service (NRCS)	1.5
FARM AND FOREIGN AGRICULTURAL SERVICES - 29.1%	Farm Service Agency (FSA)	20.1
	Foreign Agricultural Service (FAS)	2.0
	Risk Management Agency (RMA)	7.0
RURAL DEVELOPMENT - 6.7%	Rural Utilities Service (RUS)	0.5
	Rural Housing Service (RHS)	4.3
	Rural Business-Cooperative Service (RBS)	1.9
FOOD, NUTRITION, AND CONSUMER SERVICES - 29.4%	Food and Nutrition Service (FNS)	29.4
FOOD SAFETY - 7.5%	Food Safety and Inspection Service (FSIS)	7.5
MARKETING AND REGULATORY PROGRAMS - 12.5%	Agricultural Marketing Service (AMS)	2.0
	Animal and Plant Health Inspection Service (APHIS)	10.0
	Grain Inspection, Packers and Stockyards Administration (GIPSA)	0.4
RESEARCH, EDUCATION, AND ECONOMICS - 1.1 %	Agricultural Research Service (ARS)	1.0
	Cooperative State Research, Education, and Extension Service (CSREES)	0.1
OTHER - 8.0%	Departmental Administration (DA), Office of the Chief Financial Officer (OCFO), Office of the Chief Information Officer (CIO), Civil Rights (CR), OIG, Other	8.0

# APPENDIX E

## Fiscal Year 2007 Audits Planned and In Process

AGENCY	TITLE	PRIMARY GOAL
AMS	Fresh Product Grading and Certification	Mgmt of Resources
	Adequacy of Meat Grading Procedures	Mgmt of Resources
	Oversight of the National Organic Program	Mgmt of Resources
APHIS	* Controls Over Permits To Import Agricultural Products	Safety and Security
	Followup for APHIS Licensing of Animal Exhibitors	Safety and Security
	Determinations of Actionable Foreign Pests	Safety and Security
	Effectiveness of Fines and Penalties Against Large Importers	Safety and Security
	* Review of Customs and Border Protection's Agricultural Inspection Activities	Safety and Security
	USDA's Implementation of the National Strategy for Pandemic Influenza	Safety and Security
	Avian Influenza Testing Laboratories	Safety and Security
	Controls over APHIS Pilot Certifications	Safety and Security
	Animal Control Inspections of Breeders/Dealers	Safety and Security
ARS	Controls Over Technology Transfer Agreements	Mgmt of Resources
	Research Agreement Monitoring	Mgmt of Resources
CCC	* FY 2006 Commodity Credit Corporation (CCC) Financial Statements	Mgmt of Resources
	FY 2007 Commodity Credit Corporation (CCC) Financial Statements	Mgmt of Resources
CIO	FY 2007 National Information Technology Center (NITC)-General Controls Review	Mgmt of Resources
	Information Technology Services (ITS) General Controls - Fiscal Year 2007	Mgmt of Resources
CR	* Review of USDA Employee Civil Rights Complaints and Employee Accountability	Integrity of Benefits
CSREES	* CSREES - Tribal Land Grant Institutions	Mgmt of Resources
	Controls Over CSREES Principal Investigators for Research and Financial Reporting	Integrity of Benefits
	National Research Initiative - Competitive Grants Program	Mgmt of Resources
DRA	Delta Regional Authority - FY 2005/2006	Integrity of Benefits
FAS	* Implementation of President's Management Agenda and Trade Title of 2002 Farm Bill	Integrity of Benefits
	International Trade Policy and Procedures	Mgmt of Resources
	Export Guarantee Programs GSM 102	Mgmt of Resources
	Trade Promotion Operations	Mgmt of Resources

