U.S. Department of Agriculture

Office of Inspector General

Rural Cooperative Development Grant Program Eligibility and Grant Fund Use for a Missouri Entity

Audit Report 34004-1-KC
August 2011

United States Department of Agriculture

OFFICE OF INSPECTOR GENERAL - AUDIT
Midwestern Region
8930 Ward Parkway, Suite 3016
Kansas City, Missouri 64114-3302
TEL: 816.926.7667 FAX: 816.926.7676

DATE: August 25, 2011

AUDIT NUMBER: 34004-1-KC

TO: Anita J. Dunning
State Director
Rural Development

FROM: Dennis J. Gannon
Regional Inspector General /s/
for Audit

SUBJECT: Rural Cooperative Development Grant Program Eligibility and Grant Fund Use for a Missouri Entity

This report presents the results of the subject audit. Your written response to the draft report, dated June 13, 2011, is attached with excerpts, and the Office of Inspector General's (OIG) position, incorporated into the Finding and Recommendation sections of the report.

We accept management decisions for Recommendations 4 and 6. However, we are unable to accept management decision on Recommendations 1, 2, 3, and 5. Documentation and/or actions needed to reach management decisions for these recommendations are described in the relevant OIG Position section of the report.

In accordance with Departmental Regulation 1720-1, please furnish a reply within 60 days describing the corrective actions taken or planned, and timeframes for implementing the recommendations for which management decisions have not been reached. Please note that the regulation requires management decision to be reached on all recommendations within 6 months from report issuance, and final action to be taken within 1 year of each management decision to prevent being listed in the Department's annual Performance and Accountability Report. Please follow your internal agency procedures in forwarding final action correspondence to the Office of the Chief Financial Officer.

We appreciate the courtesies and cooperation extended to us by members of your staff during our audit fieldwork and subsequent discussions.

Table of Contents

Executive Summary 1
Background & Objectives 5
Background 5
Objectives 6
Section 1: Grant Servicing Needs Improvement 7
Finding 1: State Office Did Not Meet Grant Servicing Requirements 7
Recommendation 1 9
Recommendation 2 10
Recommendation 3 10
Finding 2: Duplicate Benefits Paid 11
Recommendation 4 12
Recommendation 5 12
Section 2: FFOC did not Comply with Notice of Solicitation for Applications and Grant Agreements 14
Finding 3: FFOC Failed to Disclose Conflicts of Interest 14
Recommendation 6 17
Scope and Methodology 18
Abbreviations 20
Exhibit A – Summary of Monetary Results 21
Agency's Response 22

Rural Cooperative Development Grant Program Eligibility and Grant Fund Use for a Missouri Entity

Executive Summary

The Rural Cooperative Development Grant (RCDG) Program improves the economic condition of rural areas through the creation or retention of jobs and the development of new rural cooperatives, value added processing, and other rural businesses.[1] Grant funds are provided for the establishment and operation of centers that have expertise or can contract with experts who assist individuals or entities in the startup, expansion, or operational improvement of cooperative businesses.

Missouri Farmers Union Family Farm Opportunity Center (FFOC) was an approved RCDG recipient operating in Missouri. The Missouri State Rural Development Office (State office) identified potential unauthorized assistance and conflicts of interest during its servicing of a 2005 FFOC grant. As a result, the State office requested the Office of Inspector General (OIG) initiate an audit of FFOC and its operations. The objectives of our review were to determine whether the RCDGs awarded to FFOC met the eligibility requirements and whether it used those grants for authorized and intended purposes. We also assessed whether the State office properly serviced and administered RCDGs totaling $725,000 awarded to FFOC for grant years 2005 through 2007. [2]

In its audit request, the State office listed several concerns regarding FFOC's RCDG program-related activities. These concerns included: (1) donations made to a county partisan political committee; (2) expenditures related to a Missouri Farmers Union State convention; (3) invoices in the name of the Missouri Farmers Union, not the grant recipient's name; (4) expenses for office space billed to RCDG which should have been paid by other entities; (5) attendance at political events by an employee who was also [redacted] of the [redacted], on days [redacted] claimed to be working for FFOC; and (6) conflicts of interest of FFOC personnel, including Board of Directors members and staff members, who held positions of authority in entities which FFOC assisted through the RCDG program. We substantiated that the program infractions identified by the State office occurred or existed. The State office addressed the first five concerns by issuing a Letter of Unauthorized Assistance and establishing a claim to collect the grant funds used for the unauthorized expenditures. Therefore, we are making no further recommendations for corrective actions regarding these five program infractions within this report.

Overall, our audit of the 2005 through 2007 grants showed that the State office did not properly service the FFOC grants. Based on the results of its initial onsite visit during 2006, the State office stated it increased its oversight of both the 2005 and 2006 FFOC grants. However, sufficient documentation was unavailable to support or evidence these State office assertions that

[1] The program is administered by Rural Development's State offices on behalf of Rural Business-Cooperative Service (RBS).
[2] Grant year covers a period of 365 days from the date the grant agreement is executed.

it had improved its servicing activities. Therefore, we determined that State office grant servicing activities still need to be strengthened by obtaining all required grantee performance reports as well as documenting the State office's servicing actions taken. We also determined that FFOC received duplicate benefits from the Department of Agriculture (USDA) and a Missouri Agency by submitting requests for program benefits to both agencies for the same work. We concluded that FFOC did not comply with Notice of Solicitation for Applications and their Grant Agreement for the RCDGs they were awarded.

Specifically, we found that the State office did not enforce grant servicing requirements for the RCDGs approved for FFOC because it did not initially familiarize itself with the servicing requirements for the RCDG program. For example, the State office did not require FFOC to submit, and FFOC did not submit, completed documentation to support its accomplishment reports, nor did the State office enforce requirements for FFOC to address its failure to accomplish goals outlined in grant applications. Further, the State office did not initially require FFOC to obtain approval prior to replacing and/or reassigning key personnel. As a result, Rural Development had reduced assurance that FFOC used RCDG funds in accordance with program goals.

