

**FARM BILL ACCOUNTABILITY:  
THE IMPORTANCE OF MEASURING  
PERFORMANCE, WHILE ELIMINATING  
DUPLICATION AND WASTE**

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**HEARING**  
BEFORE THE  
**COMMITTEE ON AGRICULTURE,  
NUTRITION AND FORESTRY**  
**UNITED STATES SENATE**

ONE HUNDRED TWELFTH CONGRESS

FIRST SESSION

—————  
JUNE 23, 2011  
—————

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Thursday, June 23, 2011

UNITED STATES SENATE,  
COMMITTEE ON AGRICULTURE, NUTRITION AND FORESTRY,  
*Washington, DC*

The Committee met, pursuant to notice, at 9:31 a.m., in Room G50, Dirksen Senate Office Building, Hon. Debbie Stabenow, Chairwoman of the Committee, presiding.

Present: Senators Stabenow, Conrad, Nelson, Brown, Klobuchar, Bennet, Gillibrand, Roberts, Cochran, Chambliss, Grassley, and Thune.

**STATEMENT OF HON. DEBBIE STABENOW, U.S. SENATOR  
FROM THE STATE OF MICHIGAN, CHAIRWOMAN, COM-  
MITTEE ON AGRICULTURE, NUTRITION AND FORESTRY**

Chairwoman Stabenow. The meeting will come to order of the Senate Agriculture, Nutrition and Forestry Committee and we welcome everyone today. We welcome all of our witnesses. We appreciate your efforts and the time to be here.

We are focused this morning on accountability, making sure that taxpayers are getting their money's worth and that we are making sure that the USDA services are efficient and effective for the farmers, the ranchers, the families that they serve.

In my state of Michigan with the economy as it has been, every dollar is hard-earned, and I am sure my colleagues can say the same in their states. Taxpayers have every right to expect that their money is being used wisely and effectively. We know, because of the recession, there are families who have paid taxes all of their lives, who never thought in their wildest dreams they would need help putting food on the table, who now need food assistance. And that is even more of a reason to make sure that we are stopping fraud and abuse and managing every dollar as responsibly as possible.

So as we look at the Farm Bill, I believe we need to ask questions like, Are we getting the right results? Are we being cost-effective? Are we eliminating waste, fraud, and abuse?

We have two great panels here today. We have the four Under Secretaries of the Department of Agriculture as well as the Assistant Secretary for Civil Rights who will make up our first panel. We also have USDA's Inspector General and two individuals who will

talk about their personal experiences working with the Department.

I have asked our panels to be thinking about three things today as we look at accountability. The first is measuring performance and efficiency. How are we measuring whether programs are getting results and being cost-effective? Workers in my state get annual performance reviews and they have a right to apply the same standard or expect us to apply the same standard to our Government.

We also need to be carefully looking at how we stop fraud and abuse. Last week we saw great work of the Inspector General cracking down on fraud related to the SNAP program in my home state of Michigan.

As I indicated, so many families in Michigan never imagined they would be in a situation where they would need food help, and we, with dollars tight, cannot afford to have even one dollar go to fraud or even one person abusing the system. We put a number of requirements into the last Farm Bill and I am eager to see how those are working.

The second issue is eliminating duplication. In Michigan, we have a proud history of making wheels, but we do not need to reinvent them. Where do we have programs that are overlapping or working at cross-purposes?

Where do we have people wasting time and money doing work that somebody else is already doing? How can we bring that together and do it better? We need to be thinking about ways that we can streamline services. We are offering to make them not only more effective, but also cost-effective for taxpayers.

And finally, we need to look at customer service. How well is the USDA providing services to our farmers, our ranchers, our foresters? I would like for us today to be thinking about how we can cut down on the red tape, the paperwork that our producers need to worry about and make USDA services more accessible and user-friendly for all of our constituents.

We have two great witnesses today who will talk about their personal experiences working with the Department, and I am really looking forward to their perspective as well. So again, welcome to an important hearing as we begin to discuss and debate as we move forward on Farm Bill policy important for our country, important for jobs, and we welcome all of your input today.

I would now turn to my colleague and friend, Senator Roberts.

**STATEMENT OF HON. PAT ROBERTS, U.S. SENATOR FROM THE STATE OF KANSAS**

Senator ROBERTS. Well, thank you, Madam Chairwoman. First of all, I want to thank you for these new digs. This is, of course, appropriate in regards to the mission and the goals and the efforts of the always powerful Senate Agriculture Committee and I thank you for this. We are going to have to talk to members of the Rules Committee, of which I am one, to make this a permanent hearing room.

Madam Chairwoman, Senator Lugar could not be here today due to another commitment. He has asked me to submit comments from the American Fruit and Vegetable Processors and Growers



Coalition in his absence, so I ask unanimous consent that these comments may be part of the record at this point.

Chairwoman Stabenow. Without objection, so ordered.

[The information can be found on page 102 in the appendix.]

Senator ROBERTS. Madam Chairwoman, I know that Senator Grassley has an important committee meeting on the Senate Judiciary Committee. At this time, I am going to suggest that we recognize Senator Grassley and then obviously would move over to Senator Conrad. Welcome back, Senator Conrad. And then you can recognize me for any sterling words of truth that I may have to make.

Chairwoman Stabenow. We will wait with bated breath for that moment. But thank you. And we do want to turn to Senator Grassley, who I know cares about these issues and has to leave. We welcome your opening statement.

**STATEMENT OF HON. CHARLES E. GRASSLEY, U.S. SENATOR  
FROM THE STATE OF IOWA**

Senator GRASSLEY. I am Ranking Member on the Judiciary Committee and so that is why I will not be able to be with you for the whole hearing, and I did ask for special exemption to make a statement because, number one, to thank the Chairwoman because she responded to a request that I asked her to include civil rights as an issue, along with other things.

And I also think it is very important that I be here, being a farmer and the start of the Farm Bill. So thank you for your consideration. I am going to leave some questions for answer in writing, and I would like to have that be accomplished as well.

The focus of today's hearing is timely as we consider what policies to set in the next Farm Bill. We have to make sure Farm Bill programs are implemented the way we intended. If they are not being properly administered, we need to fix the problems.

And I want to thank all the Under Secretaries and Assistant Secretaries for being here today. Many farmers are probably eager to hear the Department's comments regarding crop insurance because crop insurance is very crucial to the operations of most farms today. The crop insurance program has had a reduction in funds, so it is more important than ever that we hear what the Department is doing to guarantee the program is effectively accomplishing the goals of risk management.

I am also eager to hear from the Department what they are doing to ensure individuals applying for farm program payments who are truly, according to the legal language, being actively engaged in farming.

I am also particularly pleased that Secretary Leonard is here and that the Chairwoman responded to my request to bring up issues of civil rights. I made this request back in March and I am very thankful that she is holding this hearing, including that issue. I will note, I also made the same request to two Chairs of the Agriculture Committee as well in the past, so this has been a very important issue for me.

I am glad that Mr. Leonard is here today, and I want everybody to know that I believe that civil rights and discrimination issues facing the Department are a big concern that this Committee needs to monitor the issue regularly. I do hope that you will consider con-

ducting a separate hearing on civil rights and discrimination some time.

As for today's hearing, Mr. Leonard, I hope that you will shed some light on how the Department is handling some of the problems that I think are still plaguing us over the years, and a long time before you were involved. Specifically, I would like you to speak on what the Department is doing to address complaints made by employees.

I continue to hear from USDA employees that they have to wait a long time to have their complaints heard and processed. I have also received reports about retaliatory behavior by managers after complaints are made. So that is a very important thing, that we address that issue.

I am not passing judgment on the validity of any of the employees' particular claims. My concern is that their claims be considered in a timely and appropriate manner because that is what they deserve. I hope the Department will provide us with some idea on how that is turning out.

I will leave my questions, Madam Chairwoman, and thank you for the privilege of addressing the Committee, even as a less senior member of the Committee.

Chairwoman Stabenow. Well, thank you, Senator Grassley. You certainly are not a junior member when it comes to knowledge and experience on this Committee and we are very glad that you are a member of this Committee and will be part of writing the Farm Bill, as you have in the past.

I should mention to my colleagues, we went down a road here of Senator Grassley needing to leave early and allowed him to make an opening statement. I believe Senator Conrad is in the same position. I am now opening this up, so I would ask the discretion from my colleagues. We certainly will not say no if someone wants to make a brief opening statement, but we do want to get to the witnesses. But I will turn to Senator Conrad who also is going to have to leave and is another senior member we are so lucky to have on this Committee.

**STATEMENT OF HON. KENT CONRAD, U.S. SENATOR FROM THE STATE OF NORTH DAKOTA**

Senator CONRAD. Thank you, Madam Chairman. Thank you very much for holding this hearing. I think it is a critically important one in the circumstances we confront. Before I just briefly talk, I would like to draw the attention of my colleagues to a disaster that is unfolding in my state. In Minot, North Dakota, more than 11,000 people have been evacuated since yesterday, and we face the worst flood in recorded history in my state.

We are now anticipating a flood that would be eight feet higher than the last flood of record in our state, and so, as soon as we are done voting here today, I will be going home, along with the rest of the delegation, to meet with our Governor and the emergency officials in charge of flood response.

Senator ROBERTS. Would the Senator yield at this point?

Senator CONRAD. Yes, I would be happy to yield.

Senator ROBERTS. I want to thank the Senator for his past efforts in behalf of his state. When you incur these— I do not know what

we have done to Mother Nature, but she sure has not been treating us very well. In Kansas, we are burning up in the western part of our state, and then we are seeing the first surge that you have already experienced.

I do not know what it was today or this morning. I did not get a chance to check. But it is rolling down Iowa and now into Kansas at about 160 cubic feet per second. That is about, as you take a snapshot right there in time, that is the same amount of water as goes over the Niagra Falls. And you got the brunt of it starting up from the mountain snow pack and then the snow pack you have and then the incredible rain you had on top of that.

I have given you a little bit of static in the past about play the lakes and other things, but this is a very serious thing. It is the worst flood, I think, the Corps has told me, since 1898. And so, I wish you well and all of the states that are involved here. At least we had a little bit of advanced information, but I do not know what you do with a flood that is eight-foot over the last flood. It is going to be an incredible situation.

Madam Chairman, we are going to have to do something on this Committee in this regard, and for that matter, the Congress is as well. But at any rate, I empathize with the Senator and thank you.

Senator CONRAD. I thank the Senator very much for his comment. This is unprecedented. On Saturday morning, we were given reports that looked as though we had dodged the bullet. Within 48 hours, they increased the flood forecast in terms of the depth of water coming through Minot by 11 feet. And there is simply no way to respond.

And at that point, it was evacuate people, build secondary defenses to try to protect critical infrastructure, and prepare for a long, slow slog because this is going to be unlike any flood in history in our state. The water is not going to come and go. The water is going to come and stay.

The chief flood fighter for the Corps of Engineers told me they now anticipate that there will be high water in our state through the middle of July. So these are homes that are going to be under water for an extended period of time. My own cousin has had to move all of their furniture to their attic because they are going to have seven feet of water on their main floor. And that is a story repeated many times throughout this community.

So I did want to say, Madam Chairman, with respect to this hearing, how important I believe it to be, because when we are borrowing as a nation 40 cents of every dollar we spend, no taxpayer can be wasted and no program can be abused. And I want to salute the Inspector General to have identified \$256 million in potential savings, going after over-payments, going after recording errors.

I look at the Food Stamp Program, the lowest error rate now ever. That is a significant accomplishment. When I look at what is happening in terms of our exports, exports doubling, a dramatic increase there. And I look in program after program. USDA has gotten the message. USDA has gotten the message, reducing travel, canceling bad loans, renegotiating the basic agreement on crop insurance.

I am not going to go further, just to say, Madam Chair, I hope that where these negotiations are being conducted on our future

budget, that people understand, Yes, Agriculture is ready to participate and have more savings, significant savings in the billions of dollars.

But it is also true that there are some who are pushing an agenda that would absolutely cripple production agriculture which is one of the true bright spots we have in exports for the United States, a \$28 billion increase over last year. So let us not kill the baby in the crib, and that message needs to go to the people who are negotiating with the Vice President. Let us not kill the baby in the crib.

You could cripple production agriculture in this country, which is one of the real bright spots. I thank the Chair.

Chairwoman Stabenow. Well, thank you very much. I could not agree more with your comments, Senator Conrad, and our whole Committee stands ready to help you and your state, as I know the Department does, and I know the Secretary does and we wish you well today.

I am going to turn back to our Ranking Member who deferred to Senator Grassley and Senator Conrad because they have to leave early. Then after that, unless there is a burning desire to say something, we are going to move to the witnesses. And so, we start down the road of allowing a couple of members to give opening comments, but we do want to get to the witnesses, and I will turn this back to our Ranking Member.

Senator ROBERTS. Thank you, Madam Chairwoman, and I would like to associate myself with the remarks by the distinguished Senator who is doing everything he can to be of help to his state during difficult times. That water will come down to the Missouri to the Mississippi and it will be clear into the end of August until we are able to see all that take place.

Our Constitution created a unique relationship between Congress and the Administration and I want to thank all of our witnesses here for taking valuable time out of your schedule to come up and testify before us.

We in Congress identify issues affecting the daily lives of our constituents, and when appropriate, we develop programs through legislation to address those issues. And in this Committee, much of that work is done in the Farm Bill. We grow attached to farm bills here. Perhaps it is because we spend so much time working together to find the right balance for a bill that is national in scope, and yet responsible to taxpayers.

More especially it is because of the work that we do in this Committee has a direct impact on our constituents' ability to produce the food and the food and fiber necessary to keep our economy running and our people fed, and that also means a troubled and hungry world.

After the agreements have been made and in the case of the last Farm Bill, the vetoes have been overridden, those programs we crafted are handed off to the USDA for implementation and these are the folks who do it. So today, I look forward to hearing how well the Administration is carrying out the laws passed by Congress, not only in the Farm Bill, but also in the Child Nutrition Bill. Are they delivering the programs effectively, efficiently, fairly, and as intended by this Committee?

Madam Chairwoman, soon I am going to have to leave in order to testify before the Homeland Security and Government Affairs Committee. I apologize to you for that, but I have introduced a bill that codifies the President's Executive Order of January 18, and they have asked me to walk them through it and I am going to do exactly that.

I would like to tell the Committee and you that the bill follows the President's order to require agencies to review regulations and hold them up to a cost benefit yardstick just like these folks do. It sounds like a very good idea to me.

If our businesses, large, medium and small, and our farmers and ranchers and growers are required to comply with regulations, our Government should at least be required to fully understand the impact of those regulations before imposing them. I am still taking co-sponsors if anybody is interested and if anybody would like to raise their hand, I would be happy to add them as a co-sponsor.

I hope to return in time to ask questions, but if not, I will submit written questions for the record and I want to thank Secretary—well, he could be a Secretary some day, who knows—Senator Chambliss for standing in for me while I go to the DHS hearings. Thank you very much.

Chairwoman Stabenow. Thank you very much, Senator Roberts, and we will now proceed to the witnesses. Again, I had opened it up to a couple of our colleagues, but if there is not a burning comment to be made, we are going to proceed to the witnesses. All right.

Let me first introduce and welcome Under Secretary of Rural Development, Dallas Tonsager. Mr. Tonsager grew up on a dairy farm in South Dakota where he eventually served as USDA State Director for Rural Development. Much of his career has been focused on economic opportunities for rural communities; worked as the team that reinvented the Rural Business Guarantee Loan Program in the late '90s. Prior to rejoining USDA, served on the Board of Directors for the Farm Credit Administration promoting rural investment. Welcome.

Michael Scuse—I never get your name right, so I want to make sure I am doing this right.

Mr. SCUSE. Michael Scuse.

Chairwoman Stabenow. Scuse. That is what I thought. I wanted to make sure I had this right. It is good to see you again. By the way, appreciate your efforts as it relates to the weather disasters and what has been happening. So Michael Scuse is the Acting Under Secretary of Farm and Foreign Agricultural Services. He comes from Delaware where he and his brother have had a successful grain operation for over 35 years.

Mr. Scuse knows agriculture from both a local and national perspective, having been the Secretary of Agriculture in Delaware from 2001 to 2007, and Deputy Under Secretary for FFAS for the past two years.

We also want to welcome Harris Sherman as Under Secretary for Natural Resources and Environment, Mission Area, and we welcome you. Overseeing both the Forest Service and the Natural Resources Conservation Service, Mr. Sherman has dedicated his career to protecting our country's natural resources.

As a practicing lawyer, he specialized in environmental law, and more recently, has served as Executive Director of Colorado's Department of Natural Resources.

Under Secretary for Food, Nutrition, and Consumer Services, Kevin Concannon, welcome as well. He oversees, among other things, the Supplemental Nutrition Assistance Program. Over a 25-year career in public service, Mr. Concannon has been the Director of State Health and Human Services in Maine, Oregon, and Iowa.

And last, but certainly not least, we will hear from Dr. Joe Leonard, the Assistant Secretary for Civil Rights at the USDA where he oversees USDA's civil rights programs and ensure that programs are compliant with applicable Federal civil rights laws. Prior to joining USDA, he was the Executive Director of the Congressional Black Caucus, and before that, Executive Director of the Black Leadership Forum.

We welcome each of you and we will now turn first to Under Secretary Tonsager for your testimony. Welcome.

**STATEMENT OF HON. DALLAS TONSAGER, UNDER SECRETARY, RURAL DEVELOPMENT, U.S. DEPARTMENT OF AGRICULTURE, WASHINGTON, DC**

Mr. TONSAGER. Thank you, Madam Chairman. Please forgive me. Thank you, Madam Chairman, and thank you, Ranking Member Roberts. Members of the Committee, I am pleased to present you Rural Development's accomplishments and activities to ensure accountability of resources provided through the 2008 Farm Bill.

As stewards of more than 40 Farm Bill programs, our mission is to help rural America grow and thrive as it captures the emerging opportunities of the 21st century. From creating jobs to funding facilities and infrastructure, and connecting them all through the deployment of new technology, the 2008 Farm Bill has equipped us with remarkable tools and maximizing these resources, Rural Development continues to review and modify goals, objectives, and performance measures.

We pay close attention to outcomes and results that inspire businesses to incubate and grow. Rural Development is also engaged in a regulatory review process that is intended to streamline program requirements and practices.

President Obama established a goal to deploy the next generation of high speed broadband services. Nearly seven million rural residents, 364,000 businesses and 32,000 anchor institutions will gain new or improved access to high speed Internet through broadband.

The 2008 Farm Bill recognized that providing loans in both unserved and under-served areas may be necessary to bring broadband to the under-served. Because of over-building concerns that stem from the 2002 Farm Bill, broadband funding was limited to areas with three or few service providers.

The 2008 Farm Bill also featured several energy programs designed to advance biomass and biofuel production, which holds the potential to create and save jobs and reduce the country's consumption of fossil fuels. Program delivery methods have been streamlined and revised to provide greater consistency to our stakeholders.

For example, an example of refocusing and realigning and streamlining is a Comprehensive Loan Program initiative. CLP is an automation enhancement which retires legacy accounting systems and replaces them with updated accounting systems. We also are taking actions that will assist communities to invest in local and regional priorities. In rural America, communities have realized that working collaboratively creates opportunities and growth.

Looking ahead, we are committed to working with Congress in a continued effort to streamline what is practical and to provide our customers easier access to our programs. The 2012 Farm Bill will be a great tool to help complement these efforts and we look forward to your questions.

[The prepared statement of the USDA can be found on page 79 in the appendix.]

Chairwoman Stabenow. Thank you very much.

Mr. Scuse, welcome.

**STATEMENT OF HON. MICHAEL SCUSE, ACTING UNDER SECRETARY, FARM AND FOREIGN AGRICULTURAL SERVICES, U.S. DEPARTMENT OF AGRICULTURE, WASHINGTON, DC**

Mr. SCUSE. Madam Chairwoman, Ranking Member, members of the Committee, I want to thank you for the opportunity to testify today.

