

## U.S. Department of Agriculture Executive Order 13520, "Reducing Improper Payments"

Executive Order 13520 (Executive Order) is intended to assist Federal agencies in reducing improper payments. Agencies must report quarterly on any high-dollar overpayments identified in programs that are susceptible to significant improper payments ("high-risk" programs). Agencies are to submit the quarterly reports to their respective Office of Inspector General (OIG) and the Council of the Inspectors General on Integrity and Efficiency.

To be reportable as a high-dollar overpayment, an overpayment is identified as being made for at least 50 percent more than the correct amount, and as exceeding a certain threshold. Reportable overpayments are considered as more than \$25,000 in total to an individual for the quarter and as more than \$100,000 in total to an entity for the quarter. Reportable overpayments can be made as a single payment or in cumulative payments for the quarter.

Required Report Item	Explanation of Requirement
<b>Name of Program Responsible</b>	State the name of the USDA agency and the program that was involved in the improper payment.
<b>Recipient</b>	State if the payment was made to an Individual, or to an Entity.
<b>Total Dollar Amount of the Payments Identified</b>	State the full amount that was paid.
<b>Intended Dollar Amount That Should Have Been Paid</b>	State what amount should have been paid.
<b>Overpayment Dollar Amount</b>	The difference between what was paid, and what should have been paid, is the Improper Payment amount, and should be stated here.
<b>Reason For Overpayments</b>	Explain what condition, situation, oversight, infrastructure limitation etc. that led to the improper payment.
<b>Actions Taken or Planned to Recover the Overpayment</b>	Describe what actions have been taken or will be taken to recover the improper payment. Or provide an explanation why recovery of the improperly paid funds will not be realized. If recovery was made, state what percentage of the total improper payment was recovered. When agencies cite receivables established and demand letter have been sent, then the dates of those demand letters must be included.
<b>Overall Actions and Strategies Taken or Planned to Prevent Overpayments in the Future</b>	Describe what actions or strategies have been taken or planned to prevent a similar mistakes in the future. This can include such things as: Bulletins, Webinars, Training Events, Presentations at Conferences, employee reminders of policy and procedures; software fixes etc.

\*USDA agencies please note, that management will require additional explanations or documents regarding actions and strategies.

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Quarterly High-Dollar Overpayments Report

Fiscal Year 2019 Quarter 4

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) Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Program	Individual	\$37,401.00	\$0.00	\$37,401.00	Ineligible determination due to IPIA Review. Revised Acreage Report not documented in County Office Committee (COC) minutes.	Offset of future payments will be taken.	County Office employees were reminded of current policies for conducting 2 <sup>nd</sup> party reviews to ensure program and eligibility data is accurately entered and reflected on program records and forms prior to issuing program during National Training sessions conducted in August, 2019.
FSA ARC/PLC	Individual	\$42,957.00	\$0.00	\$42,957.00	Risk in Farming Operation - Non Compliance / Violation.	Receivable has been established and demand letters sent. Initial notification 05/12/2019 First and second demand letters sent on 6/12/2019 and 7/14/2019.	The local FSA County Office staff will ensure producers are fully aware upon signing program forms/applications of the program policies, procedures and terms and conditions they must adhere to for the applicable programs. The Deputy Administrator of Farm Programs is planning to issue a notice in November reiterating the policies.
FSA Non-Insured Crop Disaster Assistance Program (NAP)	Individual	\$50,812.00	\$0.00	\$50,812.00	Ineligible determination due to IPIA Review. Incorrect application and pay period recorded on file for payment.	Granted full relief under the Finality Rule and/or Equitable Relief.	County Office employees were reminded of current policies for conducting 2 <sup>nd</sup> party reviews to ensure program and eligibility data is accurately entered and reflected on program records and forms prior to issuing program during National Training sessions conducted in August, 2019.
FSA NAP	Individual	\$97,529.00	\$0.00	\$97,529.00	Non Compliance - Error in producer's Whole-Farm Revenue Protection (WFRP) plan.	Receivable has been established and demand letters sent. Initial Notification 07/23/2019 First Demand Letter 08/26/2019 Second Demand Letter 09/26/2019	The local FSA County Office staff will ensure producers are fully aware upon signing program forms/applications of the program policies, procedures and terms and conditions they must adhere to for the applicable programs. The Deputy Administrator of Farm Programs is planning to issue a notice in November reiterating the policies.
FSA NAP	Individual	\$107,144.00	\$0.00	\$107,144.00	Non Compliance - Error in producer's Whole-Farm Revenue Protection (WFRP) plan.	Receivable has been established and demand letters sent. Initial Notification 07/14/2019 First Demand Letter 08/14/2019 Second Demand Letter 09/15/2019	The local FSA County Office staff will ensure producers are fully aware upon signing program forms/applications of the program policies, procedures and terms and conditions they must adhere to for the applicable programs. The Deputy Administrator of Farm Programs is planning to issue a notice in November reiterating the policies.

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
FSA Wildfires and Hurricanes Indemnity Program (WHIP)	Entity	\$146,149.00	\$94,357.00	\$51,792.00	Incorrect acreage used to calculate loss/payment.	<p>Receivable has been established and demand letters sent.</p> <p>Initial Notification 05/30/2019            First Demand Letter 06/30/2019            Second Demand Letter 07/31/2019</p>	The National Office conducts weekly WHIP calls with field office WHIP program specialists to clarify or reiterate policies and procedures necessary to ensure program and eligibility requirements are being properly implemented. The National Office will remind field office employees 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 during a scheduled weekly call(s).
Natural Resource Conservation Service (NRCS) Conservation Stewardship Program (CSTP)	Individual	\$40,000.00	\$11,868.00	\$28,132.00	Customer did not have control of the land at the time of obligation.	Receivable has been established and demand letter sent.	State Office provided training to the field office on conducting quality reviews to identify issues prior to payment.
NRCS Environmental Quality Incentive Program (EQIP)	Individual	\$247,341.00	\$88,747.94	\$158,593.06	The incorrect practices, rate and quantities were applied to certain contract lines which resulted in an overpayment.	Receivable has been established and demand letter sent.	State Office provided training to the field office on conducting quality reviews to identify issues prior to payment.
Risk Management Agency (RMA) Federal Crop Insurance Corporation Program Fund (FCICPF)	Entity	\$212,318.00	\$33,159.00	\$179,159.00	The insured failed to submit a claim timely, and any information for determining the amount of a claim within the timeframe required by the Basic Provisions.	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	\$105,891.00	\$18,856.00	\$87,035.00	(1) A review was conducted based off a referral. RMA determined that the approved insurance provider (AIP) failed to comply with loss adjustment procedures related to conducting growing season/ pre-harvest inspections. (2) The policyholder failed to retain acceptable production evidence to substantiate certified actual yields contained in 2010 actual production history (APH) database. Also, the AIP assigned incorrect transitional yields and temporary yields to complete the policyholder's 2010 APH database for potatoes.	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.