We also determined that FFOC submitted invoices and completed deliverable products, such as business plans, to both Rural Development and to the Missouri Agricultural and Small Business Development Authority (MASBDA) for reimbursement under grant programs. FFOC submitted three invoices totaling $16,375 to Rural Development through RCDG and also to MASBDA for reimbursement. MASBDA reimbursed FFOC for 100 percent of the invoices while Rural Development reimbursed FFOC for 50 percent of the invoices. Therefore, FFOC received $8,188 in grant funds in excess of its expenditures for the three invoices. The deliverables cited above were submitted to Rural Development under the Value Added Producer Grant (VAPG) Program as well as to MASBDA. VAPG Program's purpose is to help eligible producers of agricultural commodities, agricultural producer groups, farmer and rancher cooperatives, and majority-owned producer-based business ventures develop business plans for viable marketing opportunities and develop strategies to create marketing opportunities in emerging markets. The same personnel who service the RCDGs in Missouri also service the State's VAPGs. Because FFOC claimed in accomplishment reports that it managed VAPGs for 10 of its clients, we examined 7 of the grants and/or documents that may have overlapped or been duplicated. Those submissions resulted in FFOC receiving approximately $57,000 in excess funds, for a total of approximately $65,000 in excess funds from the two agencies. OIG Investigations declined our referral to them about these issues.

In addition, we determined that FFOC did not comply with requirements of Notices of Solicitation of Application (NOSA) or its grant agreements regarding conflicts of interest involving members of the Board of Directors and other personnel. For example, one of FFOC's Board of Directors did not disclose [redacted] was also a member/part owner of [redacted] entities assisted by FFOC. Another person who [redacted] regarding an entity was also an [redacted] in, and the [redacted] of, the entity. The State office required FFOC to disclose all board members', employees', and contract personnel's conflicts of interest, including memberships in organizations being assisted as part of its Letter of Conditions to be met prior to final grant approval. According to Rural Development's policy, a conflict only exists if a person holds a

management position or is a member of the entity's board of directors. Though the State office identified some of the undisclosed conflicts of interest, Rural Development procedure does not require its servicing personnel to research to see if there are any conflicts of interest that are unreported by grantees. The State office conducted an initial review to search for possible FFOC conflicts of interest with other entities it serviced due to concerns that arose during the initial site visit. We reviewed FFOC's usage of RCDG funds and determined FFOC Board of Directors members and other personnel had personal interests (i.e., conflicts of interest) with the entities it assisted, but did not properly disclose them as required by the State office. The entities, in which Board members and other personnel had undisclosed conflicts of interest, should not have been included in reimbursement requests approved through RCDG. Therefore, we concluded those grant funds had not been used for authorized purposes.

As a result of the conditions the State office experienced in servicing these FFOC grants, the National Office assumed servicing responsibilities for the 2007 grant due to the State office's strained working relationship and communication with FFOC's management. During the course of our audit, Rural Development denied FFOC's 2008 RCDG application. Further, the State office recommended termination of FFOC's 2007 grant due to changes in key FFOC personnel and recovery of the approximately $29,724 in 2007 grant funds already disbursed.

Recommendation Summary

- Reiterate RCDG servicing requirements and monitor, at least semiannually, enforcement of servicing requirements applicable for RCDG grantees, including obtaining supporting documentation for performance reports and ensuring grantees obtain proper approval before replacing or reassigning key personnel.

- Recover the approximately $65,000 reimbursement made to FFOC that duplicated the funds from Rural Development VAPGs and the Missouri grant agency. Include in future grant agreements and/or letters of condition, a requirement that grantees must provide a list of all other Federal or State grants that are used or may be used for reimbursement of work performed and coordinate to the extent practicable with other grant providers to ensure duplicate claims are not submitted.

- De-obligate funds awarded, but not yet disbursed, for the applicable grant years through 2007.

Agency Response

In its June 13, 2011, response to the official draft report, the State office generally agreed with Findings 2 and 3, and Recommendations 4 and 6 and provided information on corrective action planned and underway. However, the State office disagreed with Finding 1 and Recommendations 1, 2, 3, and 5. We have incorporated the State office's response in the Findings and Recommendations section of this report, along with our comments in the applicable OIG Position sections. The State office's written response to the official draft report is included in its entirety at the end of this report.

OIG Position

We accept management decisions for Recommendations 4 and 6. However, the State office did not provide sufficient detail regarding its planned corrective actions for Recommendations 1, 2, 3, and 5 for us to accept management decisions for these recommendations. We have provided our comments and what actions are needed to reach management decisions for these recommendations and they are provided in the OIG Position section of this report.

Background & Objectives

Background

During its review of Missouri Farmers Union Family Farm Opportunity Center's (FFOC) Rural Cooperative Development Grant (RCDG), Rural Development's Missouri State office (State office) identified problems with FFOC's documentation supporting its use of grant funds. The State office also found that FFOC used funds for ineligible, or possibly illegal, purposes. Because of these concerns, the Rural Development State Director requested the Office of Inspector General (OIG) perform a review of FFOC and its operations to determine if grant funds awarded were supported and used for eligible purposes. FFOC received three RCDGs totaling $725,000 from grant years 2005 through 2007. FFOC submitted requests for, and Rural Development disbursed, $530,265 to the FFOC. Nationwide, Rural Development awarded approximately $15.2 million in RCDG funds from 2005 through 2007.

FFOC's primary objective was to improve the economic condition of rural areas in Missouri through the development of cooperative businesses. Also, they were to provide technical and organizational expertise to develop and strengthen their clients' organizational technical assistance capacities, and provide feasibility analyses, marketing plans, and business formation assistance to a broad variety of rural residents. According to the Missouri Secretary of State website on May 28, 2010, the FFOC non-profit corporation had been dissolved.

The Consolidated Farm and Rural Development Act of 1961 authorized the RCDG Program. Later, the Federal Agriculture Improvement and Reform Act of 1996 focused the program specifically on the development of rural cooperatives in which producers and ranchers were members/owners and modified the application requirements and selection criteria for the RCDG Program. The RCDG Program aims to improve the economic condition of rural areas through the creation or retention of jobs and development of new rural cooperatives, value added processing such as slaughter plants for member ranchers so the members reap the benefits of the slaughter process as well as the live animals, and other rural businesses. RCDG Program funds are provided for the establishment and operation of centers that have expertise or can contract with experts who assist individuals or entities in the startup, expansion, or operational improvement of cooperative businesses. The program is administered by Rural Development State offices, acting on behalf of Rural Business-Cooperative Service (RBS). RBS annually publishes the Notice of Solicitation of Applications (NOSA) in the Federal Register requesting applications for the current funding cycle. The NOSA contains the application requirements as well as other program information, such as qualifications of personnel responsible for performing tasks and source of matching funds.