At the Farm and Foreign Agricultural Services, we are streamlining our programs, processes, and procedures to make them more accountable and more efficient and more effective. The Farm Service Agency continues to move forward with business and technology modernization initiatives that provide critical services to our nation's farmers and ranchers, while at the same time achieving cost efficiencies, improving security and accountability, and further reducing unnecessary burdens on our customers.

FSA has implemented new systems to incorporate adjust gross income qualifications, program payment limitations, and direct attribution, and has incorporated actively engaged policy into program administration. FSA has launched the Midas Initiative to modernize price support, conservation, production assistance, and emergency assistance programs.

Midas will improve the delivery of farm programs to our customers by modernizing information technology systems and business practices. Since its launch, Midas has already improved service delivery and reduced error rates. FSA mission area will further reduce burdens on program participants through the consolidation of required participant information.

For an example, a developing pilot program called the Average Crop Reporting Streamlining Initiative will allow producers to report common information at their first point of contact with USDA, whether it is at the FSA service center or with an improved insurance provider, or even online at home. This effort will allow for common data to be reported on time, thereby reducing burdens on producers and ensuring data consistency across all of our USDA programs.

USDA Foreign Agricultural Service annually assesses and aligns overseas offices to be serve agricultural export interests and minimize cost. FAS's presence in regions and countries with high oper-

ating costs have been reduced and allocated to countries where growing middle classes and trade agreements present the very best opportunities.

Our leaner FAS overseas presence remains as effective as ever, contributing to a record level of agricultural exports in the calendar year 2010 of \$115.8 billion. FAS also improved the performance and efficiency of its foreign market development programs by implementing a 21st century Web-based system that simplifies the application process, reduces grant award time, and enhances program evaluation.

Madam Chairwoman, members of the Committee, I look forward to answering your questions. Thank you very much.

Chairman STABENOW. Thank you.

Mr. Sherman, welcome.

**STATEMENT OF HON. HARRIS SHERMAN, UNDER SECRETARY,  
NATURAL RESOURCES AND ENVIRONMENT, U.S. DEPARTMENT OF AGRICULTURE, WASHINGTON, DC**

Mr. SHERMAN. Thank you, Madam Chairwoman, and members of the Committee. I am pleased to give you a brief snapshot of a few of the recent NRCS and Forest Service efforts to improve program effectiveness and to eliminate duplication and waste. Our goal is to position both of these agencies as leaders in 21st century conservation and management.

First, how are we improving delivery of our conservation programs? Our conservation programs cannot work without a strong partnership with farmers, ranchers, and private forestry owners, so we need to make participation in USDA's conservation programs easier and less complex.

To that end, NRCS recently initiated a five-year Conservation Delivery Streamlining Initiative. We call it CDSI. This initiative will integrate our scientific and business tools to significantly reduce the amount of time our technical experts are spending in the office, and increase the time that they are spending in the field. This will be accomplished by deploying nimble and mobile wireless 21st century technology to support our work with producers.

We estimate that full implementation of CDSI will allow our field technical staff to spend as much as 75 percent of their time in the field working directly with clients, compared to the 20 to 40 percent that is currently taking place. And perhaps most importantly, CDSI will revolutionize the way our customers interact with us and participate in our programs.

NRCS and our clients will finalize in the field conservation planning, document the expected environmental benefits, and accelerate payments to the producers, and allow 24/7 access so that customers can check their plans and contracts at their convenience.

Second, it is important that we measure our performance and we improve efficiency. Conservation programs, like all other Federal programs, are facing significant budget constraints, so we must better focus our conservation investments and clearly demonstrate the resulting benefits.

One of our key tools to accomplish this is the Conservation Effects Assessment Projects, CEAPs, which are designed to estimate the effects of conservation practices on the landscape. The CEAP



crop assessment combines comprehensive surveys and detailed soil information with edge of field and in-stream modeling to produce scientifically-based estimates of the effects that conservation is having on crop land.

The first two of 14 regional CEAP crop land reports for the Upper Mississippi River Basin and the Chesapeake Bay have reported on great progress farmers are making in reducing sediment and nutrient losses. While at the same time it has revealed the need for a more comprehensive nutrient management program and continued targeting of our financial and technical resources.

The Forest Service is also involved in a variety of ways to prioritize resources and work with states and local governments to improve the health of our nation's forests. I would be happy to answer any questions you might have about these and other ongoing efforts. Thank you, Madam Chairman.

Chairwoman Stabenow. Thank you very much.

Mr. Concannon, we welcome you as well.

**STATEMENT OF HON. KEVIN CONCANNON, UNDER SECRETARY, FOOD, NUTRITION, AND CONSUMER SERVICES, U.S. DEPARTMENT OF AGRICULTURE, WASHINGTON, DC**

Mr. CONCANNON. Thank you very much, Madam Chairwoman and Ranking Member, Senator Roberts, and members of the Committee for this opportunity for me to testify before you today.

May I begin by expressing my appreciation to all of you for the bipartisan approach this Committee has taken over the years in working with USDA and, specifically, with the Food and Nutrition Service to address program integrity. And as members are undoubtedly aware, we are living through a period of time in this country where these nutrition programs have never been as urgently needed as they are today.

Americans deserve excellence from their Government, and we understand that at USDA, when it comes to accountability. We know that the mission of the Nutrition Assistance Programs, which serve millions of Americans, is inseparable from the responsible stewardship of Federal funds. Waste and abuse draw away resources from the low-income children, individuals and families who need them the most. And our ability to continue to serve these families requires public confidence that benefits are used appropriately and go only to those who qualify.

Most notably, last week Secretary Vilsack announced that SNAP's national payment error rate fell to 3.81 percent in the fiscal year 2010. This is the fourth consecutive year of record low error rates and the continuation of a decade-long improvement trend. And this is a success story for which all of us, Congress, the USDA, our state partners which administer SNAP, share both the responsibility and the credit.

But beyond payment accuracy, accountability also entails a commitment to ensure that benefits are used properly. The sale, purchase, or exchange of SNAP benefits for cash, what we refer to as trafficking, is illegal and punishable by criminal prosecution.

Over the last 15 years, FNS has aggressively sought to reduce trafficking in SNAP from what extended over a period of years during the era of paper coupons, roughly 4 percent trafficking was typ-

ical during that period of time, to its current level of 1 percent of the SNAP Program.

But we have not rested on the success of this reduction. All available resources, from state of the art data mining technology, to undercover investigations, to criminal prosecutions are used to ensure that recipients and retailers alike, who misuse benefits, are held accountable.

In conclusion, we recognize that effective accountability in the Nutrition Assistance Programs takes long-term sustained effort working closely with our program partners. My team and I are seeking every opportunity to build on our success with new strategies to tackle the challenges that remain before us.

I believe we can improve performance and accountability without compromising service to those in need. I look forward to working with you in this regard. Thank you again for the opportunity to be here today.

Chairwoman Stabenow. Thank you very much.

Dr. Leonard, welcome.

**STATEMENT OF HON. JOE LEONARD, ASSISTANT SECRETARY  
FOR CIVIL RIGHTS, U.S. DEPARTMENT OF AGRICULTURE,  
WASHINGTON, DC**

Mr. LEONARD. Thank you, Madam Chair. Chairwoman Stabenow, Ranking Member Roberts, and members of the Committee, thank you for the opportunity to bring testimony today on the progress of civil rights activities at the Department of Agriculture. Let me state that since my confirmation in April 2009 as Assistant Secretary for Civil Rights, the Office of the Assistant Secretary for Civil Rights has made progress in creating a new era of civil rights at USDA.

I entered the Department on the heels of the 2008 GAO report and the 2008 Farm Bill report, and used them both as a blueprint on how the office should function in order to succeed. GAO has historically audited the civil rights functions within USDA. In 2010, after responding to an informal GAO audit, our office was not listed on the high risk list and our implementation efforts were rated as in progress by GAO.

As you may be aware, the Office of the Assistant Secretary of Civil Rights was reorganized in 2009 to streamline its operations and to conform to the 2008 Farm Bill. That reorganization allows us to focus on our mission, to provide leadership and direction for the fair and equitable treatment of all USDA employees and customers while ensuring the delivery of quality programs and enforcement of civil rights laws.

We have been consistently processing complaints with a focus on not letting the statute of limitations expire for program discrimination complaints.

To address recommendations of the GAO report, we have increased our staffing in the program investigation and adjudication to levels not seen in over a decade, and our program investigators are now conducting on-site investigations versus the telephonic interviews that were standard in the past.

From 2001 to 2008, there was only one program complaint finding of discrimination issued by the Office of the Assistant Secretary

of Civil Rights. In 2010, there were three findings, and to date, in 2011, there are five. Our employment numbers are something the Secretary can be proud of. The number of EEO complaints filed by USDA employees has dropped significantly since 2007, and the number of merit findings of discrimination has increased.

The efforts of the Office of the Assistant Secretary of Civil Rights to ensure USDA employees are aware of their rights is evidenced in these numbers.

In fiscal year 7, there were 562 complaints that were filed and there were three findings of discrimination. In fiscal year 0, there were 461 complaints that were filed with 22 findings of discrimination. And for fiscal year 1, as of yesterday, there are 343 complaints that have been filed to date and we project there will be between 450 and 475 for the year, and we have 17 findings of discrimination and project there will be between 25 and 30.

This is a short synopsis regarding the essential functions of the Office of the Assistant Secretary of Civil Rights. Thank you for the opportunity to come before you and describe how this Administration is addressing USDA civil rights progress and the importance of it measuring performance while eliminating duplication and waste.

Chairwoman Stabenow. Thank you very much to each of you.

Let me start the questioning with Under Secretary Concannon. We, again, appreciate your being here, and as was indicated last week, the Inspector General's office announced it had successfully pursued 80 convictions in the SNAP fraud cases and returned about \$8 million of taxpayer money in the last six months.

Going forward, could you talk about what more we need to do in terms of looking at the next Farm Bill and the ratio of dollars we have invested in terms of enforcement and money back? And then the final thing I would ask is, could you speak about what the Administration is doing to encourage states to be more active in pursuing fraud, especially discussing some of the authorities that the states have as well to be able to crack down?

Mr. CONCANNON. Thank you very much, Madam Chair, for that question. First of all, I should thank the Committee for the enhanced authorities that the Agriculture Committee granted through the 2008 Farm Bill to the USDA and the Food and Nutrition Service for imposing penalties for traffickers, and we are in the midst of internally working on proposals in that very regard.

I want to mention that as I stated in my opening remarks, we are very encouraged by the fact that we now have record low numbers of improper payments. That incorporates either over payment or under payments to recipients. But I think the Chairwoman's question focuses more on the issues of trafficking.

Since we have moved to the electronic benefit cards, or plastic cards, happily, I can speak to my state experience in this regard. It has had a dramatic effect on reducing trafficking. But nonetheless—and that number now runs about 1 percent, but even that 1 percent concerns me greatly because it is 1 percent of a larger number now.

The numbers of persons in the United States depending on the SNAP program now are in excess of 44.5 million Americans, reflecting largely, by intent, what is going on in the American econ-

omy. So we need to be particularly vigilant on making sure that we are doing all we can to both identify trafficking, but also to pursue traffickers.

When I was in the state of Ohio earlier this week, there was a report that appeared in one of the newspapers of again a network of traffickers in one area of the state. I should point out that what we are doing, in terms of trafficking, is we are particularly deploying not only undercover investigators—last year, the Food and Nutrition Service was involved in 5,000 undercover investigations across the country.

There are now 233,000 licensed vendors in the SNAP program. Again, that number has increased tremendously. About 85 percent of the benefits go through supermarkets, and about 15 percent of the benefits go through smaller stores. And invariably, when trafficking occurs, it is the rarest occurrence that may involve a supermarket. It is much more typically a small store.

What we are using, both post-2007 GAO report, that directed or urged FNS to take more aggressive steps around trafficking, we have enhanced our electronic data mining and we now have daily streamed information to us. When people process benefits, whether it is in Mississippi or in Miami or up in the state of Maine, we have electronic monitors that are tracking for trends. We also have high at-risk identified areas where there have been historic problems.

And we are working closely not only with the Office of the Inspector General, but with state law enforcement agencies across the country as well as FNS itself. I am very troubled when it occurs because I know it is an improper use of a benefit that has been stated earlier by the Chair. Taxpayers have worked hard to provide these benefits to us. I believe that represents the greatest threat to this program in terms of public confidence when the public experiences or learns of a trafficking issue.

So we are deploying our resources that way, but also, in response to the Chair's question, just as recently as this week, I sent a letter to every state commissioner of health and human services, something I did myself for many years, urging them to pay particular attention to this issue of trafficking.

The Food and Nutrition Service, the Federal Government, we particularly track redemptions processed through vendors across the country. That is the monitoring side we are responsible for. State agencies across the country are more directly responsible for the individual consumers in their respective states. And I urged, in that letter, based on again these recent stories first out in the state of Washington and then more recently in several other locations, that states need to redirect their attention to issues of trafficking.

As I mentioned right at the outset of this response, we are examining the opportunities that the 2008 Farm Bill gave to us as to what we can do to strengthen the penalties that are involved for vendors, because for trafficking, you cannot do it solely. You have got to have somebody conspiring with you.

Chairwoman Stabenow. And we look forward to working with you on that. In the interest of time, I am going to have to move to my colleagues, but we are very anxious to follow up with you as it relates to the issues around penalties and so on, as well as what

can we be doing and what you are doing in terms of states' ability to address individuals and so on.

Mr. CONCANNON. Thank you.

Chairwoman Stabenow. So we thank you very much. I have a lot of other questions, but in the interest of time, I am going to turn now to Senator Chambliss.

Senator CHAMBLISS. Thanks very much, Madam Chair.

Under Secretary Tonsager, you recently announced that Rural Development will use REAP funds to install blender pumps at gas stations, and I have got a couple of concerns about the announcement.

First, as you might recall, this proposal was considered during the 2008 Farm Bill process and was rejected during our conference with the House. The REAP program was not designed for this purpose and is already over-subscribed. So what we are doing now is adding a new competitor to an already over-strapped, over-subscribed program.

My second concern is that the Department of Energy is already using the Clean Cities Program to fund ethanol infrastructure including E85 fueling stations. In fact, the Stimulus Act provided several projects to agricultural associations for that very same purpose.

Did USDA understand that REAP would be duplicative of existing U.S. Government programs for funding ethanol infrastructure and if so, why did we proceed with the final rule on REAP knowing that other programs are already delivering funds for blended pumps, and how will the agency ensure that other important goals and purposes of the REAP program are not crowded out by grants for blended pumps?

Mr. TONSAGER. We did closely review to make sure that it was an eligible purpose, and we have a clear understanding from our general counsel that it is an eligible purpose to be using REAP for that purpose. REAP has proven to be extraordinarily of interest to people. It has been used for a number of energy-related products and has been done so successfully.

We stepped forward with this because we believe that it is enormously important, as the evolution of the ethanol industry and the biofuels industry goes forward, to make sure that there is the opportunity for consumers to use biofuels in as many places as possible.

So we have reached out not just on biofuels, but also to make sure the program is used widely across America. In recent years, it has been generally concentrated in the northern plains in the Midwest, so we are trying to move the program very broadly.

We do understand that there was other agencies that have the funds that could be used for biofuels projects, but there was only recently a clarification by the Department of Energy to the states regarding the use of that program. That only occurred a few months ago when the opportunity was expressed clearly to the state energy offices that they could use the program. And we also encouraged the groups that we have worked with to seek out those funds as well.

There has, unfortunately, been a limited number of E85 pumps made available across the country. There has been some dem-

onstrations by states. My home state of South Dakota, for example, has committed some resources to the use of E85 pumps, and we focused on that a good bit as a model about how we might help expand the availability of those pumps.

So in short, sir, we believe it is an eligible purpose. We think that it is important. We made a decision to go forward with the use of the program for that purpose.

Senator CHAMBLISS. Well, I would simply respond to your answer by saying that if there is a market for E85, the private sector ought to be where the funding comes from to meet that demand because that is where the profits are going to go. And it does concern me greatly that we are going to be crowding out some other very worthwhile programs in REAP to spend money on something that the private sector should take care of.

Next, Mr. Tonsager again, in 2005, USDA's Inspector General completed its first review of the Broadband Loan program and generally found USDA was awarding grants and loans even though applications were incomplete, applicants had previously defaulted on government loans, and that grant funds were being used for inappropriate purposes.

Specifically, the IG found USDA had not maintained a focus on rural communities lacking pre-existing service. For example, IG found that out of \$485 million in grants and loans, \$103 million to 64 communities near large cities. The IG also found that USDA was using a significant portion of the program to support competitive service in areas with pre-existing broadband access, rather than expanding service to areas without service.

The IG also found that 159 of the 240 communities associated with the loans already had service. In 2009, IG revisited the broadband programs and found that USDA had not taken corrective action on eight of its 14 recommendations. From 2005 to 2009, USDA continued to make loans to providers near very large cities or in areas with pre-existing service.

I understand that USDA has recently released an interim final rule that will address some of these problems. Why, almost ten years after these problems were identified and millions of dollars had been spent, in such a reckless manner? If USDA cannot address waste within their own agency, how can the taxpayers have faith in President Obama's newly created Rural Council chaired by the Secretary of Agriculture?

In regards to the President's Rural Council, how does USDA plan to implement, coordinate, and involve stakeholders in the decision-making process? So I am very concerned about this and I would appreciate your comments.

Mr. TONSAGER. We agree there were significant problems with this and we have aggressively pursued addressing those problems. We believe the new rule will help significantly with that. During the period of the Recovery Act when we were implementing the broadband process, we used that as an opportunity to learn from the shortcomings of the previous program.

We do believe that the Recovery Act money, while contentious, we believe we have made significant progress there and we took those lessons to learn them. There will be and are plans for a sig-

nificant outreach to stakeholders. I believe there is a stakeholders meeting scheduled soon to begin that process.

The Rural Council, which we are extremely excited about, bringing a new focus on rural America and the programs that USDA helps provide, particularly the programs that I have the opportunity to oversee. I think there is great opportunity in that.

We believe we have acted to address most of the issues associated with the standing program and we believe the rule will help respond to that.

Senator CHAMBLISS. Well, this has been a very controversial program, particularly as we went through the last Farm Bill, and I am sure, as we come to next year, it is going to continue to be in the public eye. And while I look forward to the next IG report, I hope that that report comes forward with significant improvements being made and the people in rural areas who need broadband, just like people in more populated areas, are getting the kind of service that the Farm Bill intended for them to get. So we will look forward to that.

Mr. TONSAGER. Yes, thank you.

Chairwoman Stabenow. Thank you very much. Senator Brown.

Senator BROWN. Thank you, Madam Chair. A couple of comments. Secretary Concannon, thank you for your testimony and for your recent visit, I think, this week to Columbus and to the Mid-Ohio Food Bank. You pointed out rightly that demands for all kinds of food assistance, from food banks to emergency funding for food, or SNAP, are unprecedented and the demand has grown.

You understand, of course, as your testimony and as your visit there, the difference between making ends meet and coming up short and why the work that all of you do at USDA, but you particularly, why that work matters so much. I want to emphasize what you had said about the national error rate reported for SNAP. Combining states' over-payments and under-payments to program participants has declined some 56 percent in the last 10 years from 9-plus to 4-plus percent.

I also appreciate what you said about trafficking being the biggest threat to this program. You mentioned an article from an Ohio newspaper, the Dayton Daily News, pointed out a variety of things that are of concern. We also know there are newspapers, as there was today, the Wall Street Journal, newspapers have never much liked the whole idea of food stamps and helping citizens who have less privilege than the people that sit on that editorial board have, and may or may not have grown up with, but have now.

We expect those kind of criticisms, but as you pointed out, trafficking is, in fact, the biggest threat to this program and it is so important that you double-down, if you will.

I want to move on to Mr. Tonsager because I have a couple specific questions for him, but I just would like to outline some questions to you that you could impart, in response to Chairwoman Stabenow, get to us in writing about what you are doing, how the USDA is keeping track of how it counts and how it keeps track of fraud and abuse, what you are doing to ensure program integrity, what can be done to further improve management and administration of these programs, how do these EBT cards work.