AGENCY		TITLE	PRIMARY GOAL
FNS	*	Survey of FNS-WIC Program, Puerto Rico	Integrity of Benefits
		Food Stamp Employment and Training Program	Integrity of Benefits
	*	Accountability and Oversight of the Summer Food Service Program in the Southeast Region	Integrity of Benefits
	*	FNS FSP Retailer Authorization Controls and Visits	Integrity of Benefits
		FNS Oversight of the National School Lunch Program and the School Breakfast Program	Mgmt of Resources
	*	Vendor Monitoring in the WIC Program	Integrity of Benefits
		Monitoring FNS Progress To Implement the Improper Payments Information Act	Integrity of Benefits
	*	FY 2006 FNS Financial Statements	Mgmt of Resources
		FY 2007 FNS Financial Statements	Mgmt of Resources
		Continued Monitoring of EBT Operations - National and Regional Office, State Agency, and EBT Processor Oversight	Integrity of Benefits
		Application Control Review of the Store Tracking and Redemption Subsystem II	Mgmt of Resources
		Implementation of the Government Performance and Results Act of 1993	Mgmt of Resources
		CACFP Followup - Program Abuses	Integrity of Benefits
	*	Summer Food Service Program	Integrity of Benefits
		EBT FSP Monitoring - California	Integrity of Benefits
		FNS - Disaster Food Stamp Program	Integrity of Benefits
FS		FS Cost Efficiency of Contracted Labor Crews	Mgmt of Resources
	*	Capital Improvement Program, FS	Mgmt of Resources
		Forest Service Invasive Species Program	Safety and Security
	*	FY 2006 Forest Service Financial Statements	Mgmt of Resources
		FY 2007 Forest Service Financial Statements	Mgmt of Resources
	*	Support of the National Energy Program	Mgmt of Resources
		Oversight and Control of FS Activities	Mgmt of Resources
		Fire Program Analysis System	Mgmt of Resources
		Stewardship Contracting Program	Mgmt of Resources
	*	Air Safety Program	Safety and Security
		Forest Legacy Program - Appraisal Process	Mgmt of Resources
		Administration of Special Use Permits	Mgmt of Resources
		Replacement Plan - Firefighting Aerial Resources	Mgmt of Resources
FSA		Peanut Marketing Assistance Loan Program and Warehousing Costs	Integrity of Benefits
	*	FSA' Efforts To Identify and Recover Overpayments in the Counter-Cyclical Program	Mgmt of Resources
	*	Tobacco Transition Payment Program/Tobacco Buyout	Integrity of Benefits
		Effectiveness of Nonprocurement Disqualification, Suspension, and Debarment Actions in Farm Programs	Mgmt of Resources
	*	FY 2006 FSA Accounting for Farm Loan Programs	Mgmt of Resources
		FY 2007 FSA Accounting for Farm Loan Programs	Mgmt of Resources
		Farm Operating and Ownership Loans	Integrity of Benefits
		Reduction of Farm Bases Related to Wind Farms and Cell Phone Tower Locations	Integrity of Benefits
		Administration and Monitoring of the Bioenergy Program	Integrity of Benefits
		Price Support Prices for Dry Peas	Integrity of Benefits
		Conservation Reserve Program Re-Enrollments and Extensions (REX)	Integrity of Benefits

AGENCY	TITLE	PRIMARY GOAL
	* New Port Inspection Process Conducted by FSA Warehouse Examination Branch	Safety and Security
	Emergency Loan Reductions	Integrity of Benefits
	Marketing Assistance Loans and Loan Deficiency Payments to Cooperative Marketing Associations	Integrity of Benefits
	Farm Storage Facility Loan Program (FSFLP)	Integrity of Benefits
	Emergency Conservation Program Funds for Drought and Wildfire Damage	Mgmt of Resources
	Guaranteed Farm Loan Interest Subsidy Program	Integrity of Benefits
	* Payment Limitation - Louisiana	Mgmt of Resources
FSIS	FSIS Meat, Poultry, and Egg Products Inspections in Puerto Rico	Safety and Security
	FSIS Controls Over Mail - Order and Internet Meat Establishments/Vendors	Safety and Security
	* Egg Processing Inspection	Safety and Security
	Evaluation of FSIS' Management Control System	Safety and Security
	Risk-Based Inspection	Safety and Security
	Overview of the USDA National Consumer Complaint Monitoring System	Safety and Security
	Implementation of PBIS Enhancements for Specified Risk Material (SRM) Violations and Improved Inspection Controls Over SRMs	Safety and Security
	National Residue Program in Cull Cow Plants	Safety and Security
GIPSA	* Followup Review of the Packers and Stockyards Programs	Mgmt of Resources
MULTI	Citrus Canker Eradication Compensation and Insurance Program	Safety and Security
	* Effectiveness and Enforcement of Debarment and Suspension Regulations in USDA	Mgmt of Resources
	National Plant Diagnostic Network (NPDN)	Safety and Security
	National Animal Health Laboratory Network	Safety and Security
	* USDA Controls Over Select Animal Movements	Safety and Security
	Implementation of Renewable Energy Programs in USDA	Mgmt of Resources
	Improper payments - Monitoring the progress of Corrective Action for "Red" Programs	Integrity of Benefits
	* FY 2006 Federal Information Security Management Act (FISMA) Report	Mgmt of Resources
	FY 2007 Federal Information Security Management Act (FISMA) Report	Mgmt of Resources
	* FY 2006 USDA Financial Statements	Mgmt of Resources
	FY 2007 USDA Financial Statements	Mgmt of Resources
	Monitoring of USDA Implementation of Cost Accounting System	Mgmt of Resources
	E-Gov Security	Mgmt of Resources
	Management and Security Over USDA Wireless Connections	Safety and Security
	Review of Minimum Security Requirements in USDA Information Systems	Mgmt of Resources
	* Review of USDA Controls Over Lost or Stolen Computer Equipment	Safety and Security
	* Hurricanes Katrina, Wilma, and Rita Relief Initiatives	Mgmt of Resources
	* Chesapeake Bay Program - Joint Review	Mgmt of Resources
	Monitoring of 2007 Farm Bill Activities/Initiatives	Mgmt of Resources
	* Trade Adjustment Assistance for Farmers	Mgmt of Resources
	BSE Maintenance Sampling - Phase IV	Safety and Security
	Effective Use of Satellite Imagery by USDA Agencies	Mgmt of Resources
	Effectiveness of Status Review Process in Assessing Producer Compliance With Conservation Provisions	Integrity of Benefits