An entity is eligible to receive a RCDG if it is a non-profit corporation or an institution of higher education (excluding public bodies). Grant funds and matching funds may be used for, but are not limited to, providing the following services to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the entity for the purpose of cooperative development: (1) applied research, feasibility, environmental, and other studies that may be useful, (2) collection, interpretation, and dissemination of principles, facts, technical knowledge, or other information, (3) training and instruction, (4) loans and grants in accordance with the

annual NOSA and applicable regulations, and/or (5) technical assistance, research services, and advisory services.

RCDG Program recipients must provide funds matching at least 25 percent of the total project cost (5 percent in the case of 1994 Institutions),[3] with Rural Development awarding application preference points to those applicants whose applications include matching funds exceeding the 25 percent level. Applicants must verify in their applications that all matching funds are available for the time period of the grant. Either the applicant or a third party must provide the matching funds in the form of cash or in-kind contributions. FFOC elected to match at the 50 percent level, rather than the 25 percent level.

The National Office conducted an on-site visit to the State office and the FFOC from March 15 through March 17, 2005, as part of its Management Control Review process. During the review the National Office noted that FFOC could not produce documents to support its accomplishment reports and other required supporting documentation. The National Office also noted that the State office did not appear to have an effective working relationship with FFOC.

Objectives

The objectives of our audit were to determine whether the RCDGs awarded to FFOC for grant years 2005 through 2007 met the eligibility requirements and whether FFOC used the grants for intended and authorized purposes. We also assessed whether the State office properly serviced and administered the grants.

[3] 7 Code of Federal Regulations (CFR) 4284.504, dated April 29, 2004, defines a *1994 Institution* as a college identified as such for purposes of the Equity in Educational Land-Grant Status Act of 1994.

Section 1: Grant Servicing Needs Improvement

Finding 1: State Office Did Not Meet Grant Servicing Requirements

The State office did not always meet grant servicing requirements by not requiring FFOC to (1) submit completed supporting documentation with its end-of-grant performance reports, (2) address failed tasks that were to be accomplished during the grant period, and (3) obtain approval before reassigning key personnel to tasks listed in the work plan. Due to there being only two RCDGs in Missouri, and the work load for other grants, the State office said it did not initially familiarize itself with servicing requirements to the extent needed to fully service the grants. As a result, Rural Development had little assurance that FFOC used RCDG funds in accordance with program goals.

Rural Development's National Office administers all RCDG activities through determining eligibility and approving the RCDGs. Upon grant award, it then becomes the State offices' responsibility to administer post-award activities. The grant recipient is required to submit, and therefore, the State office should ensure the grant recipient submits, (1) Form SF-269 or SF-269A, "Financial Status Report," on a semiannual basis, (2) a semiannual performance report comparing accomplishments to objectives stated in the grant proposal, and (3) a final project performance report for each grant.[4] Regulations require a grant recipient to retain financial records, supporting documents, statistical records, and all other records pertinent to an award for a period of three years from the date it submitted its final expenditure report.[5] Other supporting documentation is to include, but not limited to, feasibility studies; marketing plans; business plans; articles of incorporation by-laws; and an accounting of how outreach, training, and other funds are expended. The State office is responsible for evaluating grant recipients' performance reports and comparing them to corresponding information provided on the RCDG application.

We found that the State office did not enforce regulations requiring FFOC to submit deliverable documents such as feasibility studies, business plans, marketing plans, operating plans, and/or surveys for cooperatives it assisted with its performance reports.[6] In its 2005 final performance report, FFOC stated it updated business and marketing plans for clients and a feasibility study as well as business and marketing plans for another client. In the 2006 final performance report, FFOC stated it conducted a business assessment for one client and a marketing feasibility study for another client. However, the State office did not obtain copies of these documents to verify FFOC accomplished these tasks. We did find that State office personnel asked FFOC for copies of supporting documents with the final performance report for grant year 2006; however, FFOC cited confidentiality issues and provided supporting documents to the State office for review purposes only. The State office stated that it compared the documents provided to the accomplishment report and noted the two 2006 documents listed above were missing, but they did not formally document the review. Also, the State office did not request the supporting documents for the 2005 grant year, nor did it request them with the mid-term performance reports for the 2006 and 2007 grant years.

---

[4] 7 CFR 4284.12, dated April 29, 2004.
[5] 7 CFR 3019.53(b), dated January 1, 2002.
[6] 7 CFR 4284.12, dated April 29, 2004.

During our audit, we requested copies of feasibility studies, marketing plans, and training materials from FFOC for their 2005, 2006, and 2007 performance reports. FFOC could not provide all the documents requested. Specifically, FFOC could not provide us with documents they listed on their performance reports for five clients.

The State office also did not require FFOC to explain why it did not accomplish all of the goals it included in their grant applications. FFOC did not complete several tasks listed in the work plan/budget submitted with applications Rural Development approved. For example, FFOC did not provide technical assistance to establish low income co-op housing for credit union members living in geographically low-income areas, nor did it provide marketing and promotions training for the credit union. Federal regulations and grant agreements for the applicable years require grant recipients' performance reports to include reasons why established objectives were not met.[7]

In addition, the State office did not require FFOC to obtain approval before it reassigned key personnel to tasks included in its work plan. When it evaluated FFOC's performance reports, the State office did not initially question discrepancies between the personnel assigned to perform tasks on the grant application and those listed on performance reports. In one case, FFOC never listed an individual in its grant application who, according to performance reports, performed tasks such as preparing feasibility reports and business plans every year that FFOC received RCDGs. However, according to program regulations, identifying personnel who can ably prepare feasibility studies and business plans is of particular interest to Rural Development because the grant award system includes an evaluation of the qualifications of key personnel's abilities and experience. The State office should have noted these discrepancies and informed FFOC that grant recipients must request prior approval before making changes to a key person's duties as specified in the application or award document.[8] FFOC never sought the State office's approval before assigning key persons to complete tasks other than those listed on the grant application.