If I have your card, can I use it and what are the penalties if I—what are the steps of how that would happen, how often are they replaced, do they have to be decertified, do you have tools, do you have sufficient tools to track and prosecute fraud? If we are going to have the number of inspectors, have a relatively low number of inspectors, as I think the Wall Street Journal editorial today pointed out, I believe that is where I read it, is that enough to go after the fraud in this program? So I know you understand all that, but I would like to see some specific answers.

Mr. Tonsager, my questions for you, USDA Rural Development is so, so important, but I frequently hear two things in criticism. In Washington, I hear how USDA rural development programs are duplicative or inefficient or not that different from what EDA and HUD do.

In Ohio, I hear that the application process can be so cumbersome that far too many people and too many entities in rural Ohio have just given up on using existing loan and grant programs under USDA that USDA RD administers.

So my question, and I am a strong supporter and want to continue to be of these rural development programs, discuss what you are doing to reduce that duplication, to answer those questions that I hear in this town, and what you are doing to make the system more modern, efficient, and accessible for people in Ohio and Michigan and Nebraska and Mississippi and Georgia and South Dakota when groups or individuals are applying to be part of this.

Mr. TONSAGER. Sure. Thank you, Senator, and we do appreciate your support. I would just like to offer a few general thoughts to try and offer our perspective. The USDA Rural Development really was created to be a mini version of the entire Federal Government in a lot of ways, specifically for rural America.

We have a very broad tool set, some 40 programs to do that, and the reason I think it exists this way is because we have that focus on rural. You know, 80 percent of the landmass, of course, United States is rural, and it takes, I think, the access for people to get to that program by having this special rural emphasis on it.

We do recognize that many of our programs are very similar to other programs throughout the Federal Government, and we try very specifically to work with them. We have an agreement with SBA, for example. We believe their tool for business lending works better than ours, in many cases in rural areas, so we emphasize that to people. Quite often, our loan guarantee program works well for larger loans, maybe not so much for the smaller kinds of loans.

But I would also like to say that in an efficiency context, we have a \$150 billion loan portfolio at this time with less than a 2 percent delinquency rate overall on that, and we think that is important. Our proposed budget by the Administration was \$2.4 billion this year. We make that into \$36 billion.

Our largest programs are at zero budget cost. So we have to work very hard with people in making sure projects work well. And that is a success story for everybody when you do that. It takes a lot of work and sometimes it becomes complex, especially on larger loan projects.

So we think that having our rural field structure is important. We recognize that there are people that are challenged by our proc-



ess and we have some work to do. We believe our new consolidated loan program, over the long term, is going to really make that much more efficient because it will make the forms less duplication so you do not fill out the same thing three or four times as we go forward.

So I believe we can continue to address some of the challenging parts of our process, and we know that those challenges exist. But we believe we are efficient and effective because it is a very large amount of leveraging we are doing, and we think we have to keep the performance of those programs in a very high quality state in order to come to you all to ask for the money and the authorities to do it.

But we will continue to look very hard at those processes and we do believe we are making some steps to address those. And we take it as our goal, when we look at every other Federal program, if we cannot do it, we will go after their money to get it into rural areas. So we do recognize there is some duplication. We think the field structure we have to help get access is important. And we take it as our responsibility, if we cannot figure out how to do it, we are going to go after somebody else to help try and figure out how to do a project.

Chairwoman Stabenow. Thank you very much. Senator Cochran.

Senator COCHRAN. Madam Chairman, let me join you and the other members of the Committee in welcoming this distinguished panel to our Committee. We appreciate the work you do to administer the agriculture programs, not only those designed to help improve conservation programs, to safeguard natural resources, and the production of food and fiber in our country.

My observation is, over the years, that we have made substantial progress in a lot of areas that have long been concerns of the general public and taxpayers as well. There have also been a lot of attention focused on integrity of the programs, the honesty and integrity of those who apply for and receive benefits of one kind or another, farm payments, program payments, crop insurance back when the Government basically ran the crop insurance, and food and nutrition assistance programs.

I think a lot of progress has been made in all of these areas. I was particularly impressed with Mr. Concannon's comments about the challenges that his office has faced and how they are going about identifying fraud and abuse and eliminating it. I sensed an attitude of "can-do." It is not something to apologize for, but to do something about it. I think that is what I hear from the testimony that we have heard this morning, and that is encouraging.

I do not have any particular specific complaints just to cite in my questions of you, but I think the Chairwoman ought to be commended, too, for the oversight of the Department. This hearing is a good example of that and I think we can all benefit from it.

The Food Stamp program has been under a close inspection process for a long time, but some of the other programs in nutrition areas I wonder about. I know there are a lot of mistakes made, probably some of them innocent mistakes, but there are school lunch program activities which have been found to have been abusive and errors made, intentional or not. I do not know.

But I wonder if there is a program at the Department to ensure that payments are going to eligible participants in those programs, whether at schools, other organizations that dispense a lot of benefits to program participants. Citing eligibility is one question.

I know Under Secretary Michael Scuse may be the person to answer that. In your area of responsibility, what programs are there underway and what are the steps taken by the leadership at the Department to see that they are producing benefits in recapturing wrongfully paid or mistakenly paid benefits to those who are not entitled to them?

Mr. SCUSE. Well, thank you, Senator. I appreciate the opportunity to answer that question because as you are well-aware, there has been criticism over the years about some of the Farm Service Agency and Risk Management Agency programs and payment eligibility. We take it quite seriously at the Farm Service Agency and USDA to make sure that program participants that are entitled to money actually receive that funding.

There are several things that we do at the Farm Service Agency. All of our producers who are receiving payments must fill out a form to give the IRS permission to view their tax returns to make sure that they are within the adjusted gross income levels for participation in the Farm Service Agency programs.

There is another form, CCC Form 902, that our producers also have to sign to be active to verify that they are actively engaged in agriculture and in production through management, through providing land, equipment, capital, and some other areas as well. And that form is reviewed by the accounting committee and if there are discrepancies, it is elevated to the state and to the Federal level.

Through the Risk Management Agency, the CIMS project, the Comprehensive Information Management System, we have been doing data mining to make sure that the program is being run properly, that those producers that should be receiving payments, crop insurance payments, actually do.

In the last ten years, Senator, we have been able to have a cost avoidance of \$840 million. So we have put things into place to make sure that there are no improper payments. One improper payment is one too many, and we will continue to do the very best job that we can to make sure that we take care of any improper payments being made.

Senator COCHRAN. Thank you. I appreciate your response to that question. One specific program was brought to my attention in farm payment programs. There had been an inordinate number of people paid who had died, and there were no records to reflect that at the Department of Agriculture.

The information that I was given said that from 1999 through 2005, USDA paid \$1.1 billion in farm payments in the names of 172,801 deceased individuals. Of this total, 40 percent went to those who had been dead for three or more years; 19 percent to those who had been dead for seven or more years. That is kind of shocking.

What is the response that you could make to that to let us know what is being done to ensure that we are not making payments to deceased individuals?

Chairwoman Stabenow. And I am going to ask that you do that quickly at this point, because we have a time limit. But please answer that important question.

Mr. SCUSE. Yes, Madam Chair. We have an agreement with the Social Security Administration. The Farm Service Agency does quarterly re-review those deceased individuals to make sure that they are, in fact, entitled to payments. If you sign up and participate in a program and you pass away during the course of that year, Senator, you still or your estate is still entitled to that program. But we are looking to make sure that yes, in fact, those people are entitled to that payment.

Senator COCHRAN. Thank you very much.

Chairwoman Stabenow. Thank you very much, Senator. Senator Bennet was next, but I do not see him here and so we will turn to Senator Nelson.

Senator NELSON. Thank you, Madam Chairman, and again, as my colleagues have congratulated you, I want to congratulate you on setting this hearing on extremely important issues and giving us the opportunity to meet with Department officials on accountability on program delivery. We spend an awful lot of time talking about what programs we would like to have. Probably not nearly enough time on accountability. So this gives us a chance to do that.

It gives us a chance to focus on performance, management programs, and to get a better sense of how real the impact of improper payments, fraud, and abuse of programs can be.

Certainly everybody agrees that better accountability should be sought for in every Government program, and I hope this hearing will highlight the positive studies and strides that have been made by the departments with the agencies with those reforms put in place with the 2008 Farm Bill and highlight areas where additional accountability and efficiency can be found to help reduce costs and ensure producers can count on an adequate safety net for the current and the future programs.

I have one question. I know my colleague from North Dakota has been in and discussed, to some degree, the flooding in the Midwest, and it is with that in mind that I want to ask the panel about the coordination between agencies. And among the agencies, with the flooding ongoing in Nebraska and all along the Missouri waterway, I wanted to focus on the coordination between the various agencies providing relief to Nebraska farmers and producers impacted by flooding with both the Missouri and the Platte Rivers in Nebraska.

I have to say I was very pleased with Secretary Vilsack's visit to Nebraska with me a week ago to meet with those that were impacted by the flood firsthand, and assure USDA's support to those impacted by the devastation. I am hopeful that the Under Secretaries could discuss their individual efforts in coordinating their resources between agencies and ensuring that Nebraska farmers and those living in rural communities impacted by the floods can count on timely and efficient assistance throughout the flooding, and perhaps more importantly, rebuilding their livelihood after the flood waters recede.

We asked the other day Director Fugate, Administrator Fugate of FEMA, will the flood be over and will we know when it is over? Because we are talking about sustained high water for a long pe-

riod of time. Perhaps we could start with you, Mr. Tonsager, to what you are looking to do. Yours is a part of making certain that the quality of life issues and structural economic development issues are being addressed out there. Maybe we could start with you.

Mr. TONSAGER. Thank you, Senator. Mr. Scuse and I did recently make a trip through the flood areas of the South, through Louisiana, Arkansas, Alabama, and Mississippi. To be concise, my agency has a clear process to follow up with FEMA. We generally do not serve in the lead role, but we want to fill in the gaps behind FEMA. And so, we are very studious about following their process as they are the lead agency.

But we do get into financing homes, dealing with water and sewer systems that have been inundated and trying to assist those. We do work with businesses who have been through the inundation to try and help refinance in those cases. So we do have some tool sets that help us manage those communities that have been inundated and we try and want to be helpful with them.

Senator NELSON. Thank you. Yes, and then your colleague there?

Mr. SCUSE. Thank you, Senator. We have been having meetings throughout the Mississippi River area now for several months. The Farm Service Agency, the Risk Management Agency has been working very closely together to make sure that our producers are getting the assistance that they, in fact, need.

During the course of these meetings, we encourage them to visit the Farm Service Agency as quickly as possible to look at the emergency loan program and emergency conservation program. We have also been encouraging our producers to visit with their crop insurance agent to make sure that they can start that process as quickly as possible.

We have been touring the areas. Acting Deputy Under Secretary Karis Gutter is in Missouri yesterday and today looking at some of the flooded areas. We have been providing fact sheets to all of our farmers and ranchers to let them know what programs are available, and we will be continuing working together with the Army Corps of Engineers as well as Under Secretary Honsaker and NRCS as well.

Senator NELSON. Mr. Sherman, and then we can wrap that up.

Mr. SHERMAN. Yes. Let me just briefly supplement what has been said. NRCS has an Emergency Watershed Protection program, so part of what we do is to provide immediate emergency relief, and we have provided, I believe, something like \$600,000 to 11 different states that have been affected by this, and we have additional resources that can be allocated.

But let me just say that part of our work is to assess flood damage. Part of our work is to remove obstructions to watersheds. Part of it is to ensure the stability of certain structures. And we have a very active SNOTEL program that monitors the amount of snow pack in the mountains which ultimately can get to the Mississippi and the Missouri River Basins.

So all of these programs are important. We work carefully with the Corps, with the Bureau of Reclamation, with EPA, and other Federal agencies.

Senator NELSON. We appreciate the fact that you do work together. I was taken by that sitting with Secretary Vilsack who made it clear that internally within the agency, a lot of effort was being made to coordinate and make certain that there was no underlay or overlap of effort, but that everything was being done that could reasonably be done.

Given the fact that this high waters are going to go on for another six weeks or longer, I hope that fatigue does not set in within your agency. Certainly it is being felt by an awful lot of those who are directed affected, but I hope you will avoid fatigue within your agency. It is not going to be easy. It is not a typical flood. Thank you very much. Thank you, Madam Chair.

Chairwoman Stabenow. Thank you very much. Senator Thune.

Senator THUNE. Thank you, Madam Chairwoman and Senator Roberts. I want to thank you both for holding today's hearing. I think this is an important subject given the current fiscal and budget and deficit crisis the nation is facing, and obviously reducing and eliminating waste, fraud, and duplication of services and abuse, not only at USDA, but across the entire Federal Government would make a significant dent in reducing Federal spending.

I want to say, Madam Chairwoman, that as we focus today on measuring performance in eliminating duplication and waste, I believe the Federal Government needs to take a close look at our nation's agricultural producers as examples of efficient, effective, and streamlined operations and learn how they conduct their businesses and operations and follow their example.

When faced with rising operating input costs, farmers began utilizing equipment and modifying their operations to make certain seeds are planted at consistent depths and distances to maximize their growth potential. Today's equipment can also place fertilizer, chemicals, and other inputs precisely where they need to be without overlap.

I would just say, Madam Chairwoman, that our farmers have learned how to make every seed and every drop of fuel, chemicals, fertilizer provide the maximum benefit possible, and that is certainly something that the Federal Government must likewise do, and that is increase its efficiencies and cost-effectiveness of its operations as well. So I think our farmers are a great example to us about how we need to be going about the process of becoming more efficient.

I have a question for Mr. Tonsager I would like to ask in particular dealing with an issue in my state. And if we have time, a couple other questions I would like to ask for the record. But, Mr. Tonsager, as you know, there is a project in South Dakota called Mni Waste which is a water system that received a nearly \$10 million grant and a \$3.6 million loan from USDA Rural Development to build a new raw water intake line.

This is the first phase of what would be a three-phase project to complete a new water treatment plan and a water line on the Cheyenne River Reservation. Despite the dire need for water on the Reservation, USDA Rural Development has indicated that only small amounts of funding are going to be possible for this project going forward.

Allowing this project to languish not only means increased cost for the Federal Government to finance this project as construction costs rise and existing parts of the system fall into disrepair before they are even put into use, but there also will be increased health care costs through the Indian Health Service and there will be increased payouts in unemployment insurance, food stamps, and other safety net programs as housing projects, livestock taps, and other economic development projects are put on hold.

Could you just explain how giving these small amounts of funding to this project which helped provide water to the poorest county in the nation is, over the long term, a fiscally prudent move?

Mr. TONSAGER. It, of course, is a challenging area that is faced with a desperate problem that has a long history and that we have explored carefully. Of course, as you well know, the restraints on our resources are a major challenge for us and we face challenges like this in several of the high poverty areas across the country, including places like the Navajo Reservation or other reservations across the country where you have very widely-dispersed groups of people.

It saddens us that we cannot proceed more quickly with the project. I think the near term solutions would be to work with the other Federal agencies, and we do get into the discussion about duplications that we have. But we will look closely at the other Federal funding sources and see if we can bring stronger encouragement with them to participate with us in the continued funding of this project. And hopefully, we can then possibly make some more faster progress with them under those circumstances.

Senator THUNE. I hope you can do that. As you know, it is an area of dire need and the consequences of waiting are going to be, as I mentioned, pretty profound for the people on the Reservation.

Let me just ask you, in terms of the hurdles that you encounter. If you look at trying to become more efficient and do away with duplication, what would you say are the biggest hurdles that Rural Development has had to overcome in administering, for example, the 2008 Farm Bill programs that are assigned to your portfolio at Rural Development?

Mr. TONSAGER. Probably the sheer volume of the number of new programs, and we, of course, see those as opportunities, but we have an enormous number of regulations to get through. We took biofuels, for example, or the associated 9000 Series programs. We put out NOFAS immediately with those in order to implement them fairly quickly, then tried to learn from that experience.

So I think the challenges were to follow the appropriate process, to get input, so we did want to get them going quickly. We did notices in order to get funds out the door quickly, tried to learn from that, and then do the programs. We believe we have pretty much fully implemented all of the Farm Bill authorities. Did not go as fast as we would like, but boy, there was a lot of ground to cover.

Senator THUNE. How is NEPA compliance affected RD's program administration delivery?

Mr. TONSAGER. It has taken work certainly. We, of course, have an obligation to not only build and finance, but to try to make sure it is a quality of life process. So we have environmental processes associated with every one of our programs. Typically NEPA comes

into place when we come with very large programs that have very significant impacts. So it becomes more of a step to make sure that the compliance is there, and we accept NEPA and work closely with it because we do want to assure that qualitative component.

Senator THUNE. Thank you. My time is expired. Thanks, Madam Chair.

Chairwoman Stabenow. Thank you very much. Our distinguished Ranking Member has returned and I will turn to Senator Roberts.

Senator ROBERTS. Thank you very much, Madam Chairwoman.

Mr. Concannon, the SNAP program conducts employment training to help in the job search for SNAP participants who may be out of work. The U.S. Department of Labor's Work Force Investment Act programs also provide employment and training to over 1.6 million participants. Temporary Assistance to Needy Families, TANF, program spends \$2.4 billion in work activities which include education and training.

GAO recently reported that there are 47—47 Federal employment and training programs at an annual cost of \$18 billion. In an effort to avoid duplicity in Government programs, can you tell me, is there any reason why SNAP should continue to have its own employment and training program? Is there any way you could merge some of your efforts in regards to the 47 other programs?

Mr. CONCANNON. Thank you very much, Senator. Well, if I might mention right at the outset, work is a very integral part of the SNAP program and has been going back to 1970 or '71. All 53 SNAP programs across the country, all the states and the territories, operate employment and training programs. It is part of the effort of the program to make people more self-sufficient.

I can say from my state experience, we work very closely with Department of Labor, or one-stop shopping centers, as they are referred to, one-stop centers at the state level. The advantage on the employment and training program focus to the SNAP program is it is particularly— that person comes through the front door applying for assistance.

We know that they are in a compromised income situation by virtue of that. So the program is very tailored at that particular population, but we certainly would be happy to work on ways to make it even more integrated into the other range of labor programs.

Senator ROBERTS. Thank you, sir. Mr. Sherman, are we creating programs such as CSP that are too complicated for the agency to implement? I am concerned about the level of improper payments. If producers are providing incorrect information, that is one thing. But if agency staff is having difficulty implementing the programs we create, is this an accountability problem with the agency or complexity in the design of the program? Is this our fault up here?

What changes have been made in the Conservation Stewardship Program from the 2008 Farm Bill?

Mr. SHERMAN. Thank you for the question, Senator. I think we have made some very positive progress concerning the Conservation Stewardship Program. As you know, we did have a variety of issues and problems with the Conservation Security Program, and I think Congress wisely decided to phase out that program by 2012 and to bring into focus the Conservation Stewardship Program.

The Conservation Stewardship Program, I believe, is working well. NRCS is actively involved in verifying all aspects of their program, as opposed to a self-verification system that we previously had. So the improper payments that occurred under the Conservation Security Program have stopped.

We are recovering monies that we lost in that program. And I think under the Conservation Stewardship Program, it is being handled very effectively.

Senator ROBERTS. Thank you, sir. Mr. Scuse, we have heard a lot of frustration from our producers about ACRE and SURE. Specifically we hear complaints that the programs do not allow for the timely delivery of assistance, that they use a multitude of data points, they are generally confusing for the producer.

The ACRE payment calculation alone requires a producer to go through 23 steps. That is about 22 more than necessary. And the testimony that Mr. Blankenship will state, he spends 25 percent of his management time trying to work through the requirements for these various Government programs.

So here you have a very successful producer who is going to indicate that one-fourth of his time is simply plowing through all of the programs requirements. Have you had similar frustrations in implementing the programs that our farmers have had using them, short of just going back to the drawing board, which some of us might like to do? Short of that, are there things you think the USDA or Congress can do to make these programs more streamlined, efficient, and user-friendly?

