



United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

APR 10 2018

TO: Phyllis K. Fong
Inspector General
Office of Inspector General

FROM: Stephen Censky
Deputy Secretary

A handwritten signature in blue ink that reads "Stephen J. Censky". The signature is fluid and cursive, with a long horizontal stroke at the end.

SUBJECT: Quarterly High-Dollar Overpayments Report

Executive Order 13520, Reducing Improper Payments, requires the Head of agencies with programs susceptible to significant improper payments under the Improper Payments Information Act to submit to the agency's Inspector General, a quarterly report of identified high-dollar overpayments. High-dollar overpayments are in excess of 50 percent of the correct amount. For an individual, the threshold is \$25,000 as a single payment or in cumulative payments for the quarter. For an entity, the threshold is \$100,000 as a single payment or in cumulative payments for the quarter.

Attached is the Department of Agriculture's High-Dollar Overpayments Report for the second quarter of fiscal year 2018. The information in the report complies with the guidance issued on October 20, 2014, by the Office of Management and Budget in Memorandum M-15-02, Appendix C to Circular No. A-123, Requirements for Effective Estimation and Remediation of Improper Payments. It includes the reason for the overpayment, actions taken or planned to recover overpayments, and actions and strategies the agencies intend to take to prevent overpayments in the future.

Attachment

U.S. Department of Agriculture Executive Order 13520, "Reducing Improper Payments"
 High-Dollar Overpayments Report
 Quarter 2 Fiscal Year 2018

Name of Program Responsible	Recipient	Total Dollar Amount of the Payments Identified	Intended Dollar Amount That Should Have Been Paid	Overpayment Dollar Amount	Reason For Overpayments	Actions Taken or Planned to Recover the Overpayment	Overall Actions and Strategies Taken or Planned to Prevent Overpayments In the Future
Farm Service Agency (FSA) Non-Insured Crop Disaster Assistance Program (NAP)	Individual	\$32,468.00	\$0.00	\$32,468.00	Incorrect acreage used to calculate loss/payment.	Receivable has been established and demand letters sent.	County office employees will follow the current policy of conducting 2nd party reviews to ensure program and eligibility data is accurately entered and reflected on program records and forms prior to issuing program payments.
FSA NAP	Individual	\$42,303.00	\$0.00	\$42,303.00	Incorrect acreage used to calculate loss/payment.	Receivable has been established and demand letters sent.	County office employees will follow the current policy of conducting 2nd party reviews to ensure program and eligibility data is accurately entered and reflected on program records and forms prior to issuing program payments.
FSA NAP	Individual	\$70,514.03	\$0.00	\$70,514.03	Incorrect acreage used to calculate loss/payment.	Receivable has been established and demand letters sent.	County office employees will follow the current policy of conducting 2nd party reviews to ensure program and eligibility data is accurately entered and reflected on program records and forms prior to issuing program payments.
Risk Management Agency (RMA) Federal Crop Insurance Corporation Program Fund (FCICPF)	Entity	\$107,606.00	\$51,306.00	\$56,300.00	The Approved Insurance Provider (AIP) did not follow policy and/or procedure when paying claims to policyholder.	Overpayment recovered, no further action required.	RMA will continue to conduct reviews of the AIP and/or producers to ensure compliance with the Standard Reinsurance Agreement (SRA) and FCIC policy and procedures.
RMA FCICPF	Entity	\$126,141.00	\$63,072.00	\$63,069.00	The Producer reported inaccurate shares on units included in the policy which gave rise to inaccurate premium and indemnity payments.	Overpayment recovered, no further action required.	RMA will continue to conduct reviews of the AIP and/or producers to ensure compliance with the SRA and FCIC policy and procedures.
RMA FCICPF	Entity	\$103,256.00	\$63,498.00	\$39,758.00	The AIP was not in compliance with the SRA and or FCIC policies and procedures.	Overpayment recovered, no further action required.	RMA will continue to conduct reviews of the AIP and/or producers to ensure compliance with the SRA and FCIC policy and procedures.
RMA FCICPF	Entity	\$105,907.00	\$4,362.00	\$101,545.00	Policyholder(s) conspired to commit fraud. A review was initiated when RMA identified significant production record anomalies during a "fresh acre verification" (FAV) review. Producer altered production records provided in attempts to qualify for fresh apple acre coverage.	Overpayment recovered, no further action required.	RMA will continue to conduct reviews of the AIP and/or producers to ensure compliance with the SRA and FCIC policy and procedures.
RMA FCICPF	Entity	\$100,881.00	\$0.00	\$100,881.00	Policyholder(s) conspired to commit fraud. A review was initiated when RMA identified significant production record anomalies during a "fresh acre verification" (FAV) review. Producer altered production records provided in attempts to qualify for fresh apple acre coverage.	Overpayment recovered, no further action required.	RMA will continue to conduct reviews of the AIP and/or producers to ensure compliance with the SRA and FCIC policy and procedures.
RMA FCICPF	Entity	\$543,791.00	\$182,238.00	\$361,553.00	(1) Policyholder(s) conspired to commit fraud. (2) The AIP did not follow policy and or procedure in accordance with the SRA and FCIC policy and procedures. (3) Procedure reported inaccurate yield which caused the claim.	Overpayment recovered, no further action required.	RMA will continue to conduct reviews of the AIP and/or producers to ensure compliance with the SRA and FCIC policy and procedures.