On July 1, 2008, State office officials requested permission from the National Office to terminate the 2007 RCDG due to changes (losses) in key personnel. Subsequently, on August 8, 2008, the State office director suspended the remainder of the 2007 RCDG citing the status of FFOC's operation and its inability to perform grant-related tasks due to significant losses in the personnel assigned to those tasks. The letter cited that four key personnel losses had been experienced and FFOC needed to take actions to have the changes approved by the State office, or the grant would be terminated after 30 days.

State office personnel admitted they should have initially been more aware of Federal regulations governing the RCDG Program but had not studied the requirements, and stated there was little or no training provided by the National Office on grant servicing requirements for RCDG's. They advised that they did become familiar with the requirements, and followed them, after their initial site visit discovered the issues which prompted them to request our audit. The State office

[7] 7 CFR 3019.51 dated January 1, 2002.
[8] 7 CFR 3019.25 dated January 1, 2002.

further stated that they increased their oversight of the FFOC's performance for its 2005 and 2006 grants, but the National Office had assumed servicing responsibilities for the FFOC 2007 grant. Although the National Office assumed these servicing responsibilities, it collaborated with the State office in reviewing FFOC requests for grant fund disbursements.

Because the State office did not enforce program regulations, Rural Development had little assurance that FFOC used RCDG funds to accomplish program goals or that qualified personnel completed grant-related tasks. Further, because Rural Development awards RCDG funds based, in part, on the tasks applicants will complete before the end of the grant period and the qualifications of their key personnel, FFOC may have been awarded grants it was not qualified to receive.

Recommendation 1

Reiterate RCDG servicing requirements to State office personnel and monitor, at least semiannually, their enforcement of servicing requirements applicable to RCDG Program grantees.

Agency Response

The State office does not concur with this finding and recommendation. The State office believes it understands the servicing requirements for the RCDG Program.

The State office interprets Rural Development Instruction 4284.12(b) to mean that supporting documentation is only required if working capital funds are spent. Section 4284.12(b) states, "The supporting documentation for completed tasks include, but are not limited to, feasibility studies, marketing plans, business plans, articles of incorporation and bylaws and an accounting of how working capital funds were spent." The State office further asserts that Rural Development Instruction 4284.11 could be interpreted to mean that feasibility studies and business plans only have to be submitted if the federal grants or matching funds are used as working capital. None of the grant funds were used for working capital purposes. The State office also asserts that they followed the grant agreement and Rural Development Instruction 4284.11, and believes that copies of the feasibility studies, business plans, etc., did not have to be submitted until the final report.

OIG Position

We cannot accept the management decision on this recommendation. Our position on the finding and recommendation remain unchanged because Rural Development Instruction 4284 does not limit semiannual reporting requirements to only grant funds used as working capital as asserted by the State office. Semiannual reporting requirements also apply to nonworking capital grants. Rural Development Instruction 4284.11 as cited by the State office in their response is only applicable to grant award requirements, and does not have any applicability to semiannual and final project grant reporting requirements.

Rural Development Instruction 4284.12 as cited by the State office in their response covers grant reporting requirements of the grantee and requires the grantee to submit semiannual performance

reports that compare accomplishments to the objectives stated in the proposal. This Rural Development Instruction mirrors the regulation (7 CFR 4284.12) but does not make these reporting requirements contingent for only grant funds being used for working capital. For those tasks reported completed each semiannual reporting period, grantees are to include feasibility studies, marketing plans, business plans, articles of incorporation and by-laws and an accounting of how working capital funds were spent, if applicable. Furthermore, final project performance reports are to be inclusive of supporting documentation.

To reach management decision, the State office needs to reconsider its position and reiterate RCDG servicing requirements to State office personnel and monitor, at least semiannually, their enforcement of servicing requirements applicable to RCDG Program grantees.

Recommendation 2

Monitor State office personnel performance to ensure supporting documentation for performance reports is obtained and properly evaluated for future RCDGs in accordance with regulations.

Agency Response

The State office does not concur with this finding and recommendation. The State office will work with National Office on future grants to ensure the reporting requirements in the grant are consistent with the regulations.

OIG Position

We are unable to accept the State office's proposed corrective action for management decision. To reach management decision, the State office needs to reconsider its position and monitor State office personnel performance to ensure supporting documentation for performance reports is obtained and properly evaluated for future RCDGs in accordance with regulations.

Recommendation 3

Monitor State office personnel performance to ensure RCDG Program grantees obtain proper approval before replacing or reassigning key personnel to tasks provided in their grant work plans.

Agency Response

The State office does not concur with this finding and recommendation. The State office will work with the National Office to determine what constitutes key personnel change and will require the Grantee to request changes accordingly.

The State office does not believe that adding two individuals to an existing team constitutes a key personnel change. The key personnel are those listed under that category in the application. The grantee hiring additional expertise to work on a project does not mean there is a key personnel change.

OIG Position

We are unable to accept the State office's proposed corrective action for management decision. The individuals cited in the State office's response are not the same individuals we identified during our audit and referred to in the finding as changes in key personnel. Therefore, our position on the finding and recommendation remain unchanged. To reach management decision, the State office needs to reconsider its position and provide us with a plan to monitor their personnel to ensure RCDG Program grantees obtain proper approval before replacing or reassigning key personnel to tasks provided in their grant plans.

Finding 2: Duplicate Benefits Paid

FFOC submitted invoices to Rural Development for reimbursement through both its RCDG and VAPG[9] Programs and was also reimbursed for the same expenses through the Missouri Agricultural and Small Business Development Authority (MASBDA) Grant Program.[10] This occurred because Rural Development lacked controls requiring FFOC to report other sources of grant funding. As a result, FFOC received about $65,000 in excessive reimbursements. Regulations do not require applicants to report other grants, unless the applicant is using funds from other grants as matching funds. Therefore Rural Development has not developed procedures requiring grant recipients to report other grants they either received or managed. However, applicants sometimes cite grants obtained from other federal or State sources supporting their applications for the Rural Development grants they are applying for. Rural Development also does not require a comparison of invoices and documents from one grant to another within Rural Development programs where information provided by applicants shows they exist.

We identified 10 VAPG and 8 MASBDA grants managed by FFOC. By comparing invoices and deliverable documents, such as business plans, which FFOC submitted to Rural Development and MASBDA for reimbursement, we found FFOC received duplicate benefits for three invoices and two deliverable documents. Accordingly, we concluded that the State office should be aware of, and coordinate with, other grant providers to ensure duplicate claims are not submitted by grantees.