Mr. SCUSE. Thank you, Senator. I think the last Farm Bill took a giant step forward in helping our farmers and ranchers across the United States with the livestock programs that were put into place for losses, and ACRE and SURE are taking another step to enhance coverage that they may have on crop insurance and provide that additional protection.

These three programs, they are complex, there is no doubt about it. There have been issues from the agricultural community about SURE. SURE pays you that payment one year after the loss. And that has been an issue that I have heard as I have traveled around the United States. But again, that was a program designed by Congress that we have implemented.

ACRE is a complex program, no doubt about it. As you are well-aware, technology is an issue for the Farm Service Agency when you are dealing with systems that date back to the 1980s. So the technology issue has been one that has affected some of the program implementation. Some of these complicated programs, with SURE for an example, we have had to do manual calculations because of the lack of technology.

So if there is one thing that I believe that we need going forward, it is to continue down that path to better technology to help our office staff.

Senator ROBERTS. As a follow-up—and my time has expired, Madam Chairwoman—but you are basically saying you need better technology across the board to keep up with this and that that would help a bunch, as opposed to a program that has 23 steps for a farmer to comply. If you have any suggestions on how we can



streamline these programs, change these programs, it would be extremely helpful.

You just heard the testimony here from a lot of members here about the flood, the historic flood we are going through, and the SURE program and—I mean, there are times when you have bad situations almost every year up in the northern states. And then you go to the SURE program and you do not get paid until a year later. That really is a problem.

Now, you focused on the technology to help you get through this, but is there anything from the ability of us to take a hard look at the structure of the program that could better streamline it?

Mr. SCUSE. Senator—

Senator ROBERTS. And if you have those suggestions, you do not have to go into them now, but you could certainly submit them for the record.

Mr. SCUSE. Madam Chair?

Chairwoman Stabenow. If you are brief. Yes, thank you. We definitely want to go into this more extensively with you.

Mr. SCUSE. Yes, Senator. We here in Washington at USDA, as well as all over county offices across the United States, would welcome simplified programs, programs that are easier to understand and easier to manage, simpler programs, as well as the technology. We would be more than willing to work with you in coming up with programs that can be easily managed. We welcome that opportunity, Senator.

Chairwoman Stabenow. Thank you very much. Senator Klo- buchar.

Senator KLOBUCHAR. Well, thank you very much, Madam Chair- man, and thank you for holding this important hearing. As a former prosecutor, I saw time and again how good meaning programs can sometimes be abused if the wrong people get a hold of money, so I appreciate all the work that you are doing with the oversight, as well as the leadership of Secretary Vilsack and all of you to work on this accountability issue.

One of the things that I was most curious about is just what kind of programs do you think lend themselves most—I guess I would ask this of you, Mr. Scuse. What are the factors that make programs more open to abuse? What additional oversight rules should we consider as we look at any programmatic changes to the Farm Bill?

Mr. SCUSE. Well, thank you. The sheer complexity and size of the programs. Again, I think it goes back to the previous question. Programs that are easily understood and easily administered are the ones that we would have the best ability to do oversight on.

And again, the technology is a major factor for our offices in the field. We need to have the proper tools that will allow us to do reviews at the local level. So I think, Senator, those two things would be a big help for us going forward.

Senator KLOBUCHAR. Well, in speaking of technology, the Farm Service Agency and the Risk Management Agency require farmers to provide data at different times using different definitions for the same land. As you work to harmonize the data requirements from these two agencies, how are you ensuring that the newest GPS field data can be seamlessly incorporated into this new system?

Mr. SCUSE. Thank you, Senator. We have started a project just ten months ago—it is still in its infancy— that we hope to have a pilot project going in 2012, with full implementation in 2013 whereby we are using common information, common data, and common terminology, for one of the first times at USDA, between NRCS, FSA, RMA, and NAS to make sure that the technology is all compatible, as well as our terminology is compatible.

We right now are looking at bringing together the dates where we do our certification between RMA and the Farm Service Agency, to bring those dates as closely possible together, and in some cases, make them one and the same to eliminate some of the confusion to our producers out there on when they need to certify their crops. So we are taking those steps.

Senator KLOBUCHAR. Thank you. Mr. Sherman, the conservation program, the CSP program, has been especially important in my state. However, I know, even though we have had great anecdotal in our state, it is sometimes hard to accurately estimate the positive impacts of these efforts. How do you know if the significant investments that I believe we should make and are making, how do you know that the investments in voluntary conservation are actually working?

Mr. SHERMAN. I had mentioned in my opening statement the ongoing Conservation Assessment Effects Program that we have, the so-called CAEPs, where we are taking a very careful look at the efficacy of these programs. And we are going out into the fields, we are doing modeling to see what the benefits are.

And we are seeing really quite remarkable benefits. For example, the no till or reduced till efforts in the Chesapeake and the Upper Mississippi, approximately 85 to 90 percent of the crop lands there are now engaged in these practices, and we are seeing significant reductions in sediment contributions to streams and rivers, reductions in nitrogen, reductions in phosphorous.

So we are documenting this very carefully, and as we document it, we are becoming more skillful in learning how we change practices to focus on this. So, for example, when we target areas where the most significant problems are and we come in and we focus on those areas, that is where we get the greatest benefits.

And where we apply a suite of conservation practices, as opposed to an individual conservation practice, we get greater and greater benefits. So we are constantly evaluating this, amending how we apply conservation practices, and I think we are seeing some very strong and good results.

Senator KLOBUCHAR. Very good. My last question. Mr. Sherman, you also discussed the efforts within the Forest Service to improve the integrity of environmental reviews and reducing the cost of litigation that the Government faces. How do you believe that this initiative will work to help focus resources on conservation goals and not courtroom legal battles?

Mr. SHERMAN. We are very focused with the Forest Service on working with our partners in the field, that is with communities, with stakeholders, and so forth through collaborative efforts. So hopefully, we can arrive at a consensus on what is the best way to do restoration.

We are also very focused on improving the ways in which we conduct our need for reviews. We have projects now with the Council on Environmental Quality to explore how could we do more focused NEPA work, how can we have shorter environmental assessments, how can we take programmatic EISs and apply them in a way that we can work efficiently on forest restoration projects?

All of these things are helpful and our hope is that we can take money that we are spending on environmental reviews and on litigation and shift that over to on-the-ground successful work in the forests.

Senator KLOBUCHAR. On the trees and not the legal fees?

Mr. SHERMAN. Exactly. Well said.

Senator KLOBUCHAR. A little rhyme for you. I thought you would like that.

Mr. SHERMAN. Thank you.

Senator KLOBUCHAR. Well, anyway, give my greetings to Secretary Vilsack, tell him we have been working very hard to try to work out this biofuels issue. It is incredibly important to the Midwest and also to the deficit reduction, because if we can work it out, it could be a win-win to everyone. I am going to tell him you guys did not get the memo about seersucker suit days.

[Laughter.]

Chairwoman Stabenow. Thank you very much, Senator Klobuchar, and thank you for your leadership, and I share your desire to be able to work this out in a way that makes sense for rural America and for jobs.

As we close this panel, there are many more questions that we have that we are going to be submitting to each of you, questions regarding areas of where we can consolidate programs. We have very important programs that meet very important needs for farmers, for communities, for families.

But, for instance, we have some 20 different conservation programs. Do we need 20? Can we create efficiencies? Can we do things better in terms of streamlining? And I know that is something that you are focused on, but we want to know more about that.

Rural development, 40 different programs. Do we need 40? Can we bring them together? Can we create more efficiencies? I would suggest that we can, and yet meet some things that are incredibly important. Every community outside the major cities of Michigan is impacted and needs an effective rural development program.

But we will be following up with you in each of these areas as we look at what is being done to combine the acreage reporting and data. We know that as you are working on making sure that farmers only have to report once, what else can we do, as you have talked about, Mr. Scuse, so that—those are the kinds of things that we are going to be deeply involved in with each of you and, of course, Mr. Concannon, we will continue to work with you on that, and Dr. Leonard as well.

We have very specific questions that we will be asking you to respond to. In this time of stretching every dollar, being as efficient as possible, cutting out the paperwork, making things work, we will look forward as we move forward on the Farm Bill and as we explore each area, you will be back, of course, with us, which we

appreciate as we go in- depth into each of the areas you are involved in.

But this is important work and I want to commend the Department in the areas of improvement we have seen based on your work and based on the reforms in the 2008 Farm Bill and the Secretary's leadership, and we very much appreciate the direction in which we are going.

We think we can do more and we are looking forward to working with you as we do, in fact, continue to push ahead on ways that we can streamline and create more efficiencies and effectiveness in the programs. So thank you very much for being with us.

We will ask our next panel to come forward.

Well, good morning and thank you very much for your patience and for joining us today. Senator Roberts will be coming back to join us, as I believe other colleagues will as well. So let me introduce our three distinguished members of the panel.

I am pleased to introduce today first Phyllis Fong who is the Inspector General at the U.S. Department of Agriculture where she promotes USDA efficiency and effectiveness and tackles waste, fraud, and abuse, and we appreciate your leadership in this important area.

Prior to her post at USDA, she served as Inspector General for the U.S. Small Business Administration and was also elected the first Chair of the Council of Inspectors General on Integrity and Efficiency.

Brett Blankenship, welcome. Farms over 10,000 acres of spring and winter wheat in Washington. He is the President of the Washington Association of Wheat Growers and was a former President of the Washington Grain Alliance. And we are so pleased to have you here today.

And Ms. Masouda—I am going to make sure I am doing this right—Masouda—am I correct? Masouda Omar?

Ms. OMAR. That is correct.

Chairwoman Stabenow. Okay, thank you. Is the Manager of Business Finance Loan Production at the Colorado Housing and Finance Authority in Denver. She works with small businesses on a daily basis underwriting loan requests and marketing business finance products to a wide variety of partners statewide, and we very much appreciate your expertise and experience in being here today with us as well. We will start with Ms. Fong. Welcome.

**STATEMENT OF PHYLLIS FONG, INSPECTOR GENERAL, U.S.  
DEPARTMENT OF AGRICULTURE, WASHINGTON, DC**

Ms. FONG. Thank you, Madam Chairwoman and members of the Committee. We appreciate the opportunity to be here today to testify about our oversight work to help the effectiveness and delivery of USDA programs. You have my full written statement so I will just offer some brief comments on our work as it relates to the subject of the hearing.

And very briefly, we believe that our audits and investigations help USDA, first of all, strengthen communication and coordination in its programs; secondly, address improper payments; and third, increase program control and integrity.

As you all know, the IG's mission is to help USDA deliver its programs as effectively as possible, and the way we do this is by performing audits to determine if a program is functioning as intended, if payments are reaching the right people, and if funds are achieving their intended purpose. We also conduct investigations of people who may be abusing the programs, and these investigations can result in fines, imprisonment, or agency administrative actions.

So let me spend a moment on communication and coordination and the need for stronger coordination between USDA programs. Several agencies within the Department provide payments to producers for programs that may have interlocking or complementary missions, for example, insurance payments for crop losses and disaster assistance payments as well.

And we believe in our work that it is critical that RMA, FSA, and RCS work together to create a cohesive integrated system of program administration and data. This type of coordination is equally important in areas where USDA must work with other Federal, state, and local agencies, and with foreign countries, for example, in the areas of food safety inspection and global trade export programs. My statement gives examples of this in the areas of suspension and debarment, the Food Emergency Response Network, and the Invasive Species Program.

Turning to the topic of improper payments, our work in this area is intended to save taxpayers money by ensuring that programs deliver the correct benefits in the right amounts to the right people. We have released a number of reports this past year that talk about different aspects of these issues.

We have looked at FNS's report on improper payment rates in the SNAP program. We have also looked at NRCS's Conservation Security Program and RD's Single Family Housing Guarantee Program. And in all of those programs, we found that the Department had made progress, but could also make further progress.

And finally, our investigations of fraud in USDA programs had identified many instances where individuals improperly received payments to which they are not entitled, and my testimony gives examples of that in the SNAP, Child and Adult Food Care, and WIC programs.

So finally, let me say a few words about program control and integrity. Our work in this area is designed to help USDA managers strengthen program administration. Examples of this kind of work include our review of the BCAP program. We did an audit of loan collateral in FSA's Direct Loan Program, and we currently have work ongoing in the Civil Rights Program.

Our investigations in this area can address issues of employee integrity and also cases involving false claims made by those doing business with USDA.

So in conclusion, our office remains committed to helping USDA provide and deliver programs as effectively as

possible. We look forward to working with this Committee on areas of mutual interest, particularly as you start to develop a new Farm Bill, and we would be very pleased to provide you with any assistance that we can based on our audit and investigative work. So thank you, and we welcome your questions.

[The prepared statement of Ms. Fong can be found on page 57 in the appendix.]

Chairwoman Stabenow. Thank you very much. Mr. Blankenship, welcome again.

**STATEMENT OF BRETT BLANKENSHIP, BLANKENSHIP  
BROTHERS, WASHTUCNA, WASHINGTON**

Mr. BLANKENSHIP. Thank you, Madam Chairwoman. I will also honor Ranking Member Roberts who is here in spirit, and members of the Committee as well. Thank you.

As you introduced me, my name is Brett Blankenship. I am a farmer from Washtucna, Washington where I produce soft white winter wheat and dark northern spring and spring barley in a partnership with my brother, our wives, and my sister.

As a matter of perspective, this places me in the center of the winter wheat growing region of the state of Washington, and the gateway to the famous Palous Region, which boasts of the highest dryland wheat yields in the world.

As a state, we are averaging roughly six to five bushels per acre on approximately 2.3 million acres of wheat, and this places our state approximately fourth in wheat production in the United States. As we move forward toward serious consideration of the next Farm Bill, there are two other major components that are often left out of discussions like this.

Yes, I am an American farmer, and I rely on the safety net aspects of the Farm Bill to produce crops. But I am also an American taxpayer and I also shop for groceries just like everyone else. So I commend you, Madam Chairwoman, for looking at the top of efficiency, just as we do on our farms.

I will focus the remaining comments on my interactions with USDA, and perhaps offer some ideas that might help improve those. As background, my partnership operates in two counties, and I seem to be fortunate. We manage our interactions with USDA through one field office in the county seat of where I reside, and it has always been that way.

I have had other growers complain that multiple counties offer them a lot of difficulty, but on my farm, we have been able to consolidate in one office and it has worked very well for us. I also interact with the NRCS office locally and, of course, our crop insurance provider.

I am a participant in the ACRE program, Conservation Reserve Program, Conservation Security Program, and, of course, I carry CRC crop insurance. I was also able to participate in the SURE Program in 2008 and before—ancient history—participated in the DCP program as well.

As Senator Roberts alluded to, the management time taken to coordinate all this often takes 25 percent of our time—not our time, but our management time. And I participate in various government and quasi-government programs and it is frustrating to have so many rules and procedures to comply with, but to complicate matters further, often these agencies seem to have trouble talking to each other or coordinating with each other even when they are closer together in some of the buildings, as I am to the panel right now.

My most common interaction is with FSA, and it is the easiest office to deal with and the personnel seems to be incredibly well-trained and familiar with the actual impact of changes to program eligibility, payment limit compliance, and they have been very helpful. They seem to have a culture of Congress has appropriated these programs, authorized these programs. It is our job to provide the service to deliver them to you in the best efficient manner possible.

We also work with NRCS where staff seems to have a different culture or not as well trained on payment questions or eligibility requirements, and certainly not familiar with FSA programs. NRCS has had a different focus in the past delivering conservation on the ground. FSA has had their focus on administration of the programs. But with different program work and different time frames, this has the tendency to create some problems.

I do not have much direct interaction with RMA, but our agents do and they often seem confused with changes in insurance programs. There also seems to be confusion in the proper way to report acreage and yields in a format that transfers easily to SURE eligibility.

We also, of course, work with bankers who largely do not have a good understanding of farm programs, other than the knowledge that those programs cover their risks as they loan us operating money. And to me, that is an important point in the Farm Bill debate, is the safety net programs help us secure operating capital to minimize our risks.

All in all, I would say we make ten separate trips of several hours each to our FSA office for sign-ups, certification of acreage, CRP status checks, SURE eligibility questions, and returning paperwork once it is properly collected. As an aside, I will also add that that does not count if I am called in for an audit, as Ms. Fong alluded to.

We often have so-called random audits, and unfortunately, I seem to get in a random audit almost every year. I do not know how it can be random if my name comes up. But that has been one of my frustrations. Even the county executive will say, Were you not just in here? So it has been an unusual situation.

So it is no surprise in a rapidly changing agricultural economy that we adopt the new technology out in the field quite readily. We have adopted computers, data sheets, and readily adhere to GPS systems to increase our accuracy, and field mapping.

And it would be wonderful to be able to coordinate that better with the agencies that we interact with, rather than adding things manually. But my FSA office has eliminated a large amount of frustration, declaring planted acreage and compliance issues because of the GPS maps that they have implemented in Washington, and that has increased our accuracy and we are able to use that with ACRE, CRP, CSPN crop insurance. However, it took several seasons to work out some of the kinks.

One of the frustrations that can often be traced to the SURE program, but it is very difficult to explain why those numbers do not seem to line up and why they cannot be corrected, because if someone somewhere along the way does not fill a form out properly, it throws a wrench into the machinery.

The two major conservation programs which we participate in are the Conservation Reserve and the CSP handled by the different USDA agencies with dramatically different administration experience. Personally, I appreciate the way CRP is administered because the agency with the strength in administration, Farm Service Agency, relies on the agency with their expertise in conservation, NRCS for technical advice and compliance, but it is administered with FSA. That has worked very well for us.

Since the implementation of ACRE and SURE, there have been several comments about overlap or duplication. I have not found that to be the case, not on our farm, because we depend on the three different facets of the farm safety net for different areas of risk. But often, the interactions and paperwork can create the frustration.

But finally, I would like to just say generally, it would be my personal opinion that rules for all Federal programs in this nature ought to be the same, and if the program is there to support my business's activity, then no matter what agency is administering it, the rules ought to apply the same.

So you can see that the business of being in agriculture anymore is not just about cultivating or tending or harvesting a crop. It is also protecting the enormous risk and we depend on the programs you help us implement to do that. So thank you for the opportunity to address you.

[The prepared statement of Mr. Blankenship can be found on page 49 in the appendix.]

Chairwoman Stabenow. Thank you very much. We appreciate it. Ms. Omar, welcome.

**STATEMENT OF MASOUDA OMAR, MANAGER OF BUSINESS FINANCE LOAN PRODUCTION, COLORADO HOUSING AND FINANCE AUTHORITY, DENVER, COLORADO**

Ms. OMAR. Thank you, Chairwoman Stabenow and members of the Committee, thank you for the opportunity to speak with you today. It is a privilege to come before you to discuss several of rural development programs authorized in the Farm Bill, and how Colorado Housing and Finance Authority has utilized these programs to support economic development in our state.

Colorado Housing and Finance Authority, also known as CHFA, is a quasi-governmental entity created by the Colorado General Assembly in 1973 to increase the availability of affordable housing in the state.

In 1982, the Colorado General Assembly expanded CHFA's mission to include business finance for the purpose of providing access to capital for economic development across Colorado. So it is CHFA's economic development mission that I will direct my comments to today.

CHFA works in partnership with local and regional economic development agencies as well as large and small lenders in the state to finance business activities. We primarily support real estate and equipment purchases for existing businesses to expand or improve their operations, and we do this by offering fully-amortized, fixed-rate mortgages with lower down payments requirements to allow that business to preserve cash and grow their operations.



Since 1982, CHFA's business finance efforts have provided nearly \$900 million in capital to over 2,200 businesses supporting over 37,000 jobs. Historically, over 50 percent of our small business loan production has occurred in rural areas of Colorado.

So among CHFA's partners is the USDA Office of Rural Development. CHFA has utilized Rural Development programs to support our work in Colorado's non-metro areas. During this time, we have financed a number of small businesses and non-profit organizations using Rural Development's Business and Industry Loan Guarantee, and the Community Facilities Loan Guarantee, and the Intermediary Re-Lending Program.