AGENCY	TITLE	PRIMARY GOAL
	* USDA Homeland Security Initiatives	Safety and Security
	Conservation Program - Controls To Prevent Duplicate Assistance	Integrity of Benefits
	NRCS/FSA Crop Bases on Easements - Nationwide	Mgmt of Resources
	* Crop Bases on Lands With Conservation Easements - California	Mgmt of Resources
	Crop Loss and Quality Adjustments for Aflatoxin Infected Corn	Integrity of Benefits
	Controls Over the Import of Genetically Engineered Agricultural Crops	Safety and Security
	* Controls Over Forest Service Vehicle Fuel and Maintenance Cost	Integrity of Benefits
	Controls Over Genetically Engineered Animals/Insects Research	Safety and Security
	* USDA'S Role in the Export of Genetically Engineered Agricultural Commodities	Safety and Security
	* Review of Adjusted Gross Income Limitation	Integrity of Benefits
	DCAA Contract Audit Administration	Integrity of Benefits
	Single Audit Management	Integrity of Benefits
	Special Request	Mgmt of Resources
	Audit Followup	Mgmt of Resources
NRCS	Implementation of Flood Control Dams Rehabilitation	Safety and Security
	* Controls Over Technical Service Providers	Mgmt of Resources
	* NRCS Program Contracts System - Improper Payments Review	Integrity of Benefits
	Review of Contract Administration at NRCS	Mgmt of Resources
	Conservation Security Program	Integrity of Benefits
	* Wetland Reserve Program Restoration Compliance	Mgmt of Resources
	Farm and Ranchland Protection Program (FRPP) Selected Non-Governmental Organizations - Nationwide	Integrity of Benefits
OCFO	* Agreed-Upon Procedures: Retirement, Health Benefits, and Life Insurance Withholdings/Contribution and Supplemental Headcount Report Submitted to the Office of Personnel Management FY 2006	Mgmt of Resources
	Agreed-Upon Procedures: Retirement, Health Benefits, and Life Insurance Withholdings/Contribution and Supplemental Headcount Report Submitted to the Office of Personnel Management FY 2007	Mgmt of Resources
	Review of Controls Over E-payments at OCFO/National Finance Center	Mgmt of Resources
	FY 2007 Working Capital Fund (WCF) Financial Statements	Mgmt of Resources
	* FY 2006 - National Finance Center General Controls	Mgmt of Resources
	FY 2007 - National Finance Center General Controls	Mgmt of Resources
	Management Over Time and Attendance (T&A) Data Processed by Time at the National Finance Center	Mgmt of Resources
RBS	RBS-Intermediary Re-Lending Program	Integrity of Benefits
	Oversight of the Rural Community Advancement Program	Integrity of Benefits
	* Business and Industry Direct Loan to Lehigh Coal and Navigation Company	Integrity of Benefits
	Business and Industry Guaranteed Lenders With Guaranteed Loans in Default	Integrity of Benefits
RD	* FY 2006 Rural Development Financial Statements	Mgmt of Resources
	FY 2007 Rural Development Financial Statements	Mgmt of Resources
RHS	Rural Rental Housing Project Insurance, Maintenance, and Reserve Account Funding - Florida	Integrity of Benefits
	Origination Practices for the Single Family Housing Section 502 Direct Loan Program	Integrity of Benefits