We identified three invoices FFOC used to claim reimbursement from both MASBDA and Rural Development totaling $16,375. MASBDA reimbursed FFOC for the total amount of $16,375 for the three invoices. Per the RCDG agreement, Rural Development reimbursed FFOC for $8,188, or 50 percent of the claimed amount. We confirmed the duplicate payments by reviewing copies of the checks issued to pay the invoices. FFOC personnel stated that a [redacted] submitted the invoices which we also confirmed by reviewing signatures on

[9] The VAPG program also assists developing entities.

[10] MASBDA is a quasi-governmental agency of the Missouri State Government. It is charged with awarding, overseeing, and evaluating the results of Missouri State grants to agricultural and small business funded with State funds. MASBDA's process regarding grants is similar to USDA's in that there are requirements for support of claims for reimbursements, periodic reporting, and copies of finished products or final reports.

the invoices. We concluded that FFOC received $8,188 in additional and/or excess reimbursements from Rural Development under the RCDG Program. The State office should recover $8,188 disbursed for the RCDG Program in excess of FFOC's actual expenses.

We also found that FFOC submitted the same[11] business plans and a marketing plan to Rural Development under their VAPG Program and to MASBDA for expense reimbursements totaling $56,868 and $89,510, respectively. We compared deliverable products (i.e., business plans, marketing plans, feasibility studies, etc.) identified in performance reports submitted to Rural Development and to MASBDA for reimbursement. We found that FFOC submitted a business plan for a group identified as Small Ruminants Marketing Association for reimbursement and submitted a similar business plan/marketing plan to MASBDA for reimbursement for the same group. We identified another business plan for the Western Missouri Natural Dairy Producers that was submitted to Rural Development for VAPG funding. This business plan was an excerpt of a submission to MASBDA for a grant funding for the same entity.

We concluded, and the State office concurred, that FFOC received duplicate funding totaling $56,868 from Rural Development through the VAPG Program. The Missouri State Rural Development office should recover $56,868 that was improperly disbursed for the VAPG Program. We referred this matter to OIG Investigations for their consideration; they declined to pursue the matter.

Recommendation 4

Recover the reimbursements of $65,056 ($8,188 plus $56,868) made to FFOC through RCDG and VAPG that duplicated the funds received from MASBDA.

Agency Response

The State office de-obligated all remaining grant funds on March 3, 2011, and advised the U.S. Attorney regarding this matter. FFOC has since dissolved according to documentation from the Missouri Secretary of State.

OIG Position

We accept management decision for this recommendation.

Recommendation 5

Include in future grant agreements and/or letters of condition, a requirement that grantees must provide a list of all other Federal or State grants that are used or may be used for reimbursement

[11] We did note minor differences in the business plans (one contained goat recipes while the other included a list of goat wholesalers, and the cover pages were dated July 2006 for the document submitted to MASBDA and September 2006 for the document submitted to Rural Development), but pages in both documents were dated July 31, 2006.

of work performed and coordinate to the extent practicable with other grant providers to ensure duplicate claims are not submitted.

Agency Response

The State office worked with the [redacted] to insert language into the Letter of Conditions and grant agreement for the fiscal year 2007 grant and will continue to do so for any grantee in the future. However, the State office stated that it does not believe it is their responsibility to search out and audit all other funding sources to determine if grantees receive duplicate reimbursements.

OIG Position

We are unable to agree with the State office's proposed corrective action for management decision. To reach management decision, the State office still needs to reconsider its position on the recommendation to include a requirement in future Letters of Conditions that grantees disclose all other Federal and State grants and coordinate to the extent practicable with other grant providers to ensure duplicate claims are not submitted. The Letter of Conditions cited by the State office does not include language requiring the grantee to disclose all other Federal and State grants. Rural Development Instructions provide that grant funds may not be used to duplicate current services or replace or substitute support previously provided. We believe this prohibition includes reasonable efforts to identify grantee efforts to obtain duplicate reimbursements from other funding sources.

Section 2: FFOC did not Comply with Notice of Solicitation for Applications and Grant Agreements

Finding 3: FFOC Failed to Disclose Conflicts of Interest

FFOC spent RCDG funds for work performed for entities in which FFOC Board Members, employees, and consultants had memberships or held management positions. This occurred because FFOC did not fully disclose key personnel's conflicts of interests as required by the 2005 NOSA[12] and the 2007 letter of conditions and RD procedures did not require disclosure of conflicts of interest in the application process for grants. Specifically, we found FFOC board members held positions other than memberships in [redacted] and had memberships in [redacted] entities where FFOC had provided documents such as completed marketing assessments or business plans. Additionally, we identified other FFOC personnel, such as employees and contractors, who had interest in [redacted] entities. FFOC personnel declined to comment on its nondisclosure of conflicts of interest. As a result Rural Development could not be assured all FFOC work was in the best interest of the entity with no personal gain made by FFOC personnel.

The 2005 NOSA, as prepared by the National Office, did require FFOC personnel to list all potential conflicts of interest in the grant application.[13] However, this requirement was not subsequently placed in the 2006 and 2007 NOSAs, but the State office required FFOC to provide a listing of potential conflicts of interest for key personnel in FFOC's Letter of Conditions as part of the 2007 grant.[14]

According to Federal regulations, a conflict of interest exists when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs, or is about to employ, any of the parties indicated, has a financial or other interest in the firm selected for an award.[15] The 2005 NOSA stated if the applicant plans to conduct business with any family members, company owners, or other identities of interest using grant or matching funds, the relationship between the applicant and the identity of interest must be disclosed.[16]

In 2007, the Letter of Conditions included additional requirements for disclosing conflicts of interest. According to those requirements, (1) board members who are members and/or officers of organizations being assisted or in consideration for assistance, must recuse themselves from all discussion and decision-making regarding these organizations; (2) staff and/or consultants of the grantee organization may not provide grant related assistance to any organization in which they are affiliated through membership, employment, or close family ties; and (3) entities must

[12] Though not specifically requiring conflicts of interest disclosure, the 2006 and 2007 NOSAs prohibited grant funds from being used to pay costs of projects where conflicts of interest existed.
[13] RBS annually publishes a NOSA in the Federal Register requesting applications for the current funding cycle. The NOSA contains the application requirements as well as other program information.
[14] 7 CFR 4284.514, subpart F, dated April 29, 2004.
[15] 7 CFR 3019.42, dated January 1, 2002.
[16] 2005 NOSA, dated May 13, 2005.

adopt a corporate policy that requires every board member, employee, and consultant to identify any potential conflicts of interest and report such conflicts to a designated corporate officer.