As part of CHFA's partnership with Rural Development, we rely heavily on the expertise of their regional offices. There are seven regional offices in Colorado, six of which are located in rural communities. These offices provide an essential service by acting as an intermediary between CHFA and the local businesses.

They are also instrumental in ensuring smooth delivery of RD's programs statewide. Our work with the regional office really starts from the initial stages of structuring that financing, and even after that loan has closed, to help maintain a strong relationship with the borrower as we service these loans.

In CHFA's experience, we have found that establishing trust with the rural customers is critical to ensuring a successful outcome. Rural communities take pride in conducting business with someone from the area who is known and reliable, and even though CHFA is a local entity with offices in Denver and Grand Junction, the day-to-day relationship that Rural Development regional offices provide is invaluable to us.

Rural Development local offices serve as a one-stop shop that connect rural communities with resources that generate economic opportunities. They take on the responsibility of being familiar with other resources, ensuring that they serve as a conduit for the business to access help, even if it means going outside of RD's programs.

CHFA's first experience in using Rural Development programs was through the Business and Industry Guaranteed Loan. The Business and Industry Guaranteed Loan allows CHFA to directly originate loans for small businesses. Similar to the SBA program, the Business and Industry is a loan guarantee.

However, it is distinct from SBA in that it allows non-traditional lenders such as CHFA to participate. It is also a larger loan size than SBA's programs. An example of how CHFA was able to use this unique feature of the Business and Industry program, is the Durango and Silverton narrow gauge railroad.

Using the Business and Industry program, CHFA was able to provide the railroad with a \$16.5 million loan and long-term financing to replace short-term variable rate debt that was coming due. The \$16.5 million loan would have exceeded SBA's maximum loan size. However, CHFA's ability to assist the railroad was an important economic development opportunity for our state.

The railroad is a popular tourist attraction in southwest Colorado, attracting over 200,000 visitors to the Four Corners area. It provides jobs to over 200 people and is responsible for nearly \$100 million in economic impact to the area. Small businesses such as

the Durango and Silverton are the backbone of Colorado's economy. Tourism accounts for 25 percent of the economy in the Four Corners area, and the railroad is estimated to impact 16 percent of the total employment in those two communities.

Another program that I will briefly mention is the Community Facilities Guarantee which, as you are aware, is similar to the Business and Industry Guarantee program, but it is used to finance non-profit organizations. To our knowledge, USDA is the only agency that guarantees loans to non-profits, which is critical to ensuring that these organizations have access to capital.

Oftentimes, non-profits, due to a higher risk profile, have difficulties getting financing through traditional outlets, which is why the support through the Communities Facilities Program offers solutions to help lenders extend credit.

Young Tracks Preschool and Child Care Center is an example of a project that CHFA financed using the Community Facility guarantee. This non-profit is located in Steamboat Springs, Colorado, a community of less than 10,000 people whose primary industry is tourism.

Young Tracks was referred to CHFA by a local bank who was unable to provide the financing, so CHFA partnered with USDA who not only provided a community facility's loan guarantee, but also funded a direct loan together which provided the necessary dollars to build this new facility.

Once the permanent financing was arranged, the local bank was also able to come in and reach a greater level of comfort and provided the borrower with an interim loan to fund the construction costs. And this facility has greatly enhanced Young Tracks' ability to serve the community. It has allowed them to add a new infant care program that was previously not available, as well as expanded classroom capacity for their programs.

And still today, they are the only infant/toddler care program open to the public for a 27-mile radius. There are nearly 100 children enrolled there in their services and their clients are primarily low and moderate income households.

In the interest of time, I am not going to go into some of the other remarks. You do have a written copy of my testimony, but the other program that I will briefly mention is the Intermediary Re-Lending Program, or the IRP program, that also benefits rural communities where lenders such as CHFA can borrow funds from USDA at a low interest rate and turn around and re-lend it to very remote areas of Colorado.

And we have used these funds to provide low-interest rate loans to communities with greatest need based on their level of out migration, unemployment, and poverty rates.

So as you can see, Rural Development programs are valuable to Colorado; as such, ensuring their ongoing and efficient delivery is critical.

So thank you again, Chairwoman Stabenow and members of the Committee for allowing me to speak with you today. I applaud your leadership as you continue your work to support our nation's rural communities, and I look forward to answering any questions.

[The prepared statement of Ms. Omar can be found on page 74 in the appendix.]

Chairwoman Stabenow. Thank you very much, and thank you to all of you.

Mr. Blankenship, let me ask first, again talking about paperwork, I think paperwork is always a very significant frustration for farmers who have a lot of work to do and do not need to be spending all their time, as you talked about, filling out a lot of forms.

So when you look at the greatest need for streamlining and really cleaning up the bureaucracy and the red tape and dealing with USDA agencies, you spoke about a number of things, but what do you think is the most important area for us to focus on from your perspective?

Mr. BLANKENSHIP. I would like to see some kind of standardization of the information that is needed that could be used in the various different portals among the agencies. It is the duplication, and, unfortunately, the culture we have created in enforcement or trying to make sure that the right folks are getting the right payments, rather than delivering the service.

Sometimes employees have viewed themselves as the great defenders of the Federal treasury, and somehow we need to find that sweet spot of delivering the service and being responsible and accountable as well.

Chairwoman Stabenow. What is your experience in dealing with the technological capabilities of the Department? We have heard a lot today on our first panel about improvements in a number of areas because of technology. Do you see that, in your end? What is the interaction in terms of the use of technology, or what could be done better as including technology?

Mr. BLANKENSHIP. My experience is things have gotten a lot better. I remember going through programs sign-up before, as a much younger person, and we would have to haul out all the maps and count all the acres of the fields and measure them manually. And it literally took all day.

And we have recently added the GPS maps at the local office, and now that that is reasonably standardized, we know how many acres are out there now, as long as no changes have happened. It would be nicer to be able to submit a lot of that electronically. That would be, of course, the next step. Without going into greater detail, that would be a good start, standardization.

Chairwoman Stabenow. Great. Thank you very much. This is an area of great interest, I think, to us.

Ms. Fong, last week your office issued a report detailing its fraud prevention efforts in programs under your jurisdiction, including the food assistance programs, and there were some impressive numbers in terms of what has happened in the last six months.

We have heard 516 arrests for \$47.8 million given back to taxpayers. And, in fact, in Michigan, I want to congratulate you, the OIG, working with the Lansing Police Department, just identified a major fraud case at a storefront, J&K General Store, and thanks to the record-keeping technology and the data analysis, you were able to work in a way to recover half a million dollars.

And so, we appreciate that. I have now seen that up close, what you are doing, and how effective it is. But I am wondering, as we look at what was given to you in the 2008 Farm Bill in terms of new authorities and investments and so on, if you could talk a lit-

tle bit more about what has happened in terms of improving efforts to combat fraud and abuse, and what we can continue to do to keep a good record going.

Ms. FONG. Well, thank you, Madam Chairwoman, for your comments and we appreciate your support on all of the work that we are doing across the board, especially in the SNAP program. And as you pointed out, we work very closely with FNS and with the state and local jurisdictions to find instances where there are problems and to go after them.

We believe that that relationship is so essential, to have very close working relationships with the Department of Justice, state and local enforcement, and FNS as well, because we all approach these issues from our own perspectives, and they tend to reinforce each other.

And to address your question about the Farm Bill of '08, we have been working with FNS. There are a number of provisions in there to strengthen the SNAP program. We realize that they have just issued a proposed rulemaking that will change some of the definitions of trafficking and will give us the ability to really pursue some of the instances that involve retailers as well as individual recipients. So we think those provisions are very helpful.

Chairwoman Stabenow. And just as a quick follow-up and a clarification and a comment in your testimony. If an individual is caught trafficking SNAP benefits, what happens to their ability to get future benefits from any Federal Government program?

Ms. FONG. Well, that is a very good question. Generally, when an individual is found to have improperly trafficked or improperly used their benefits, they would be subject to prosecution by state and local authorities, and if they are convicted, then their eligibility, I think, would be very much impaired, shall we say.

Chairwoman Stabenow. True, in my experience, at least in situations we have been involved with, they would just be eliminated from eligibility. Is that your understanding?

Ms. FONG. That is my understanding, that a conviction of criminal conduct would make them ineligible.

Chairwoman Stabenow. Okay. I would certainly hope so.

Ms. FONG. Yes, exactly.

Chairwoman Stabenow. If there is a concern there, please let us know. But that is my understanding. Please follow up and make sure, because that is my understanding, and I am assuming unless otherwise if that is the case, if you could let us know.

I would like to turn now to our Ranking Member, Senator Roberts.

Senator ROBERTS. Thank you, Madam Chairwoman. Mr. Blankenship, there is an awful lot of information out there on the Web. My staff is in a continual re-education effort to try to get me up to speed. I know it is out there. I just cannot find it.

Are you able to find a lot of the forms, the information that you need online? It may be online, but are you able to get in a situation where you think you can rapidly find these things? Are you simply utilizing the online forms and resources that people talk about that are available. Are they available?

Mr. BLANKENSHIP. They may be available, Senator, if you can wade through the pages to get to them. But we have found it just

as easy, since my business partner lives not too far from the service agency office, we have just found it easier just to go in and then you have the same one there looking for—

Senator ROBERTS. So basically you ask Mabel, Will you help me?

Mr. BLANKENSHIP. That seems to work the best for us.

Senator ROBERTS. I see. I wish you could do it online, but I empathize with your situation. I just have another question here. You note in your testimony that Farm Bill programs help producers obtain their operating capital from the banking community. That is an obvious statement.

Are there specific programs that are more important to banks than other programs, in your view? Do banks ask you what level of crop insurance you purchase or how much you will receive in direct payments. Something that has been discussed a lot around here. Do they ask you if you have signed up for ACRE? What do they ask you?

Mr. BLANKENSHIP. When I submit my financing budget and my plan for the year, they know what line to look for, for either the direct payment or the ACRE payment, as the case may be. I am in ACRE, so they are looking for that line, and it is very important to them.

The next question is, since they know I am a policy guy, they ask me, Where do you think the next Farm Bill is going? And then the third question is, Do you have CRC?

Senator ROBERTS. I think you are right. The next Farm Bill is going. That was very clever of you to turn that right back on us, and I wish we knew. Both the Chairwoman and I, we have no other higher priority than to try to do the best we can to preserve that safety net that that bank asks you. Otherwise, you are not going to get your loan that you depend on. What about crop insurance? You did not mention that one.

Mr. BLANKENSHIP. I am a participant in CRC. They certainly want me to participate in that, to preserve their exposure, and my assumptions in financial receipts, CRC does help me cover that risk.

Senator ROBERTS. So you have got some crop insurance and direct payments and ACRE?

Mr. BLANKENSHIP. Yes.

Senator ROBERTS. Those are the big three?

Mr. BLANKENSHIP. Yes.

Senator ROBERTS. I appreciate that. Thank you.

Chairwoman Stabenow. Thank you very much. Senator Bennet.

Senator BENNET. Madam Chair, thank you for holding this important hearing, and also thank you for having two Coloradans testify and three Coloradans visit. Harris Sherman, who testified on the first panel, who used to be our Director of Natural Resources in Colorado and has been dedicated to our natural resources in particular, fighting the Bark Beetle infestation that we have had. It has been very, very important to the state.

And Masouda Omar and Steve Johnson, who are here, the Colorado Housing and Finance Authority who have done such great work at the local level, and I appreciate your recognition of the quality of folks in Colorado by having everybody here.

Ms. Omar, not the purpose of this testimony, but you mentioned the Durango-Silverton Railroad, and I drive by that regularly. And I often think, Madam Chair, about the people that built that railroad and the people that built the road next to that railroad. I blew two tires out on the minivan the last time I was on it because of a rock slide. Still very treacherous.

But the cooperation between the private sector and the Federal Government that made those things possible, that allowed one generation to build something that even now is making a huge economic contribution to our state, I think their memory is something that we would do well to think about as we have the debates that we are having here and trying to drive this country forward and build for the next generation.

But to come to the purpose of today's hearing, I wanted to ask Ms. Omar a couple of questions. Thanks for coming all the way out here. There was discussion earlier today in reference to a GAO study that identified significant duplications in Federal economic development programs. I wondered whether, from your vantage point, you see duplication? And also, if you could talk a little bit more about your interactions with the SBA versus USDA and how we should think about that?

Ms. OMAR. Thank you, Senator Bennet. Yes, my experiences with USDA is primarily with the Community Facilities, the Business and Industry, and then the IRP program. And I can tell you that those programs are very distinct and serve very different purposes than the SBA program.

The Community Facility program is the only—to my knowledge, it is the only loan guarantee for non-profits, and when you have a local non-profit in a rural community, access to capital is very difficult. And so these programs serve a very important purpose.

If anything, in terms of improvements to programs, we would like to be able to see Federal programs working together, greater collaboration, and one program that I will briefly mention is the New Markets Tax Credit Program, which is a tax credit program that was designed back in 2000.

And we have some tax credits available in rural areas, and it would be nice to be able to combine a USDA guarantee or a loan through the New Market Tax Credit structure to be able to finance projects in rural communities and very high distressed communities within rural areas of our state.

Senator BENNET. Thank you. I also wanted to follow up on the Ranking Member's questions about paperwork with you. You have been working for years with Rural Development programs, and I know you are familiar with the paperwork. I have heard from Coloradans, more than I could possibly represent well today, who are so frustrated with the paperwork process for everything, from water to business programs.

I wanted to ask you, if you were going through the USDA RD avocation process for the first time, would it be self-explanatory to you, do you think?

Ms. OMAR. You know, that is a great question. Yes. We have worked with—we have done a number of transactions with, as you know, with USDA, and obviously the first time, when you are working on a new program or working trying to put together a

guarantee program, we do look to work closely with the local office and help guide us through the process, and they have been very helpful.

The programs or the projects that we have financed, they tend to be larger transactions that do require additional due diligence. So the way I communicate those expectations to my borrowers is that oftentimes, when you are buying that piece of real estate, it is the largest investment that company is making in their business. And so, we do want to do a little bit of additional due diligence, make sure that that asset is a quality asset that is being put on their balance sheet.

But again, in our experience, the USDA staff has been available to walk us through the process, answer any questions that we might have. Like I said, this is typical with other programs that we work with. There is just a little bit more due diligence involved.

Senator BENNET. I would like to see how we might be able to streamline some of that because there is a recurrent theme that we hear. But I will be after you for your ideas about that. Thank you. Thank you, Madam Chair.

Chairwoman Stabenow. Thank you very much, Senator Bennet. This is exactly why we wanted to hold the hearing today, is to be able to begin to have that discussion about how we can streamline and consolidate and do effectively what needs to be done, and there are very important things done through the Department of Agriculture for communities, for farmers, for families, for ranchers, for-esters.

But there are a lot of ways in which we can streamline and do a better job. So that is the reason for the hearing and we very much appreciate it. As we come to the close, let me just indicate again that we have held the hearing today to make sure that there is accountability in the administration of Farm Bill programs.

We need to be confident that we are sound stewards of limited taxpayer dollars and that we are cracking down on any fraud and abuse that is in these important programs. So we are going to be asking a lot of questions as we go forward, and to each of our witnesses today, we are going to be asking you to continue to be involved with us as we focus on all of these areas.

Have we provided the right tools and invested in an effort to catch those who would abuse the systems and, in fact, are we catching them? How can we continue to do that? Are we cutting down on inefficiencies and waste that lead to mistakes or cause frustration by those who use the programs? What can we do to consolidate? What can we do to be more effective and efficient?

I think today it is important to note that the hearing has demonstrated that fraud and abuse are not rampant or out of control, but we also know that we need to stay focused and that we need to look for continual improvement, and that is really the job of this Committee.

We have provided the tools to catch those who would commit fraud, and small investments appear to be having major benefits as we look to address those issues, all of which are saving taxpayer dollars.

I think it would also serve as an important reminder to those who are focused on cutting budgets and spending, that misguided

cuts can lead to more waste, fraud, and abuse and damage the agencies' ability to crackdown on those who abuse the programs, and bring them to justice.

In other words, unwise cuts can lead to more wasteful spending. And so, I think we need to be very smart about how we are doing things going forward, and that is something we take very seriously.

And finally, I think we have areas where we clearly can work to cut down on duplication and unnecessary complexity in a whole range of areas so that programs are easier to understand, administer, and use, while also improving our ability to ensure better accountability. I think it would be our Ranking Member's and mine goal, some day to see one form. Our farmers would have to fill out one form to be able to know what they qualify for and what their options are and so on. We will work towards that goal, certainly.

So we look forward to working with the Department and with all of our colleagues, with all of you. We appreciate, Ms. Fong, your efforts, and I continue to applaud and encourage you in your very important efforts.

Mr. Blankenship, we hope that we are going to be able to address some of those issues that you have raised that are frustration to you as you work to be successful for your family on your family farm, and we congratulate you for being here.

Ms. Omar, the same for you. What is done with Rural Development programs is incredibly important and we want to see what we can do to more effectively give you the tools, or at least streamline the process for you to be able to meet the needs of communities, both in Colorado, but all over the country.

So thank you very much to everyone. The meeting is adjourned. [Whereupon, at 11:55 a.m., the hearing was adjourned.]



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**A P P E N D I X**

JUNE 23, 2011

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Senate Committee on Agriculture, Nutrition & Forestry

Statement – Senator Robert P. Casey, Jr.

June 23, 2011 – Farm Bill Accountability: The Importance of Measuring Performance,  
While Eliminating Duplication and Waste

I would like to start by thanking the Administration officials for coming here today to testify on accountability. It is incredibly important that this Committee take a close look at program management and program delivery.

As a former Auditor General and State Treasurer for Pennsylvania, I have spent a great deal of time focusing on making government more accountable and responsive to people's needs. Moving forward, more action must be taken to reduce government waste and reduce the federal deficit. We must put measures into place to improve performance and efficiency and to enhance coordination between agencies and eliminate duplicative efforts.

Evaluation of how USDA programs under Rural Development, Farm and Foreign Agricultural Services, Natural Resources and Environment and Food, Nutrition and Consumer Services have handled the issue of accountability is critical to enabling the reauthorizing an efficient and effective 2012 Farm Bill. I believe that we also have a great deal to learn from the Assistant Secretary for Civil Rights' testimony.

**Senator Saxby Chambliss**  
**Senate Committee on Agriculture, Nutrition and Forestry**  
**June 23, 2011**  
**Farm Bill Accountability: The Importance of Measuring Performance, While Eliminating  
Duplication and Waste**

Chairwoman Stabenow and Ranking Member Roberts, thank you for providing this Committee the opportunity to discuss these important issues. I appreciate the witnesses for being here and providing their testimonies, which I hope will be helpful as we move forward.

All around this city and our country, the topic that's constantly being discussed right now is our federal debt and deficit. Never has it been more important for Congress to look for ways to reign in our federal spending, and while the elimination of duplication and waste is not going to solve our problems, it is certainly a significant and necessary component of what must be done.

The American people are tired of watching their government waste their hard-earned dollars, and Congress, along with Executive Branch agencies, must find ways to be better custodians of the taxpayers' money, and to try to regain their trust by living within our means.

I am happy to work with my colleagues on efforts to find solutions to identifying and eliminating waste. So again, I commend Chairwoman Stabenow and Ranking Member Roberts for holding this hearing to allow this opportunity to gather facts.

**SENATE COMMITTEE ON AGRICULTURE, NUTRITION AND FORESTRY  
FULL COMMITTEE HEARING  
Farm Bill Accountability: The Importance of Measuring Performance, While Eliminating  
Duplication and Waste**

**Thursday, June 23, 2011 – 9:30 a.m.  
G50 Dirksen Senate Office Building**

Madam Chairwoman and Ranking Member Roberts, I would like to thank you for holding today's hearing on Farm Bill Accountability, Measuring Performance, and Eliminating Duplication and Waste.

In light of the current deficit and budget crisis this nation is facing reducing and eliminating waste, fraud, duplication of services and abuse, not only at USDA, but across the entire federal government would make a significant dent in reducing federal spending.

