

IMPROPER PAYMENT CORRECTIVE ACTIONS SECTION

In the spring of 2021, Department of Agriculture (USDA) agencies analyzed transactions from fiscal year (FY) 2020 as described in the Agency Financial Report (AFR). Please keep in mind that since USDA reports improper payments one year in arrears, corrective actions taken to reduce improper payments in FY 2020 have not been reflected in the improper payment amount of this report. USDA continues to enact specific corrective actions to resolve root causes of improper payments and strategically strengthen program integrity while ensuring access to program and activities.

All programs reporting an improper payment estimate plus an unknown payment estimate exceeding the statutory thresholds (per Office of Management and Budget (OMB) OMB-21-19) must put in place and annually report on their corrective action plan to prevent and reduce the improper payment and unknown payment amounts. The tables below describe the actions taken and planned for each high-risk program that is above the aforementioned reporting threshold. Beginning in FY 2020, USDA asked high-risk programs reporting over the statutory threshold to categorize improper payments into “sub root causes,” which provide an additional breakdown of OMB root causes of error. The goal of the sub root cause is to help USDA obtain a clearer understanding of what truly caused the improper payments to occur.

“Agencies should also describe the results of actions taken to address the root causes and the planned or actual completion date of the actions taken to address each root cause.” Some of the corrective actions offer an indication of the impact it will have on addressing a root cause; however, in most cases, a series of corrective actions have cumulative impacts in improving payment accuracy.

HIGH RISK PROGRAMS:

- The Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Programs
- Emergency Conservation Program (ECP) Disaster
- Livestock Forage Program (LFP)
- Market Facilitation Program (MFP) ¹
- Noninsured Crop Disaster Assistance Program (NAP) ²
- Trade Mitigation Program (TMP)
- Wildfires and Hurricanes Indemnity Program (WHIP) ³
- Wildfires and Hurricanes Indemnity Program Plus (WHIP+)

¹ FSA’s MFP payment integrity testing results estimated a payment error rate of 15.52% with \$7.4 million dollars in payments not made properly.

² FSA’s NAP payment integrity testing results estimated a payment error rate of 12.30% with \$9.8 million dollars in payments not made properly.

³ FSA’s WHIP payment integrity testing results estimated a payment error rate of 10.75% with \$4.5 million dollars in payments not made properly.

Since the dollar results are below the \$10 million dollar reporting threshold, these programs are not required to publish corrective actions. However, the error rate places the programs above the PIIA statutory threshold of 10%. Therefore, we anticipate they will be considered PIIA non-compliant after OIG concludes its PIIA Compliance Audit in May 2022. FSA’s program managers and agency management are proactively working on strategies that will address root causes, improve payment integrity rates, and demonstrate improved stewardship over program resources.

PROGRAM: FSA ARC/PLC

Root Cause (See Root Causes Table)	➔	Failure to access data/information
Explanation of Cause	➔	The county office official did not follow the well documented program requirements.
Amount Associated with the Root Cause (See Root Causes Table)	➔	\$ 62.94 (\$ in millions)
Corrective Action(s) Taken	➔	Training

Corrective Action	Completion Date
Established a weekly call with state offices to provide training, updates, timely release guidance through FSA Notices and Handbook amendments to ensure any policy changes are documented in writing to field staff.	9/30/21
Impact of Corrective Action	
Anticipated impact is to gain greater knowledge of program requirements.	

PROGRAM: FSA ECP-DISASTER

Root Cause (See Root Causes Table)	➔	Failure to access data/information
Explanation of Cause	➔	Oversight not performed, program policy not clear, and required forms not completed.
Amount Associated with the Root Cause (See Root Causes Table)	➔	\$ 17.39 (\$ in millions)
Corrective Action(s) Taken	➔	Training

Corrective Action	Completion Date
Handbook revised and training provided to staff. A program checklist was created to capture reviews at approval, payment, and lifespan. Program is scheduled to be added to the FSA Internal Review Documentation and Tracking System in September 2022.	9/16/2021

Impact of Corrective Action

Anticipated impact is to ensure all necessary forms and reviews are being completed timely. Also, all results are monitored and evaluated to ensure policies are being followed. Checklists and transition to payment schedule cost lists provide standardized cost to ensure payment consistency, prevent ineligible cost, and ensure the correct reimbursement rates are used.

PROGRAM: FSA LFP

Root Cause (See Root Causes Table)	➔	Failure to access data/information
Explanation of Cause	➔	Application was not approved by an authorized agency representative prior to payment and required supporting documentation was not obtained, or filed in error to determine acreage, producer eligibility prior to payment.
Amount Associated with the Root Cause (See Root Causes Table)	➔	\$ 12.72 (\$ in millions)
Corrective Action(s) Taken	➔	Training

Corrective Action	Completion Date
National trainings conducted and directives issued that reviewed PIIA results with state and county offices. The manual District Directors' internal quality checks process will be incorporated into a national internal review system in FY 2022.	9/30/21

Impact of Corrective Action

Anticipated impact of corrective action is to mitigate errors in subsequent years.

PROGRAM: FSA TMP

Root Cause (See Root Causes Table)	➔	Failure to access data/information
Explanation of Cause	➔	Acreage report was not on file to substantiate the applicant's acreage and share claimed on the CCC-913.
Amount Associated with the Root Cause (See Root Causes Table)	➔	\$ 84.07 (\$ in millions)
Corrective Action(s) Taken	➔	Automation

Corrective Action	Completion Date
Weekly calls with STO's provided updates & training to properly determine eligible acreage, including excepted acres.	9/30/21

Impact of Corrective Action
Ensure reviews are completed prior to approval for manual entries, including COC Assigned Acres.

PROGRAM: FSA WHIP+

Root Cause (See Root Causes Table)	➔	Failure to access data/information
Explanation of Cause	➔	Administrative processing errors occurred due to insufficient documentation, failure to verify eligibility data and inability to authenticate eligibility data.
Amount Associated with the Root Cause (See Root Causes Table)	➔	\$ 67.21 (\$ in millions)
Corrective Action(s) Taken	➔	Training

Corrective Action	Completion Date
Checklist provided to employees to review application prior to payment. First 5 applications must be reviewed. Notices issued to assist with findings & new review process. Weekly calls on policy & questions. Policy revised for clarification.	3/31/21

Impact of Corrective Action
Anticipated impact is to mitigate processing errors.