During our review, we met with State office personnel and the Office of the General Counsel (OGC) to discuss FFOC's actions. During this discussion, OGC and State office personnel informed us of potential conflicts of interest within FFOC such as FFOC Board members and employees also being board members and/or having management responsibilities in organizations that were clients of FFOC. The State office could conduct the research required to identify the lack of disclosure by FFOC because they had only one RCDG to service for 2006 and 2007. We believe this would not be the case if there were multiple grants the State office was responsible for servicing. In addition to the conflicts identified by the State office and the OGC representative, we identified additional undisclosed conflicts for [redacted] FFOC Directors, the [redacted], the [redacted], a [redacted], and a [redacted].

We reviewed FFOC grant applications to identify board members and other FFOC personnel, such as employees and contractors, to determine if they properly disclosed their conflicts of interest. Our review of the 2005 grant application showed FFOC did not identify all board members' conflicts of interest with the cooperatives FFOC assisted, or conflicts between other FFOC personnel and cooperatives assisted by those members. We researched the cooperatives named in the RCDG applications using State web sites, entity web sites, other Federal grant files, and information in State office files. We identified key FFOC personnel who were board members, owners, managers, or members of, and/or investors in, numerous entities FFOC assisted. In addition, our review of the 2007 Letter of Conditions showed that FFOC did not identify several conflicts involving board members and other FFOC personnel tasked with completing documents for cooperatives where a conflict of interest existed.

Examples of nondisclosed conflict of interests included:

- The [redacted] of FFOC did not disclose [redacted].
- FFOC's [redacted], also a board member for one year, was [redacted], and was listed on 2005-2007 grant applications as being responsible for helping these cooperatives. In total, this person did not disclose membership, ownership, and/or management positions held in [redacted] entities that should have been disclosed in accordance with the Letter of Conditions.
- A [redacted] assisted on projects involving [redacted] cooperative even though the representative was an [redacted] and the [redacted] of the cooperative.
- An FFOC employee did not disclose a personal relationship with a board member who was also the [redacted] of [redacted]. This employee was also a member

of the cooperative and provided [redacted] to [redacted].

- FFOC did not disclose that its [redacted], as [redacted] for an entity, [redacted] through the FFOC.

Additionally, we identified an [redacted] FFOC contracted to assist with various projects who also held positions other than membership within those projects. For example, a [redacted] hired to [redacted] for [redacted] was the [redacted] for the company.

The State office took exception to the conflicts of interest involving members of the board and other personnel who assisted, or contracted to, FFOC. This included FFOC board members having membership, ownership, and/or management positions in [redacted] entities we determined received assistance through the development stage. If conflicts of interest included membership, as applied by the State office, FFOC would not have been able to assist [redacted] entities because [redacted] of FFOC's board members held membership or management positions in them. The State office did advise FFOC to expand its board of directors to include directors who did not have potential conflicts of interest with entities it assisted in order to have a quorum when directors recused themselves. However, FFOC did not follow the State office's advice.

According to Rural Development National Office policy, if board members and other FFOC personnel were only members of the assisted cooperatives, and therefore, received benefits equal to those of all other members, no real conflict of interest existed. The National Office allows board members who disclose their conflicts of interest to recuse themselves from voting on accepting applications for assistance submitted by entities in which they were involved, with the expectation that, by doing so, they remove the appearance of a "direct benefit." The National Office based its policy, in part, on its belief that in rural communities benefiting from RCDG, only a limited number of individuals are available to serve on cooperatives' boards, or hold other leadership positions. If all directors who had conflicts actually recused themselves from voting, we note that FFOC would not have been able to approve applications for [redacted] it actually assisted.

If the State office had been able to apply the conflict of interest standards included in the Letter of Conditions to prior RCDGs received, the work FFOC performed for entities with multiple conflicts involving FFOC board members would not have been eligible for grant funds in those grant years either. In those cases, Federal Regulations state that any portion of a grant that was received for which there was no regulatory authority would be unauthorized assistance, and therefore should be collected from the recipient.[17]

FFOC received approximately $530,265 of the $725,000 RCDG funds awarded for the three year period we audited. Rural Development issued a Letter of Unauthorized Assistance requesting repayment of $135,919 for the 2005 grant. In addition, the State office suspended the 2007 grant to the FFOC, citing both the number of conflicts of interest and FFOC's failure to properly

[17] 7 CFR 1951.702 and 1951.703, dated December 19, 2006.

disclose them, as reasons for the suspension. There was $194,735 in RCDG funds awarded to FFOC which were not disbursed.

We are not making any recommendations to the National Office regarding the RCDG application process because the scope of our review was limited to three RCDGs awarded to one grantee.

Recommendation 6

De-obligate funds awarded but not yet disbursed for the applicable grant years through 2007 totaling $194,735.

Agency Response

The State office concurred with our recommendation and de-obligated all funds awarded but not yet disbursed to FFOC on March 3, 2011.

OIG Position

We accept management decision for this recommendation.

Scope and Methodology

Fieldwork for this audit was performed between April 1, 2008, and October 4, 2010. The fieldwork was performed at the State office, the National Office, and the offices of the FFOC and MASBDA. FFOC administered grants from the Rural Development VAPG Program and MASBDA for entities it assisted for RCDG. Therefore, we included them in our review by comparing invoices and deliverable products, such as business and marketing plans, to those submitted for RCDG and to both VAPG and MASBDA.

To accomplish our audit objectives, we performed the following:

- Reviewed the applicable laws, regulations, solicitation notices, agency instructions, and procedures related to administering the RCDG Program.

- Evaluated program operations at the State office to assess whether the grants awarded to the entity were properly administered.

- Analyzed supporting documentation maintained by the State office (the National Office for 2007) and the recipient to ascertain whether the use of grant funds complied with grant and program requirements. Specifically, we reviewed supporting documentation for $108,637 of $394,346 funds disbursed for the three grant years (2005, 2006, and 2007). FFOC was authorized $750,000 in awards for the three years. FFOC did not submit requests for reimbursement for all of the authorized funds. The State office issued a Letter of Unauthorized Assistance (an administrative tool to collect funds that were awarded based upon incorrect requests) for $135,918.62 in grant funds.