In fact, Madam Chairwoman, as we focus today on measuring performance and eliminating duplication and waste, I believe the federal government needs to take a close look at our nation's agricultural producers as examples of efficient, effective and streamlined operations – learn how they conduct their business operations – and follow their example.

When faced with rising operating and input costs, farmers began utilizing equipment and modifying their operations to make certain seeds are planted at consistent depths and distances to maximize growth potential. Today's equipment can also place fertilizer, chemicals and other inputs precisely where they need to be, without overlap.

Madam Chairwoman, our farmers have learned to make every seed, and every drop of fuel, chemicals, and fertilizer provide the maximum benefit possible. The federal government must, likewise, increase its efficiencies and cost effectiveness of its operations as well.

As we center our attention on streamlining and reducing duplication, I appreciate the steps that USDA has taken, to date to accomplish these goals.

I would like to point out that my philosophy on streamlining at USDA has not changed from the discussions we had during the last farm bill. Cost reductions and streamlining of USDA operations must begin from the top down – here in Washington, D.C. in most cases, and not take place out in the field where our farmers and ranchers are served, until significant progress is made at Headquarters facilities.

Nearly all agricultural producers conduct their business with USDA at county service centers with Farm Service Agency and Natural Resources Conservation Service, or FSA and NRCS.

Crop insurance, administered by USDA's Risk Management Agency, requires data collected by FSA.

I think we all can agree that there is still work that USDA can do to improve the sharing of producer information and records among these agencies, which would reduce the administrative burden at USDA as well for farmers and ranchers participating in these programs.

As we move forward to drafting the next Farm Bill, I believe my colleagues and I on this Committee must carefully analyze all new programs we create and the existing programs we modify to ensure these programs do not create unnecessary administrative hurdles and challenges.

In summary, Madam Chairwoman, I believe this accountability and reducing fraud and waste hearing is an important one in these early stages of drafting the next Farm Bill.

As I stated earlier in this statement and I believe it's worth repeating, reducing and eliminating fraud, waste, abuse and duplication in the delivery of federal programs is very clearly an important step we must take to begin solving our deficit crisis.

**Testimony of Brett Blankenship**  
**before the Senate Committee on Agriculture, Nutrition and Forestry**  
**Hearing on "Farm Bill Accountability: The Importance of Measuring Performance,**  
**While Eliminating Duplication and Waste"**  
**June 23, 2011**

Madam Chairwoman, Ranking Member Roberts and Members of the Committee, thank you for the opportunity to address you today. My name is Brett Blankenship, and I am farmer from Washtucna, Washington, where I produce soft white winter wheat, dark northern spring wheat and spring barley in partnership with my brother, my sister and two of our spouses.

Blankenship Brothers Joint Venture places a high level of importance on measuring performance while eliminating duplication and waste. On behalf of all American taxpayers, I commend you for looking at this topic just as we do on our farm.

On my farm, we have closely studied the administrative and paperwork requirements necessary to participate in federal farm programs. We routinely split up the workload in this area, so I do most of the banking and financial paperwork, while my brother does most of the farm program sign-up and paperwork. There are several days throughout the year when my brother doesn't show up for, what we consider, real work - the physical labor of farming - because he's in a USDA office.

I'm here today to describe that process for you as well as give you a few suggestions to improve it. One thing I want to note up front is that there is wide variation among operations and their experiences in county offices around the country. While I don't claim my testimony will reflect every farmer's experiences, I do think it is representative.

In general, it is my opinion that rules for all federal farm programs ought to be the same. If the program is there to support my farm's work, then no matter what agency is administering it, the rules should not differ. I recognize that cost-share programs are a bit different than safety net programs, but in most cases one set of rules for program participation would be helpful to farmers' ability to deal with all the different sign-up processes.

I also want to say from the outset that while what I describe today might sound pretty dismal, we have seen enormous improvement in this area in recent years. We know USDA is working to streamline its interactions with us on the ground, and we appreciate that. We also appreciate the dedicated work of those in our county offices, despite the financial and logistical constraints these employees face.

**Details of My Operation**

As I mentioned, I farm in partnership with my brother, sister and two of our spouses. Our joint venture is a partnership of several corporations.

We farm just under 10,000 acres in the southeast corner of Washington state. Most of the land we farm is owned by my father's corporation, which has now transferred to its heirs since my father has passed. In the past year we changed the joint venture business structure because one of my brothers retired. This was the second time we've made changes to this configuration

in the past decade. We farm in two counties, though luckily, we manage our interactions with USDA through one county office.

On my farm, we regularly interact with the local USDA-Farm Service Agency (FSA) office; the local USDA-Natural Resources Conservation Service (NRCS) office; and our crop insurance provider.

We participate in ACRE, the Conservation Reserve Program and the Conservation Security Program, and we carry Crop Revenue Coverage, commonly known as CRC crop insurance. We have a CRC combo policy which allows us additional flexibility in assessing our own risk and adjusting our policy to fit our needs for that particular contract year. We were also able to participate in the SURE program in 2008 with payment in 2010. Before 2009, we participated in the direct and counter cyclical program. We have also investigated participation in other conservation programs, but none of them really fit the best management opportunities for our farm.

We estimate these interactions take 25 percent of my management time, with about 5 percent of my total time devoted to CRC options; figuring CRP tradeoffs; determining in which programs we should participate; and determining whether there are implications for the farm business structure or documentation of program sign-up.

A third brother of ours exited the farm business last year. This has necessitated a number of structural changes for us, including the changing of all of our operator forms. If changes must be made to your farm's structure, it's quite a task to change the farm program paperwork. The modest structural changes we have made in the past year have resulted in about 25 hours of document review, with or without professional advice, as well as checking crop insurance paperwork for program compliance, proper beneficial interest assignment to be in compliance with FSA rules, etc.

#### **Program "Silos"**

Like most farmers, I participate in many government and quasi-government programs. All of these programs and offices the farmer interacts with are "silos" of sorts with different rules and procedures. To complicate matters further, staff and computers in these "silos" don't generally talk to one another for legal, technological or cultural reasons.

As I described, I utilize two types of risk management programs, ACRE and crop insurance, and two conservation programs, the Conservation Reserve Program and the Conservation Stewardship Program. These four programs are managed by three entities, so Blankenship Brothers, and most farmers like us, are acting as case managers of a sort for their farm business, especially when you add the capital management entities we deal with to this mix. On our farm we split these responsibilities between my brother and me.

The main entities a typical farmer will deal with include:

**FSA** – In my case, FSA is the easiest local office to deal with. FSA personnel are better trained than others and more familiar with the actual impacts of changes to program eligibility, payment limits, etc. Our local office is pretty well organized and compartmentalized, i.e. one person can answer CRP questions, one person is assigned SURE eligibility questions, one person handles payment limitation questions, etc. Still, there are a multitude of forms for the various programs,



and more signatures are required for joint ventures, which increases the paperwork burden. In my opinion, the silliest form is the adjusted gross income (AGI) paperwork. The Internal Revenue Service seems to have no problem defining who a farmer is, but AGI questions can be confusing.

NRCS – In my experience, NRCS staff are not as well trained on payment questions or eligibility requirements. They are also not generally familiar with FSA programs, so they don't understand the genesis of grower questions on entity configuration and payment limitation rules. NRCS has a different focus and different mission than FSA, and their programs work on different time frames, which can create problems. For instance, the AGI paperwork required by NRCS comes at a point during the year when you haven't done your eligibility paperwork at FSA yet, because signup at FSA hasn't begun yet. NRCS also has different eligibility requirements for partnerships and joint ventures than FSA.

Crop insurance/RMA – We don't have much direct interaction with RMA, but our agents do, and they often seem confused with constant changes in insurance programs. There also seems to be confusion in the proper way to report acreages and yields in a format that transfers easily to SURE eligibility.

Bankers - In our area, banks don't seem to have a great deal of understanding of programs, other than direct payments and SURE. They mostly take assignments of payment streams to cover their risks and always suggest you have CRC insurance. The most important point here is critical to the future farm bill debate yet often overlooked: *farm bill programs help producers obtain their operating capital from the banks.*

Landlords – Landlords are very confused with the recent frequency of changes to the programs and eligibility rules. It often falls to us – the farmers – to explain these programs, particularly when we need landlord approval to participate in a program.

It is also worth noting that the service provided by these entities around the country varies, in some cases dramatically. What I experience at the FSA office in Washington could be very different than what a farmer friend experiences at the FSA office in Kansas, and different still than what a farmer experiences in Ohio.

#### **Interaction with Agencies**

Allow me to provide a general outline of the timeline for federal farm program participation based on my farm's experience. Please keep in mind the time associated with program participation varies depending on farm size and complexity. For comparison, we spend about 15 days planting our crops and about 20 days harvesting our crops.

**Figure 1. Calendar of program deadlines with time estimation**

Deadline	Activity required	If no changes, this can take:	If changes, this can take:
Sept. 30	Determine crop insurance coverage level for fall seeded crops	2-3 hours	4 hours
Nov. 15	Declare fall seeded acres with RMA	2-3 hours	2 days
March 15	Determine crop insurance coverage level for spring seeded crops	2-3 hours	4 hours
June 1	Determine FSA program participation	Variable depending on program familiarity	
June 30	Declare spring seeded acres with FSA and RMA	2-3 hours	2 days

Determining the optimal crop insurance levels for what farm configuration (enterprise unit, etc.) takes several hours, but this is not much different than picking deductibles and coverage levels for auto and other policies.

All in all, the partners in Blankenship Brothers probably make 10 separate visits of several hours to our FSA office per year, minimum, for sign-ups, certification of acreages, CRP status checks, SURE eligibility questions and returning paperwork once proper signatures are collected.

#### **Importance of Technology**

In today's rapidly changing agricultural economy, it is critical that we adopt processes and technologies that streamline and reduce the administrative burden on both farmers and our county USDA office staff. USDA systems are largely paper-based, and direct face-to-face contact is required.

For example, on my farm we have found the efficient management of data is key to our ability to be better environmental stewards and financial managers and allows us to comply with local, state and national regulations. Blankenship Brothers utilizes the computerized yield monitors on our combines and also uses autosteer to streamline our field operations. These two technologies have allowed us to collect very valuable data so that we are able to manage farm productivity and environmental stewardship on an inch-by-inch basis across our acreage.

In our farm management operations, we manage yield data through our computerized spreadsheets, hardcopy warehouse data sheets, and various other paper and electronic spread sheets. Our input application records are GPS-based, with data downloaded directly to our accounting and field mapping program.

This GPS-based data management system meshes very well with the GPS-based mapping recently adopted by my FSA office. This precise measurement allows a very accurate accounting of field size that corresponds to our farm recordkeeping systems as well as the federal farm field numbers for all our program paperwork. I would definitely encourage broader adoption of these GPS-based field maps in USDA offices across the country.

Though we have integrated technology fully into our farm operations, when we visit our local agency offices, we are required switch to direct, one-to-one meetings with the program staff who

manually enter this information into the USDA systems. We bring paper copies of our records to the office and take paper copies of the documents home with us.

This is one of the few areas of my life where communication methods are not relying on e-mail, texts and electronic document handling processes. Today my family communicates primarily on cell phone and I receive a huge amount of information every day by e-mail. It seems it may be time to bring the USDA office communication methods into the 21<sup>st</sup> century.

#### **Ideas for Improvement**

As I have testified, over the past decade or so, my brother and I have seen a strong effort by USDA to streamline the program administration, and we commend them for those efforts. That being said, I have some suggestions for further improvement.

#### Timelines on new programs or changes in programs

In my experience and interaction with farmers across the country, I find that some FSA or NRCS offices proactively reach out to their local farmers to sign up for programs – though sometimes this backfires when programs change and those offices have to call us back in to the office to make paperwork modifications. There are, of course, other offices where the staff members are not as proactive and get a back-log of producers waiting to sign up for programs at the deadlines. The differences between administrative perspectives of offices have caused some producers to go so far as to buy a small parcel of land in a neighboring county in order to transfer all of their acres to that county's FSA office.

More complete timelines of program changes and better communication with producers about those deadlines, which can now be done relatively cheaply using the Internet, could help alleviate these problems. Since cell phones and e-mail are so commonplace these days, announcements, appointments or other communication could be texted and emailed for very little cost.

Changes to ACRE programs created a lot of anxiety for our landlords. In the prior direct payment program, landlords on our operation were paid their direct payment every year based on their share of crop on the land owned and the percentage of the land of the entire farm they own. Blankenship Brothers signed them up for ACRE because we knew the 2009 crop year payment was going to be large enough to outweigh the reduction in the direct payments over the life of this farm bill. When that ACRE payment was made, only the landlords who had land with grain on it during that year were paid because the ACRE payment was based on planted acres. We, therefore, had a small hiccup with one landlord who lost the direct payment without being able to participate in the ACRE payment.

Power of attorney improvements could reduce the amount of time necessary for farmers to participate in the programs. There has been improvement in this area in recent years. However, if there are program changes, then in some cases the currently signed POA no longer applies and we have to go through that paperwork again.

#### Declaring acres

There remains a major challenge in declaring acres properly with FSA and crop insurance, as well as ensuring they have the same numbers.

My FSA office eliminated a large amount of frustration with declaring planted acres and production when they adopted maps that are GPS-based. This very accurate acreage number marries very nicely with my farm records and is used for ACRE, CRP, CSP and crop insurance programs.

However, it took several growing seasons to work through the kinks in the paperwork and even today, if Blankenship Brothers rents ground from a landowner who had incorrect reporting of acreage in the past, then it's quite a headache to get those numbers fixed throughout the computer system. In this case, the local FSA office staff looks to us as operators to fix it when we had nothing to do with the incorrect reporting from the landlord's previous operator.

Many consider us lucky in this regard, still, because I have farmer friends in other areas of the country who still deal with the headache of field acreage discrepancies between the FSA office, NRCS office and crop insurance.

Those farmers who work with offices who don't use GPS-based maps now face enormous headaches associated with acreage reporting because of different declaring rules at FSA and RMA. RMA accepts acres as reported by producers and FSA reports acres based on the manual outlining of fields on computer-based maps. The two different reporting streams frequently create discrepancies between the data and when FSA downloads RMA crop insurance data, a farmer can be disqualified from program participation if the discrepancy was too high (a less than 5 percent discrepancy can cause this) unless the farmer goes through additional verification procedures with their elevator scale tickets.

#### Farming in more than one county

Before the last farm bill discussion, USDA eliminated a significant amount of duplication and burden on farmers who farm in more than one county by allowing us to combine administration of all land managed by our farming operation in one county office. The primary reason behind this at that time was that there is a great distance between some county offices.

However, some farmers across the country are experiencing significantly different sign-up and administrative times between county offices with which they interact. As mentioned previously, in some cases, we have heard of farmers purchasing acreage in a neighboring county in order to move their program administration to a more effective county office staff (already mentioned above). Better accountability for program delivery and more coordination between county offices would be able to eliminate such significant differences. Maybe the county executive directors with more effective management strategies could be employed to mentor less effective delivery staff.

#### Administration of conservation programs

The two major conservation programs in which we participate, CRP and CSP, are handled by different USDA agencies with dramatically different administration experiences by farmers.

CRP, which you qualify for by field, is managed by FSA and pays Blankenship Brothers by direct deposit. The payment limit rules then require the payment to be credited to each individual in our partnership.

CSP, which you apply by "operator of record" or in our case Blankenship Brothers, is managed by NRCS and pays the joint venture by direct deposit. I have been told by agency staff that the

difference is because CSP is discretionary funding and CRP is mandatory, but I really don't understand why that should impact the sign-up or administration of funds.

Like most farm businesses, we structure the business to maximize the opportunities afforded our farm by the FSA programs. We then take this same structure and walk across the hall to NRCS and find they operate on different program eligibility criteria and payment limitations.

In the CSP program, Blankenship Brothers only qualifies for one CSP contract where at the FSA office across the hall we have five payment limit eligibilities for ACRE because we have five people in the partnership. NRCS recently changed their rules to allow for two contracts per farm, but since we were already in a CSP contract, Blankenship Brothers was not able to take this opportunity. It would be a lot simpler if both offices used the same rules.

I do have to say that I really appreciate the FSA administering the CRP program. I think more farmers would be comfortable with CSP and many of the other conservation programs and would be more likely to apply if NRCS provided the technical assistance and FSA administered the paperwork sign-up and payment processing.

It is my personal opinion that FSA administration does not diminish the conservation activity or oversight that happens through NRCS' technical advice or conservation program goals. While the CRP is a FSA-administered program, a producer has to get a conservation plan established to either bring it back into production or adopt practices to keep it in compliance with the program. If a producer is bringing CRP back into production, it takes about a day walking between the two offices to sign the field into conservation plans and farm programs. If CRP is staying in the CRP program, it only takes about an hour. In comparison, in order to qualify for CSP programs, it takes two weeks of compiling data and plans - if the farmer keeps detailed records of all operations on each field.

#### Duplication of safety net coverage

Since the implementation of the new ACRE and SURE farm programs there have been several comments about overlap or duplication of risk management coverage between these programs and crop insurance.

All three facets of the farm safety net protect different areas of risk for our farm. The ACRE program reduces our financial risk from farm revenue and price fluctuations to levels that allow bankers to provide operating capital for our annual activities. Crop insurance protects us from crop losses from production risks (such as weather) that can devastate our capital intensive operations. The disaster program can protect us from the major, regional or state-based weather risks that crop insurance was not ever designed to cover.

Some will say the farm revenue triggers between these three facets create overlap. However each of them has various conditions and qualifications that only cover a portion of that particular risk. So when these are applied together on the farm and we do face a loss that could trigger several of the safety net programs, the combined effect allows us an end result of only losing a small portion of farm assets in the situation.

Without getting into major policy recommendations for these programs, I would like to mention there are interactions between the paperwork for these programs that create frustration. Specifically, many of the extra paperwork requirements for SURE cause conflicts with other programs. For example: if your tenant does not report his harvest in the same way that the FSA

crop ratio worksheet is calculated, your landlord share of that crop becomes ineligible for SURE. Additionally, when reporting production for the ACRE program, the SURE program worksheet that was forwarded to the RMA database blended all acres of wheat in our entire operation. However, the separate farm units are harvested individually. There was an opportunity to prove up the average ACRE program yield on the separate farm that produced well, but there is only one yield number and one line on the report. All of these issues are traceable to the requirements of the reporting for SURE program eligibility.

### **Final Thoughts**

As you can see, the business of being a farmer is not just about cultivating, tending and harvesting a crop – it is also about protecting our operation from enormous risk, and participating in many complicated programs to do that.

In spite of the paperwork and rule conflicts I have described here, I believe the three main safety net programs - DCP/ACRE, crop insurance and SURE - are vital concepts in a true farm safety net. ACRE protects against long periods of price decline; crop insurance protects against weather disasters; and SURE protects against the significant losses that occur when the other programs do not trigger. Conservation programs, which are tangentially related, promote the use of best practices on our farm ground and, in some cases, allow us to undertake stewardship practices we likely could not afford otherwise.

There is much room here, I believe, for rectifying the conflicts inherent in current qualification standards for the various programs; streamlining administration; and letting the various agencies and "silos" do what they do best.

Making thoughtful and efficient changes in these areas should be under consideration by the Committee, as should efforts to continue modernizing the electronic communication to producers, which will go a long way toward streamlining the delivery of service, reducing overhead costs, saving hours of time and establishing consistency.

I appreciate the opportunity to address you today, and I look forward to working with you in the coming months and years to assemble a farm bill we can all be proud of.

UNITED STATES DEPARTMENT OF AGRICULTURE  
OFFICE OF INSPECTOR GENERAL

STATEMENT OF THE HONORABLE PHYLLIS K. FONG  
INSPECTOR GENERAL

Before the  
Committee on Agriculture, Nutrition, and Forestry

U.S. Senate

June 23, 2011



Good morning, Chairwoman Stabenow, Ranking Member Roberts, and Members of the Committee. Thank you for the opportunity to testify about the Office of Inspector General's (OIG) work to help improve oversight and delivery of Department of Agriculture (USDA) programs and operations.