AGENCY	TITLE	PRIMARY GOAL
	Rural Rental Housing Maintenance Costs and Inspection Procedures	Mgmt of Resources
	Rural Rental Housing Construction Costs	Integrity of Benefits
*	Controls Over Single Family Housing Grants and Loans	Integrity of Benefits
	Guaranteed Loan Losses	Mgmt of Resources
*	Review of Rural Housing Service Force Placed Hazard Insurance	Integrity of Benefits
	Selected Section 538 Project	Integrity of Benefits
*	Servicing of Lender's Guaranteed Loans	Integrity of Benefits
*	Oklahoma Rural Rental Housing Management Company	Mgmt of Resources
RMA	2004 Florida Hurricane Disaster Program Crop Insurance Requirements	Integrity of Benefits
	Evaluation of RMA's Oversight of Approved Insurance Provider's Quality Control Reviews	Integrity of Benefits
	Evaluation of RMA'S National Operation Reviews	Integrity of Benefits
	Adequacy of RMA'S Management Controls Over New Producer Status	Integrity of Benefits
*	RMA Compliance Office Activities	Mgmt of Resources
	Controls Over Optional Unit Provisions	Integrity of Benefits
	Controls Over Catastrophic Crop Underwriting	Integrity of Benefits
*	FY 2006 FCIC Financial Statements	Mgmt of Resources
	FY 2007 FCIC Financial Statements	Mgmt of Resources
	Review of Crop Insurance Prevented Planting Policy Provisions	Integrity of Benefits
*	Asian Soybean Rust Claims	Integrity of Benefits
*	Contracting For Services Under the Agricultural Risk Protection Act of 2000 (ARPA)	Mgmt of Resources
*	Financial Review of Reinsured Organizations - Phase 2	Mgmt of Resources
	Penalties Assessed For Erroneous Reporting of Crop Insurance Acreage	Integrity of Benefits
	RMA implementation of \$500,000 Claim Decision Process	Integrity of Benefits
*	Zero Acreage Reporting Abuse	Integrity of Benefits
*	Adjusted Gross Revenue Program - Washington	Integrity of Benefits
*	Group Risk Crop Insurance	Integrity of Benefits
RTB	RTB Closeout Audit	Mgmt of Resources
RUS	RUS Controls Over Water and Waste Disposal Loan and Grant Program	Mgmt of Resources
*	Evaluation of Rural Development's Contract with the National Rural Water Association (NRWA) - Circuit Riders	Safety and Security

## Notes

**Goal 1** - Support USDA in the enhancement of safety and security measures to protect USDA and agricultural resources and in related public health concerns.

**Goal 2** - Reduce program vulnerabilities and enhance integrity in the delivery of benefits to individuals.

**Goal 3** - Increase the efficiency and effectiveness with which USDA manages and employs public assets and resources, including physical and information resources.



<b>Percentage of Resources To Be Spent on each FY 2007 Goal</b>	<b>Audit</b>	<b>Investigations</b>
(1) Support USDA in the enhancement of safety and security measures to protect USDA and agricultural resources and in related public health concerns.	<b>13%</b>	<b>15%</b>
(2) Reduce program vulnerabilities and enhance integrity in the delivery of benefits to individuals.	<b>23%</b>	<b>65%</b>
(3) Increase the efficiency and effectiveness with which USDA manages and employs public assets and resources, including physical and information resources.	<b>64%</b>	<b>20%</b>
(4) Ensure OIG Readiness.	<b>N/A</b>	<b>N/A</b>

<b>Performance Measure</b>	<b>FY 06 Target</b>	<b>FY 06 Actual</b>	<b>FY 07 Target</b>
(1) Audit/Investigation resources dedicated to critical risk and high-impact work	<b>90%</b>	<b>92.6%</b>	<b>90%</b>
(2) Audit recommendations resulting in management decision within 1 year	<b>85%</b>	<b>89.5%</b>	<b>85%</b>
(3) Investigative cases where criminal, civil, or administrative action is taken in response to OIG reports	<b>65%</b>	<b>77.4%</b>	<b>65%</b>

To learn more about OIG, visit our website at [www.usda.gov/oig/home.htm](http://www.usda.gov/oig/home.htm)

## How To Report Suspected Wrongdoing in USDA Programs

### Fraud, Waste and Abuse

In Washington, DC 202-690-1622

Outside DC 800-424-9121

TDD (Call Collect) 202-690-1202

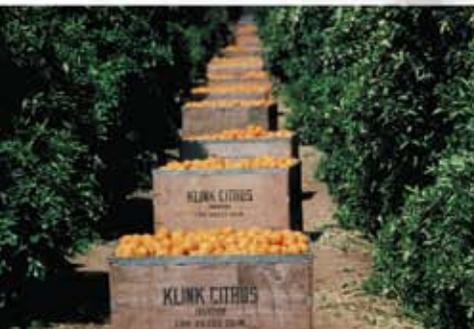
### Bribes or Gratuities

202-720-7257 (Business hours)

888-620-4185 (24 hours)

### OIG Hotline Through the Web:

[www.usda.gov/oig/hotline.htm](http://www.usda.gov/oig/hotline.htm)



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