- Assessed the entity's eligibility for the grants it received, its compliance with the 2005 grant agreement, and the propriety of its use of grant funds.

- Interviewed personnel at the Rural Development National Office and State office. We also interviewed key personnel at FFOC and MASBDA.

- Reviewed appropriate documents at the State office, FFOC, and MASBDA in order to evaluate any duplicate assistance. These documents included grant applications, agreements, documents supporting claimed expenditures, reports, and deliverable products such as business plans. In addition to the RCDGs, we reviewed documents for VAPGs and MASBDA grants either issued to, or managed by, FFOC.

The State office, during its review of the 2005 RCDG, correctly identified issues with matching funds. The issues included incorrect accounting system reports and matching funds that did not flow through the FFOC. During our audit, we requested bank records, including bank statements and support for entries on the statements, i.e. cancelled checks and deposit information, to follow up on the State office findings, as well as our concerns regarding reimbursements for work with entities in which its officials had conflicts of interest with entities assisted by FFOC for RCDG purposes. FFOC did not provide the requested records in a manner facilitating review or audit.

We also asked for a chart of accounts from the accounting program, which was not provided. Therefore, we could not address whether FFOC continued to have matching fund issues.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives, with the following exception. Our follow-up on the State office's review of FFOC's requests for matching funds was limited by insufficient evidence provided by FFOC that was not presented in a manner to allow a proper assessment of the propriety of the State office determinations or ascertain the level of compliance by FFOC with its agreed matching funds commitment.

Abbreviations

CFR ..... Code of Federal Regulations
FFOC..... Family Farm Opportunity Center
MASBDA ..... Missouri Agricultural and Small Business Development Authority
NSOA..... Notice of Solicitation of Application
OGC ..... Office of the General Counsel
OIG ..... Office of Inspector General
RCDG ..... Rural Cooperative Development Grant
RBS ..... Rural Business Cooperative Service
USDA..... Department of Agriculture
VAPG..... Value Added Developmental Producer Grant

Exhibit A – Summary of Monetary Results

The table below lists the monetary issues identified during the audit. It lists them by finding number and recommendation number. It includes a brief description of the reason for the finding, the amount, and the classification of the questioned costs.

Finding Number	Recommendation Number	Description	Amount	Monetary Results
2	4	Duplicate Benefits Paid – RCDG and VAPG funds	$65,056	Questioned Costs – Recovery Recommended
3	6	De-obligate funds not disbursed from the 2005 through 2007 grants	$194,735	Funds To Be Put To Better Use - De-obligations
Total			$259,791	

USDA'S
RURAL DEVELOPMENT
MISSOURI
RESPONSE TO AUDIT REPORT

United States Department of Agriculture
Rural Development
Missouri
www.rurdev.usda.gov/mo

June 13, 2011

TO: John Purcell, Director
Financial Management Division (FMD)

FROM: Anita J. Dunning /s/ Anita J. Dunning
Missouri State Director

SUBJECT: Audit Report 34004-1-KC
"Rural Cooperative Development Grant Program Eligibility and Grant Fund Use for a Missouri Entity"

This is in response to the above subject audit report.

USDA Rural Development (RD) requested OIG to conduct an audit after discovering that the Family Farm Opportunity Center (FFOC) submitted documents to RD evidencing eligible expenditures representing to the United States that FFOC had authorized expenditures that used funds beyond eligible grant activities, when in fact many representations regarding matching funds and expenditures were false or not related to the grant activity. FFOC and its parent company were engaged in the practice of comingling activities to such degree that there was no longer any separate and distinct operation for either.

Executive Summary

RD noted six concerns: (1) including for reimbursement, donations made to partisan political activities; (2) expenditures related to the Missouri Farmers Union; (3) invoices in the name of the Missouri Farmers Union (not the grant recipient); (4) expenses for office space billed to the grant when those activities should have been paid by Missouri Farmers Union; (5) attendance at partisan political events and billing such time to the grant recipient; and (6) numerous unaddressed conflicts of interest involving FFOC personnel, Board of Directors, members and staff who held positions of authority in entities which FFOC assisted through the Rural Cooperative Development Grant (RCDG) Program.

601 Business Loop 70 West ● Suite 235, Parkade Center ● Columbia, MO 65203
Phone: (573) 876-0976 ● Fax: (573) 876-0977 ● TDD: (573) 876-9480

Committed to the future of rural communities

"USDA is an equal opportunity provider, employer and lender."
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Ave., S.W., Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).

The OIG report concluded that RD at the State Office level addressed the first five of the six concerns by working with the Regional Attorney to issue a Letter of Unauthorized Assistance. The report also states that because of the issuance of that letter, OIG is making no further recommendations for corrective action regarding these five items.

OIG concluded in the Executive Summary that State Office did not properly service the grants. RD Instruction 4284-F, which was in place at the time the grant was awarded, simply states in section 4284.572 "Grants will be serviced in accordance with part 1951, subpart E of this title. RD Instruction outlines the reporting requirements that are due on a quarterly basis. See **Section 1, Finding 1** below for documentation to support our belief that we did service the loan appropriately.

The OIG report states that FFOC submitted invoices to both USDA and the Missouri Agriculture and Small Business Development Authority (MASBDA), thus resulting in double reimbursement. The State Office does not know how it could audit MASBDA records, or any other agency records to confirm the grantee was not receiving multiple reimbursements. The State Office acknowledges this likely occurred but we believe the Agency does not have any mechanisms in place to guarantee that this does not happen. It is the Agency's belief this does constitute fraud and we would hope that OIG Office of Investigations will pursue this case.

The report states that the Grantee had numerous conflicts of interest. The State Office made these conflicts known to the RD National Office before subsequent grants were awarded but eligibility for these subsequent grants were made at the National Office. National Office decided to award the grant to FFOC.

Recommendation Summary:
Agency Response:

- The State Office increased the amount of documentation required to be submitted by FFOC in subsequent grants after identifying the deficiencies. The letter of conditions, grant agreement and other documents were amended and approved by the Regional Attorney to enforce the submission of additional documentation over and above what the regulations require (copy attached).
- RD identified all of the unauthorized assistance that FFOC had received and we worked closely with the Regional Attorney for reimbursement. Payment plans were set up but payments were not made. OGC reviewed the individuals in the organization to determine their responsibility, liability and repayment ability. The end result was that we ended up with a very small lump sum Settlement Agreement. It would not be cost effective to the agency to try to obtain $65,000 from FFOC for duplicated funds.
- The State Office has de-obligated all funds that have been awarded to FFOC.