I will begin my testimony with a brief overview of OIG's mission and the work we do. Then, I will discuss examples of how our audit and investigative efforts can enhance the Department's performance and efficiency in three areas: strengthening communication and coordination, reducing improper payments, and increasing oversight and control.

#### **OIG's Mission**

As you know, OIG's mission is to promote the economy, efficiency, and effectiveness of USDA programs and operations by performing audits and investigations to reduce fraud, waste, and abuse. The Inspector General (IG) Act of 1978 established a dual reporting responsibility, whereby IGs report both to the head of their respective agencies and to Congress.<sup>1</sup> This unique relationship provides the legislative safety net that protects OIGs' independence and objectivity as we conduct our oversight responsibilities.

USDA OIG conducts audits designed to ascertain if a program is functioning as intended, if program payments are reaching those they are intended to reach, and if funds are achieving their intended purpose. When we find problems with the programs we assess, we make recommendations we believe will help the agency better fulfill its mission. We do not have regulatory authority over agencies or programs; instead, agencies are responsible for implementing our recommended corrective actions. We also conduct investigations of individuals and entities

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<sup>1</sup> 5 U.S.C. app. 3, §§ 1-13.



that are suspected of abusing USDA programs—these investigations can result in fines and imprisonment for those convicted of wrongdoing in addition to agency disciplinary actions for USDA employees who are found to have engaged in misconduct.

In fiscal year (FY) 2010 through June 1, 2011, our audit and investigative work obtained potential monetary results totaling nearly \$256 million.<sup>2</sup> We issued 89 audit reports to strengthen the Department's programs and operations, which produced over \$46 million in potential results when program officials agreed with our recommendations. During the same period, OIG's investigations led to 743 convictions, with potential results totaling almost \$210 million.

#### **Improving USDA Program Performance and Efficiency**

The 2008 Farm Bill and the 2009 Recovery Act modified or provided additional funds for many existing USDA programs and created new ones for the Department to implement and administer.<sup>3</sup> OIG has responded by conducting audits and investigations that help ensure proper benefit delivery; safeguard programs from fraud, waste, and abuse; and protect the health and safety of USDA personnel and the public.

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<sup>2</sup> Audit monetary impacts derive from funds put to better use and questioned/unsupported costs as established by Congress in the IG Act, 5 U.S.C. app. 3 § 5. Investigation monetary impacts come from recoveries, court-ordered fines, restitutions, administrative penalties, and asset forfeitures.

<sup>3</sup> Formally, the 2008 Farm Bill is titled the Food, Conservation, and Energy Act of 2008, Pub. L. No. 110-234, 122 Stat. 923; and the 2009 Recovery Act is titled the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 115.

*Strengthening Communication and Coordination*

USDA's need to coordinate activities among its agencies and programs is important. Several of its agencies provide payments to producers for programs that have complementary and interlocking missions, such as insurance payments for crop losses through the Risk Management Agency (RMA) and disaster assistance payments through the Farm Service Agency (FSA). Similarly, many USDA responsibilities involve coordination with other Federal Departments, State and local entities, and foreign countries, such as food safety inspection and global trade export initiatives. To deliver programs effectively, USDA agencies must understand how their programs interrelate, and they must work together to create a cohesive, integrated system of program administration and data. Such an approach will increase organizational communication, streamline operations, reduce spending, and improve program efficiency, compliance, and integrity. Examples of our work in this area include the following.

- Our audit of suspension and debarment at USDA showed that the Department could better protect its programs by debarring those individuals and entities that exploit programmatic vulnerabilities. Since debarred individuals and entities are prohibited from participating in Federal programs outside USDA, vigorous and appropriate use of suspension and debarment supports program integrity Governmentwide. Although the Department has authority to exclude those who commit crimes against its programs from doing business with the Government, our audit work showed that convicted program violators were rarely suspended or debarred.<sup>4</sup> Between FYs 2004 and 2007, only 38 of 1,073 individuals convicted of crimes pertaining to USDA programs were debarred—less than 4 percent. USDA officials have

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<sup>4</sup> 50601-14-AT, *Effectiveness and Enforcement of Suspension and Debarment Regulations in the U.S. Department of Agriculture*, Aug. 2010.

agreed that suspension and debarment should be considered more frequently for convicted program abusers, and we are working together to determine the corrective actions needed to employ suspension and debarment more effectively.

- In an audit involving USDA's relationship with another Department, we examined Food Safety and Inspection Service's (FSIS) efforts in conjunction with the Department of Health and Human Services' Food and Drug Administration (FDA) to integrate the nation's food-testing laboratories into a network capable of responding to food contamination emergencies. Through a directive, the President established the Food Emergency Response Network (FERN).<sup>5</sup> We assessed FSIS' implementation of FERN and determined that the agency has made progress, including establishing standardized diagnostic protocols, but needs to take more steps to fully implement the program. We recommended that FSIS work with FDA to update their working agreements and strategy, ensure that there are enough laboratories to handle large-scale emergencies, and use targeted surveillance to improve FERN's readiness to respond to threats to the nation's food supply. FSIS agreed with our recommendations and has initiated a number of corrective actions.
- Coordination is also important within individual USDA agencies. For example, our audit of Forest Service's (FS) invasive species program found that its general lack of internal controls could be traced back to fragmented authority, poor coordination, and inadequate communication.<sup>6</sup> FS' invasive species program is intended to protect U.S. lands and native species, but FS had not established many of the elements necessary to ensure it could do so, including: a proper control environment, an overall risk assessment, and adequate

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<sup>5</sup> Homeland Security Presidential Directive/HSPD-9—Defense of United States Agriculture and Food, 1 Pub. Papers 173 (January 30, 2004). Our audit is: 24601-6-AT, *Food Emergency Response Network*, Mar. 2011.

<sup>6</sup> 08601-7-AT, *Forest Service Invasive Species Program*, Sep. 2010.

performance monitoring. Instead of implementing the program with a coherent strategy, FS relied on functional areas and field units that operated independently of one another. Further, FS divided responsibility for the program between three organizational areas, but gave none of them overall authority for the program. As a result, despite the work of dedicated personnel, FS' overall effort to combat invasive species was not cohesive, coordinated, or effectively aligned with agencywide goals. In general, FS agreed with our recommendation to establish a proper control environment with increased coordination and clear lines of communication.

#### *Reducing Improper Payments*

In FY 2010, USDA reported that 16 programs were vulnerable to significant improper payments ("high-risk" programs) and estimated \$5 billion in Departmentwide improper payments—a 5.4 percent error rate. This represents a significant reduction from FY 2009's 5.92 percent error rate, but still leaves the Department with an opportunity to realize considerable cost savings by continuing to reduce its improper payments.

Governmentwide, the President's 2009 Executive Order, *Reducing Improper Payments and Eliminating Waste in Federal Programs* (EO 13520), and the Improper Payments Elimination and Recovery Act of 2010 (IPERA) strengthen Federal improper payment reduction efforts by establishing rigorous accountability, reporting, and preventative requirements.<sup>7</sup> For example, Federal Departments with high-priority or high-risk programs, such as USDA, are required to name accountable officials, establish goals for reducing improper payments, and issue quarterly

<sup>7</sup> IPERA (31 U.S.C. § 3321 note) supplements the Improper Payments Information Act of 2002. The President also issued two Presidential memoranda expanding payment recovery audits and enhancing payment accuracy through a "Do Not Pay List." The memoranda are: Memorandum on Finding and Recapturing Improper Payments, DAILY COMP. PRES. DOC., 2010 DCPD No. 00162 (March 10, 2010); and Memorandum on Enhancing Payment Accuracy Through a "Do Not Pay List," DAILY COMP. PRES. DOC., 2010 DCPD No. 00512 (June 18, 2010).

high-dollar overpayment reports. These recent improper payment initiatives have also made OIG responsible for evaluating the Department's progress in implementing their requirements.

- As an example of our work in evaluating USDA's progress in meeting EO 13520's requirements, we have reviewed the Food and Nutrition Service's (FNS) accountable official report for its National School Lunch Program (NSLP) and Supplemental Nutrition Assistance Program (SNAP).<sup>8</sup> According to the Department, improper payments for these programs in FY 2009 totaled nearly \$1.5 billion for NSLP and \$2.2 billion for SNAP, which means that reducing their improper payments can yield considerable cost savings for USDA.<sup>9</sup> Our audit determined that FNS needs to improve its methodology for identifying and reporting improper payments within NSLP and that the agency's targeted 5 percent improper payment rate for SNAP was not aggressive enough. FNS generally agreed with our recommendations for both programs and has since lowered its target for SNAP to 4.36 percent.
- We are also reviewing USDA's quarterly high-dollar overpayment reports for FY 2010 to assess their compliance with EO 13520. Further, we will assess USDA's compliance with IPERA beginning in FY 2012 as required. As we continue to review how the Department identifies improper payments and the steps it takes to prevent them, we will assess improper payment trends, determine whether agency actions are effective and compliant, and make recommendations as warranted.

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<sup>8</sup> SNAP is still known as the "food stamp program" to many in the public, although it was officially renamed in 2008. (50024-2-FM, *Calendar Year 2010 Executive Order 13520, Reducing Improper Payments, Accountable Official Report Review*, Mar. 2011.)

<sup>9</sup> USDA's *FY 2010 Performance and Accountability Report*.

- In addition to correctly identifying and reporting improper payment rates, our audit work has shown that ensuring participant eligibility is an important part of reducing improper payments. For example, we audited the Natural Resources Conservation Service's (NRCS) Conservation Security Program (CSP), which encouraged producers to reach "the pinnacle of good land stewardship" by entering into 5 to 10 year contracts that pay them for maintaining high conservation standards and enhancing existing practices.<sup>10</sup> We concluded that NRCS did not adequately restrict participation to only those who were eligible because of their outstanding conservation practices. Instead, the agency awarded over half the contracts we examined (38 of 75) to participants who did not qualify for the program or did not merit their conservation payments. When implementing CSP, NRCS tried to maximize its restricted resources partly by determining producer eligibility based on unverified information that was provided by producers themselves. As a result, NRCS has paid about \$1.4 million for 38 questionable contracts for 2006 and 2007, and is expected to pay nearly \$4.3 million more throughout the contract period. We concluded that NRCS lacked assurance that the \$424 million paid to landowners through FY 2007 had been effectively used to reward and encourage excellent conservation. In general, NRCS concurred with our recommendations to strengthen its controls over the program and we continue to work with them on the corrective actions needed.

To help minimize improper payments, OIG has also audited the internal controls agencies have in place to ensure eligibility for and provide accountability over the \$28 billion in additional funding the 2009 Recovery Act provided for USDA programs in areas such as farm and housing loans.

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<sup>10</sup> The 2008 Farm Bill replaced CSP with the Conservation Stewardship Program, which shares a similar goal of encouraging producers to address resource concerns in a comprehensive manner. (10601-4-KC, *Natural Resources Conservation Service Conservation Security Program*, Jun. 2009.)

The 2009 Recovery Act included \$22.5 million for OIG over 5 years to oversee programs funded by the Act and administered by USDA. In response, OIG initiated a number of short- and long-term actions to provide timely and effective oversight of the Department's expenditure of Recovery Act funds. As of June 1, 2011, we have issued 29 audit and 11 investigative Recovery Act-related reports. Since providing timely information is a priority, we are also issuing short turnaround reports (known as "Fast Reports"), so USDA program managers can take corrective action as soon as we identify problems. As of June 1, 2011, we have issued 53 Fast Reports covering issues such as loan and grant program administration.

- One example of our work in this area involves auditing \$133 million of Recovery Act funds that financed over \$10 billion in single family housing loan guarantees in rural areas. Our statistical sample of 100 loans identified 28 loans where lenders had not fully complied with Federal regulations or Recovery Act directives in determining borrower eligibility.<sup>11</sup> We found borrowers who were ineligible for a variety of reasons such as having annual incomes that exceeded program limits. By guaranteeing loans for ineligible borrowers, other eligible borrowers may not have received guarantees that could have better achieved the goals of the Recovery Act. Based on the interim results of our statistical analysis, we estimate that 27,206 loans were ineligible for the program (over 33 percent of the portfolio)—with a projected total value of \$4 billion.<sup>12</sup>

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<sup>11</sup> 04703-0002-CH(1), *Rural Development Guaranteed Single-Family Housing Loans Made by Lenders to Ineligible Borrowers*, Dec. 2010.

<sup>12</sup> We chose a sample size of 100 because we expected a moderate error rate and wanted the ability to report findings with a +/-10 percent precision (confidence interval) at a 95 percent confidence level.

In addition to programmatic improper payments, there are also individuals who seek to defraud programs, such as FNS' SNAP, of money intended to provide basic nutrition assistance to those most in need. Our investigative work on SNAP resulted in 212 convictions and approximately \$36 million in monetary results for FY 2010. Our main investigative focus is on fraud committed by retailers, primarily because FNS directly reimburses retailers, while States are responsible for ensuring that recipients are eligible. With few exceptions, our investigations yield tangible and direct benefits to the Government, including criminal prosecution, significant fines and penalties, and restitution. The most prevalent crime against SNAP is benefits trafficking, which involves a recipient exchanging benefits for less than face value with someone who then claims reimbursement for the full amount. The money involved in this type of SNAP fraud can be significant.

- For example, in Los Angeles, California, OIG and Secret Service agents executed four search warrants in November 2008 at a restaurant authorized to accept SNAP benefits from recipients in exchange for hot meals, as well as at the restaurant owner's home. They arrested the owner and seized over \$360,000 from multiple bank accounts. The investigation disclosed that the restaurant owner redeemed more than \$1.3 million in SNAP benefits using an electronic benefit transfer (EBT) terminal registered to the restaurant by depleting multiple EBT cards of their balances one cent at a time.<sup>13</sup> In February 2011, the owner was sentenced in Federal court to 37 months' incarceration, followed by 2 years' supervised release, and was ordered to pay more than \$1 million in restitution.

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<sup>13</sup> SNAP recipients redeem their benefits through EBT cards that resemble other bank withdrawal cards.



Other USDA food programs are also at risk for fraud and abuse, such as the Child and Adult Care Food Program (CACFP) and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), which are both administered by FNS. In FY 2010, we opened 26 investigations in these areas and issued 9 investigative reports. This work led to 28 convictions and almost \$3 million in monetary results.

- For example, in one CACFP case, a joint investigation by OIG and the North Carolina State Bureau of Investigation determined that the executive director of a daycare in North Carolina submitted false claims and willfully misapplied program funds. The organization overstated its reimbursement claims to the North Carolina State Department of Health and Human Services and received more than \$240,000 in CACFP funds to which it was not entitled. In January 2011, the director was sentenced in Federal court to serve up to 18 months' imprisonment and 60 months' probation, and was ordered to pay over \$242,000 in restitution.
- In another CACFP investigation, a former program sponsor in Tuttle, Oklahoma, pled guilty to stealing \$1.6 million in program funds. In January 2010, the sponsor was sentenced in Federal court to 41 months' incarceration and ordered to pay full restitution. Our investigation determined that the sponsor inflated the number of meals reimbursed and then submitted the false claims to the State of Oklahoma. The sponsor was also ordered to forfeit all rights, title, and interest in \$1.6 million in assets, including vehicles, residential and commercial properties, and investment accounts, in an effort to recover the stolen funds.
- Retailers who abuse food assistance programs sometimes funnel their illegal proceeds out of the United States. A joint investigation between OIG and the Federal Bureau of Investigation identified a small Somali-owned store in Ypsilanti, Michigan, that was

trafficking in SNAP and WIC benefits, and then transferring money overseas, generally to persons located in the Middle East and the Horn of Africa. The storeowners and employees pled guilty to over \$750,000 in SNAP and WIC fraud. In May 2010, they were sentenced in Federal court to spend a total of 48 months in prison and pay almost \$2 million in restitution.

Several noteworthy OIG investigations involving other USDA benefit programs also resulted in significant monetary recoveries and restitution in FY 2010. For example, for FSA and RMA combined, we opened 76 cases and issued 49 investigative reports, which led to 35 convictions and over \$45 million in monetary results in FY 2010. OIG's investigations into fraudulent activities involving FSA and RMA are some of our most complex investigations because they often involve large monetary amounts and voluminous documentation.

- In a particularly complex FSA case, we determined that a woman who owned a grain trucking and marketing company in Missouri defrauded over 180 farmers out of at least \$27 million. Between 2002 and 2009, she marketed and sold grain for farmers above market prices. As a result, she quickly became one of the largest grain dealers in her State. However, we uncovered evidence to prove that she was operating what is known as a "Ponzi Scheme"—essentially, she was using the money from later sales to cover her previous above market prices. She eventually ran out of money and left her later customers unpaid. Due to our investigation, she pled guilty to fraud and transporting stolen property across State lines, among other crimes. In February 2010, she was sentenced in Federal court to serve 108 months in prison followed by 36 months' supervised release, and ordered to pay \$27.4 million in restitution.

- Working jointly with RMA's Special Investigations Branch and the Internal Revenue Service's Criminal Investigation Branch, OIG investigators found that a large number of farmers in North Carolina concealed their production and then subsequently filed false crop insurance claims based on non-existent losses. This was a far-reaching conspiracy, involving farmers, warehouse operators, insurance agents, and loss adjusters, all of whom assisted in filing false claims and concealing the farmers' actual production. To date, 24 individuals have pled guilty to various crimes in Federal court. These included a tobacco buyer who was sentenced to 18 months in prison and 3 years' probation after he pled guilty to charges of conspiracy to make materially false statements and to commit money laundering. He was ordered to pay \$10.3 million in joint and several restitution and to forfeit over \$647,000. A crop insurance agent also pled guilty to the same charges and was sentenced to 30 months in prison and 3 years' probation. He was ordered to pay \$16.6 million in restitution and to forfeit over \$366,000.

#### *Increasing Oversight and Control*

Federal managers are responsible for controlling the programs and operations they oversee through internal systems that bring about desired objectives, such as making payments accurately and administering programs correctly. Our audit work in this area helps USDA managers identify flaws that can lead to systemic program weaknesses. We also make recommendations for strengthening program control and integrity. However, there will always be individuals and entities bent on defrauding and abusing programs. Accordingly, our investigators work to identify such activity in order to protect USDA resources, Department employees, and the public.

- Our ongoing assessment of the recently implemented Biomass Crop Assistance Program (BCAP) demonstrates that integrating internal program control into a program's design upfront is critical to its later success. Interim reports from our ongoing audit noted that BCAP suffered from hasty implementation, and did not have adequate management controls to prevent abuses particular to the program.<sup>14</sup> The 2008 Farm Bill authorized BCAP, administered by FSA, to support renewable crops that can be used to produce energy. Despite spending over \$243 million to implement one section of the program, which supports the collection, harvest, storage, and transportation of biomass, we found wide-ranging problems, including inequitable treatment of program participants and improper payments. These issues occurred largely because FSA did not develop tools specific to the program's needs, such as specialized guidance. Instead, the agency attempted to use guidance and oversight mechanisms designed for other programs, which left BCAP vulnerable. FSA has taken corrective action in response to our recommendations to develop program-specific guidance and to specify prohibited practices in its BCAP agreements.
- Effective internal controls covering all phases of a program are also important in safeguarding USDA funds. For example, FSA provides temporary financial assistance through direct operating loans to farmers and ranchers who are unable to secure credit at reasonable rates. The agency protects its investment by requiring adequate collateral. However, in our audit of FSA's oversight and control of loan collateral, we found that while FSA's direct operating loans were adequately secured upfront, 25 percent of the borrowers

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<sup>14</sup> 03601-28-KC(1), *Recommendations for Improving Basic CHST Program Administration, Biomass Crop Assistance Program Controls over Collection, Harvest, Storage, and Transportation Matching Payments Program*, Dec. 2010; and 03601-28-KC(2), *Recommendations for Preventing or Detecting Schemes or Devices, Biomass Crop Assistance Program Controls over Collection, Harvest, Storage, and Transportation Matching Payments Program*, Feb. 2011.

we visited had removed their collateral without authorization.<sup>15</sup> We recommended that FSA strengthen its oversight of loan collateral to ensure that it is not removed without authorization, and, if it is, that the circumstances are documented and appropriate enforcement action is taken. FSA officials agreed with our recommendations.