Section 1

Finding 1: State Office did not meet Grant Servicing Requirements: The State Office does not agree with this finding. The regulations cited in the footnote section of this finding are dated January 1, 2008 which we do not believe is correct. The most current revision to these regulations occurred on April 29, 2004. RD Instruction 4284.12 is cited below:
4284.12 Reporting requirements.

Grantees must submit the following to USDA:

(a) A "Financial Status Report" listing expenditures according to agreed upon budget categories, on a semi-annual basis. Reporting periods end each March 31 and September 30. Reports are due 30 days after the reporting period ends. Failure to submit the required reports within the specified time frame is considered cause for suspension or termination of the grant.
(b) Semi-annual performance reports that compare accomplishments to the objectives stated in the proposal. Identify all tasks completed to date and provide documentation supporting the reported results. If the original schedule provided in the work plan is not being met, the report should discuss the problems or delays that may affect completion of the project. Objectives for the next reporting period should be listed. Compliance with any special condition on the use of award funds should be discussed. Reports are due as provided in paragraph (a) of this section. The supporting documentation for completed tasks include, but are not limited to, feasibility studies, marketing plans, business plans, articles of incorporation and bylaws and an accounting of how working capital funds were spent. Failure to submit the required reports within the specified time frame is considered cause for suspension or termination of the grant.
(c) Final project performance reports, inclusive of supporting documentation. The final performance report is due within 30 days of the completion of the project. If results are not demonstrated, the Agency reserves the right to disallow costs incurred under the grant. If such a disallowance is made, the Grantee has the obligation to repay any funds already disbursed by the Agency for disallowed costs.

It could be argued that the highlighted sentence above could be interpreted to mean those documents have to be submitted ***if*** working capital funds are spent. In fact, RD Instruction 4284.11 states that feasibility studies and business plans only have to be submitted if the federal grants or matching funds are used as working capital. None of the grant funds were used for working capital purposes. State Office followed the Grant Agreement and RD Instruction 4284.11 and we feel that copies of the feasibility studies, business plans, etc. did not have to be submitted until the final report.

But the bottom line is that regardless of what the above procedural requirements state the Grant Agreement, which was prepared by the National Office, does not contain any language citing the above requirements. Exhibit D of the Grant Agreement executed by the State Office and FFOC on October 1, 2005, only requires any supporting documentation to be submitted with the final report at the end of the grant cycle. The State Office feels that we followed the Grant Agreement

requirements as prepared by National Office. The final report was not due until November 1, 2006. RD immediately halted the grant disbursements and did not reimburse funds after the site visit and the discovery that the grantee did not have adequate documentation to support the grant funds that they had requested. This was the appropriate action to take.

FFOC was engaged in seriously misrepresenting its expenditures and grant activity. All required reports were submitted as requested and as required, but these reports were works of fiction. Not until a more in depth analysis of their submitted documents and representations was undertaken, did it become apparent that FFOC was engaged in a pattern and practice of submitting documents which were not real. In light of the grant recipient's willingness to misrepresent, only a more in depth review would have brought to light their misrepresentations, and such an in depth review is not required by the regulations.

The report expresses OIG's concern that the key personnel changed during the grant cycle and the State Office did not approve such changes. The key personnel listed in the application on page 12 included [redacted] and [redacted]. The semi-annual report includes all of those names and the additional names of [redacted] and [redacted]. The State Office does not believe that by adding these two individuals to an existing team constitute a key personnel change. The key personnel are those listed under that category in the application. The Grantee hiring additional expertise to work on a project does not mean there is a key personnel change. ***The State Office requests that this finding be removed from the report.***

Recommendation #1 Agency Response: The State Office believes it understands the servicing requirements for the RCDG Program.

Recommendation #2 Agency Response: The State Office will work with National Office on future grants to ensure the reporting requirements in the Grant are consistent with the regulations.

Recommendation #3 Agency Response: The State Office will work with the National Office to determine what constitutes key personnel change and will require the Grantee to request changes accordingly. Again, the State Office disagrees with this finding and believes that there were not key personnel changes.

Finding 2: Duplicate Benefits Paid: The report states that FFOC obtained funds from both RD and MASBDA for the same expenses. The State Office does not believe it is our responsibility to search out and audit all other possible funding sources to determine if the Grantee is receiving duplicate reimbursements.

Recommendation #4 Agency Response: The agency has de-obligated all funds and advised the US Attorney regarding this matter. FFOC has since dissolved as shown by the attached copy of Administrative Dissolution from the Missouri Secretary of State web site and a copy of Judgment documentation.

Recommendation #5 Agency Response: The State Office worked with the [redacted] to insert language into the Letter of Conditions and Grant Agreement for the FY 2007 Grant and will continue to do so for any Grantee in the future.

Finding 3: FFOC did not comply with the Notice of Solicitation for Applications and Grant Agreements: While the State Office agrees with this finding, the State Office notified the National Office each year that the Grantee applied for the RCDG after their deception was identified. National Office responded that each grant stood on its own merit and we could not use previous grants for subsequent eligibility. The National Office made the eligibility determination based on this interpretation.

Recommendation #6 Agency Response: The State Office has de-obligated all funds.

In summary, the State Office believes we followed the regulations in servicing the RCDG program recipients, including FFOC. When we found the deception and what we consider as fraud by FFOC, it was reported to the National Office, to our Regional Attorney and to OIG. We made an immediate contact with OGC and they have worked very closely with us through this whole process including settlement. We followed the regulations and the Grant Agreement in servicing this grant. Possibly the national regulations need to be revised to provide more detailed instructions on what is required and especially on eligibility requirements for entities to allow compliance with previous grants to the same recipient to be considered for future grants.

If you have any questions, please contact Frank Classens, Management Control Officer, for assistance.

OFC: 2012-A

5 Enclosures:
Letter of Conditions
Rural Development Grant Agreement
Exhibit D
Administrative Dissolution
Judgment Documentation

cc:
Arlene Pitter Bell, Program Analyst
Financial Management Division (FMD)
Rural Development