- Ensuring programs are being administered properly is another key to protecting USDA resources, and our audits take notice when agencies are managing their programs adequately. For example, the 2008 Farm Bill directed OIG to examine FSA's loan foreclosure proceedings with respect to socially disadvantaged (SDA) farmers. Our resulting audit concluded that there was no significant statistical difference between FSA's loan foreclosure process for SDAs and other farmers.<sup>16</sup> With some minor exceptions generally related to timing (e.g., late delinquency notification), we reported that FSA's foreclosure process conformed to applicable laws and regulations. We continue to undertake work related to civil rights, such as an audit we recently initiated at the Secretary's request that will address complaints related to alleged discrimination in USDA programs. Specifically, our audit will assess the Department's decisionmaking process for settling with complainants who allege discrimination.
- In addition to administering programs properly, USDA managers are responsible for acting ethically in overseeing programs under their authority. Our investigations also look into cases where Departmental personnel have not lived up to these responsibilities. In such instances, even when there is relatively little money at stake, the risk to the public's confidence in USDA remains high. Fortunately such cases are rare, but in one instance we found that a senior NRCS official applied for and received approximately \$13,000 in agency funds to build a water facility on his goat farm in Mississippi through a program that supports

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<sup>15</sup> 03601-18-CH, *FSA Loan Security*, Aug. 2010.

<sup>16</sup> 03601-49-TE, *Farm Service Agency Socially Disadvantaged Borrower Foreclosures—Farm Program Loans*, Jun. 2009.

such activity. Our investigation disclosed that the official had no goats, but instead paid a contractor to build a recreational pond behind his second home. During our investigation, the official attempted to bribe the contractor with \$5,000 to convince him to provide false information about the project to OIG. In June 2011, in Federal Court, the official pled guilty to making false claims. Sentencing is set for September 2011.

- We also investigate false claims made by those doing business with USDA. For example, our investigation of two owners of a bioenergy company in Mississippi determined that they had submitted false claims in order to defraud the Commodity Credit Corporation of almost \$2.9 million in connection with 2004 and 2005 bioenergy program payments. The owners falsely stated they had used large amounts of soybean oil to make large quantities of biodiesel fuel. One owner was sentenced in Federal court in July 2010 to 60 months of incarceration followed by 60 months of supervised release. In September 2010, the other owner was sentenced in Federal court to 26 months of incarceration followed by 36 months of supervised release. Both were ordered to pay nearly \$2.9 million in joint and several restitution.
- Our investigations also disclosed that the managing owner of an organic company in Texas provided false statements and documents in order to conceal sales of nearly 4 million pounds of various agricultural products, such as pinto beans, which he falsely represented and sold as organic crops in 2005 and 2006. In February 2010, he was sentenced in Federal court to serve 24 months' imprisonment. As part of his sentence, he was also ordered to pay over \$523,000 in restitution and was barred from participating in USDA programs for 5 years.

**Conclusion**

In summary, OIG's work is designed to help USDA enhance performance and efficiency by strengthening communication and coordination to provide for more effective program administration; reducing improper payments to save taxpayer dollars; and increasing control over programs and operations to ensure they function as intended. Our audits and investigations illustrate OIG's continuing commitment to work collaboratively with the Department to improve program economy, efficiency, effectiveness, and integrity.

This concludes my testimony. Thank you again for inviting me to testify before the Committee, and I would be pleased to address any questions you may have.



Written Testimony for the Record

Masouda Omar  
Manager of Business Finance Loan Production  
Colorado Housing and Finance Authority

Before The  
United States Senate  
Agriculture, Nutrition and Forestry Committee  
June 23, 2011

*Colorado Housing and Finance Authority (CHFA) finances the places people live and work.*  
[www.chfainfo.com](http://www.chfainfo.com)



### **Introduction**

Chairwoman Stabenow, Ranking Member Roberts, and Members of the Committee, thank you for the opportunity to speak with you today. It is a privilege to come before you to discuss several of the Rural Development programs authorized in the Farm Bill, and how Colorado Housing and Finance Authority has utilized these programs to support economic development in our state.

I am Masouda Omar, manager of business finance loan production for Colorado Housing and Finance Authority, also known as CHFA. I have worked for CHFA's business lending team for 13 years serving customers in both urban and rural communities, utilizing a variety of financing tools including programs administered by the U.S. Department of Agriculture, the Small Business Administration, and the U.S. Department of Treasury.

### **Colorado Housing and Finance Authority**

CHFA is a quasi-governmental, public-purpose entity created by the Colorado General Assembly in 1973 to increase the availability of affordable housing in the state. In 1982, the Colorado General Assembly expanded CHFA's mission to include business finance for the purpose of providing access to capital for economic development across Colorado. It is CHFA's economic development mission that I will direct my comments to today.

CHFA works in partnership with the regional economic development agencies, as well as large and small lenders in the state to finance business activities. We primarily support real estate and equipment purchases for existing businesses seeking to expand or improve their operations. We do this by offering fully amortizing fixed rate mortgages, with lower down payment requirements which is helpful to small and rural businesses seeking to preserve cash to grow their operations. Historically, CHFA has issued both taxable and tax-exempt bonds to capitalize our efforts. Additionally, we manage resources on behalf of different state partners, such as the Colorado Office of Economic Development and International Trade, and the Governor's Energy Office.

Since 1982, CHFA's business finance efforts have provided nearly \$900 million in capital to over 2,200 businesses, supporting 37,479 jobs. Historically, over fifty percent of our small business loan production has occurred in Colorado's rural communities.

### **CHFA's Partnership with the U.S. Department of Agriculture**

Among CHFA's partners is the USDA Office of Rural Development. Since 1997, CHFA has utilized Rural Development's programs to support our work in Colorado's non-metro areas. During that time, we have financed a number of small businesses and nonprofit organizations using Rural Development's Business and Industry Guaranteed Loan Program, the Community Facilities Loan Guarantee Program, and the Intermediary Relending Program.

As part of CHFA's partnership with Rural Development, we rely heavily on the expertise of their regional offices. There are seven regional offices in Colorado, six of which are located in rural communities. These local offices provide an essential service by acting as an intermediary between CHFA and the local businesses. They are also instrumental in ensuring the smooth delivery of the Rural Development's programs statewide. Our work with the regional offices from the initial stages of structuring the financing and even after the loan is closed to help maintain the ongoing relationship with the borrower as we service the loans.

In CHFA's experience we have found that establishing trust with our rural customers is critical to ensuring a successful outcome. Rural communities take pride in conducting business with someone from the area who is known and reliable. And even though CHFA is a local entity with offices in Denver and Grand Junction, the day-to-day relationship that Rural Development's regional offices provide is invaluable to us. Rural Development's local offices serve as a 'one-stop' shop that connects rural communities with resources that generate economic opportunities. They take on the responsibility of being familiar with other program resources, ensuring that they serve as a conduit for businesses to access help even if it means going outside of Rural Development's programs. I believe USDA's strong track record of financing rural businesses speaks to the service they provide.

#### **Business and Industry Guaranteed Loan Program**

CHFA's first experience using Rural Development's programs was through the Business and Industry Guaranteed Loan Program. The Business and Industry Guaranteed Loan allows CHFA to directly originate loans for small businesses, or businesses employing fewer than 500 individuals. Similar to the SBA program, the Business and Industry program is a loan guarantee, however it is distinct from SBA loans in that it allows non-traditional lenders such as CHFA to participate. It also allows for a larger loan size than SBA programs.

An example of how CHFA was able to use this unique feature of the Business and Industry program is the Durango and Silverton Narrow Gauge Railroad. Using the Business and Industry Guaranteed Loan, CHFA was able to provide the Durango and Silverton Narrow Gauge Railroad with \$16.5 million in long-term financing to replace short term variable rate debt that was coming due. The \$16.5 million loan amount would have exceeded SBA's maximum loan size. However, CHFA's ability to assist the Railroad was an important economic development opportunity for our state.

The Railroad is a popular tourist attraction in southwest Colorado drawing over 200,000 visitors to the Four Corners area each year. It provides jobs to over 200 people and is responsible for nearly \$100 million in annual economic impact to the area. Small businesses such as the Durango & Silverton Narrow Gauge Railroad are the backbone of Colorado's economy. Tourism accounts for 25 percent of the economy in the Four Corners area, and the Railroad is estimated to impact 16 percent of total employment in La Plata and San Juan counties.

**Community Facilities Loan Program**

Another Rural Development program CHFA utilizes is the Community Facilities Loan which, as you are aware, is similar to the Business and Industry Guaranteed Loan except that it is used to finance nonprofit organizations. To our knowledge, USDA is the only agency that guarantees loans to nonprofits which is critical to ensuring that these organizations have access to capital to meet their mission. Oftentimes nonprofits, due to a higher risk profile, can face difficulties securing financing through traditional outlets, which is why the support provided through the Community Facilities Loan program offers solutions to help lenders extend credit.

Young Tracks Preschool and Childcare Center is an example of a project that CHFA financed using the Community Facilities program. This nonprofit daycare center is located in Steamboat Springs Colorado, a community of less than 10,000 people whose primary industry is tourism. Young Tracks was referred to CHFA by a local bank who was unable to provide financing because the request was outside of the bank's traditional underwriting criteria. CHFA partnered with USDA who not only provided a Community Facilities Loan Guarantee, but also funded a direct loan which together provided the necessary dollars to build a new facility. Once the permanent financing was arranged, the local bank was able to reach a greater level of comfort and provided Young Tracks with an interim loan to fund the construction costs.

Building the facility has greatly enhanced Young Tracks ability to serve the community. It allowed them to add a new infant care program that was previously not available, as well as an expanded classroom capacity for its preschool activities. Still today, Young Tracks is the only infant and toddler program open to the public for a 27 mile radius. They have nearly 100 children enrolled in their services, and their clients are all low and moderate income households.

**Intermediary Relending Program**

Another way that Rural Development benefits the communities they serve is by providing low interest rate loans to lenders allowing them the flexibility to establish their own revolving loan fund programs to generate economic activity in underserved areas. This program, called the Intermediary Relending Program (IRP), targets small businesses in communities of 25,000 and under. CHFA has been one of a number of lenders in the state and nationally that have received IRP funding. We leverage the funds with our own internal resources to provide long-term fixed rate mortgages to small businesses located in remote areas of Colorado. CHFA's goal in deploying IRP funds is to reach counties with the greatest need based on their levels of out-migration, unemployment, and poverty rates. Thirty-two of Colorado's 64 counties have benefitted from CHFA's use of the IRP funding.

Eastern Colorado Seeds is an example of CHFA IRP beneficiary. Colorado native, Clay Smith founded Eastern Colorado Seeds in 2002. The company specializes in seed which is used as

feed for livestock. Eighty percent of the company's revenue is generated through the sale of forage crops.

Eastern Colorado Seeds' success can be attributed to the expertise and local connections of Mr. Smith. Raised in Burlington, Colorado, he first started to learn the business from his father who was a fertilizer and seed consultant to the local agricultural community. Clay graduated from Colorado State University with a degree in Agriculture and worked for several organizations that helped build his understanding of Eastern Colorado and Western Kansas farmers' needs.

Clay was operating Eastern Colorado Seeds from his personal residence and a rented warehouse. However, as his business grew, Clay secured a lease-purchase agreement for two new buildings located one mile north of Burlington to provide greater storage capacity and a conditioning facility for his business. CHFA helped finance the purchase of the buildings using our rural lending program that provides borrowers with a 20-year fixed rate term. The payment stability helps Clay control costs as he continues to grow his business.

### **Opportunities**

As you can see, Rural Development's programs are very valuable to Colorado. As such, ensuring their ongoing and efficient delivery is critical. One of the ways that Rural Development could enhance their customer experience would be to consider allowing multiple federal financing programs to be leveraged or stacked together. For example, currently lenders are prohibited from using both a Rural Development program together with the New Markets Tax Credit program. CHFA is the managing partner of a Community Development Entity (CDE) called the Colorado Growth and Revitalization Fund (CGR Fund). We use this fund to support businesses in historically underserved areas. To date, the CGR Fund has received two New Markets Tax Credit allocations totaling \$75 million. Eighty-eight percent, or \$66 million, of the credits have been committed or deployed to eight projects across the state. These resources supported over 1,800 jobs. The fund has \$9 million in tax credits remaining and targeted for use in rural areas. However, the costs associated with completing a New Markets Tax Credit transaction, as well as the various program criteria has made it difficult to deploy these resources in non-metro areas. By allowing Rural Development's programs to be used in conjunction with New Markets Tax Credits additional opportunities for financing rural businesses could be created, which would be very helpful particularly in today's economic environment.

Thank you again Chairwoman Stabenow, Ranking Member Roberts and Members of the Committee for allowing me to speak with you today. I applaud your leadership as you continue your work to support the nation's rural communities. I look forward to answering any questions.

**United States Department of Agriculture**  
**Before the Senate Committee on Agriculture, Nutrition and Forestry**  
**June 23, 2011**

Madam Chairwoman, Ranking Member and Members of the Committee, thank you for the opportunity to discuss the importance of measuring performance, while eliminating duplication and waste at USDA. As we fulfill our responsibility to serve the American people, we are working to live up to President Obama's call to deliver the most transparent, accountable, and responsive government in history. Through the leadership of Secretary Vilsack, we continue to look for ways to streamline the process, work more collaboratively and save money through efficiency.

We face extraordinary challenges – creating new opportunities for economic growth and job creation in rural America, transforming our energy supply, safeguarding the health of the environment, improving our children's well being, and providing fair and equitable access to all our programs and services. These challenges can seem overwhelming, but by focusing our attention on achieving desired program outcomes, continual improvement, and innovation, we will be able overcome these challenges.

**Eliminating Inefficient Spending**

Last week, President Obama and Vice President Biden launched the Campaign to Cut Waste. The goal is simple: hunt down and eliminate misspent tax dollars in every agency and department across the federal government. The President made it clear that no amount of waste is acceptable – not when it's taxpayer dollars and not at a time when so many Americans are already cutting back. The Campaign builds on the Administration's ongoing effort to make government more efficient, effective, and accountable to the American people.

Secretary Vilsack has set a clear course for reform and cost savings. Over the last two years, we have reduced unnecessary travel, cut postage costs by utilizing electronic communications, canceled bad loans, and improved the USDA's data center, which has achieved

approximately \$1.6 million in savings. These efforts remain active, and they are critical to the President and Secretary's agenda. USDA also reduced its non-commodity contract spending since FY 2008 by over \$68 million (2.8 percent) in FY 2010. In 2009, FSA reduced administrative operating expenses in the areas of travel, printing, supplies, and equipment that will result in a savings of \$3 million. In addition, the Department reduced its use of high risk contract vehicles by 20 percent while increasing the rate of certification for its procurement personnel by 9 percent. The Department continues to implement additional acquisition savings strategies, including the Federal Strategic Sourcing Initiative, and anticipates expanding their use in FY 2011.

Under USDA's Data Center Consolidation Plan, we will be reducing the number of our IT data centers down from 45 to 7 by 2015. The USDA has selected the National Finance Center (NFC), run by the Office of the Chief Financial Officer, to provide data center hosting services for the Department's new financial system. Under the Financial Management Modernization Initiative, NFC will provide full hosting services, which will reduce the Department's costs by \$17.5 million over the next three years.

We share the President's vision of a strong economy, and therefore have made important budget decisions. The USDA saved \$6 billion through the negotiation of a new Standard Reinsurance Agreement for crop insurance, \$4 billion of which will go to pay down the federal deficit while the remaining \$2 billion will expand critical programs for America's producers.

In developing the President's 2012 budget, we worked to identify programs that do not work, are out of date, or are duplicative. The budget effectively measures the use of available budget authority for program areas that operate a direct and guaranteed loan program for the same or similar loan purposes. In certain instances, negative subsidy rates have led to the termination of the more costly companion program. For example, the Community Facilities Guaranteed Loan program was terminated due to the reduced subsidy rate associated with the direct program. The negative subsidy rate for the direct loan program enables the government to support more projects at a lower cost, virtually eliminating the need for budget authority to support these activities.

**Reducing and Recapturing Improper Payments**

We acknowledge that managing our resources is fundamental to our success. Waste and abuse draw scarce program resources away from the people who need them the most. Just as importantly, these programs cannot be sustainable without continued public confidence that benefits go to those who qualify for them, are used appropriately, and achieve their intended purposes. USDA cannot sustain the Nation's commitment to these programs without fully meeting the expectation that they be effectively managed at all levels.

Our FY 2010 results demonstrate that improper payment error rates are being reduced and progress is being made. USDA's improper payment error rate of 5.37 percent for FY 2010 declined from 5.92 percent in FY 2009. Seven USDA high risk programs, which are susceptible to improper payments greater than \$10 million and 2.5 percent of program outlays, reported improper payment error rates below their FY 2009 error rate. Six of these programs, representing 61 percent of USDA's total high risk program outlays, reported error rates below their reduction targets in FY 2009. This number exceeded USDA's goal of achieving reduction targets for 50 percent or more of the Department's total high risk program outlays.

Recently, Secretary Vilsack announced that the national average level of program payment error for SNAP has been reduced to 3.81 percent, a 0.55 percentage point reduction from the 4.36 percent reported for FY 2009. This reflects a record level of payment accuracy for the Program of 96.19 percent - the fourth consecutive year of record low error rates, and the continuation of a decade long improvement trend. In the absence of this improvement in the payment accuracy rate, FY 2010 improper payments would have been \$356 million higher. It is also important to note that over 98 percent of all SNAP participants are in fact correctly certified to receive benefits—USDA continues to work hard to ensure they receive the *correct level* benefit. Our success in reducing the SNAP error rate is directly attributable to a strong partnership between USDA and the State agencies which administer SNAP. This shared commitment to payment accuracy has been maintained even as the States struggled to meet record demand for Program services at time when State budgets are severely challenged.

Another significant action taken was to ensure collaboration between the Department of Treasury and USDA to identify potential fraudulent and improper payments in farm programs. Since the 2009 crop year, all farm program payment recipients are required to sign a form which grants the Treasury Department the authority to provide income information to USDA for verification purposes. The reform institutes better accountability in programs and renders those out of compliance as ineligible for USDA payments. In 2009, FSA reduced the error rate in farm program payments from 2 percent to under 0.1 percent.

In support of the President's Executive Order 13520, the Administration launched a new website, [www.PaymentAccuracy.gov](http://www.PaymentAccuracy.gov) to give taxpayers a way to join the fight by reporting suspected incidents of fraud, waste, and abuse. On this site, you can see the rates and amounts of improper payments for each agency, the targets each agency has set for reducing improper payments, and the names of the designated accountable official at each agency responsible for meeting those targets. Also, a "Do Not Pay List" was created to serve as a single source through which all agencies can check the status of a potential contractor or individual so a barred or ineligible individual or organization is not paid erroneously. These actions are just a few of the steps the Administration has taken to fulfill its commitment to reduce improper payments through increased transparency, enhanced agency accountability, and to create new incentives for state and local governments.

Agencies are exploring innovative tools and solutions for recapturing improper payments and enhancing payment accuracy. Some significant achievements include a Memorandum of Understanding (MOU) between FSA and the Internal Revenue Service (IRS). The MOU allows FSA to crosscheck producer certifications to ensure that they meet the adjusted gross income (AGI) eligibility requirements for participation in farm programs against the IRS income tax data. No tax data is exchanged, rather a list of farm program applicants is submitted to the IRS and the IRS returns to FSA a list of producers whose may be ineligible to participate. FSA requires the identified at-risk producers to provide additional data to verify their eligibility.



FNS is constantly seeking to identify new ways to improve program integrity in SNAP, while ensuring access and customer service. USDA and its State partners have continued to regularly make progress through a combination of thoughtful policy and the application of technology solutions. A range of policy options offered to the States by USDA, including business process reengineering, broad based categorical eligibility and simplified reporting, have allowed States the administrative flexibility to tailor the program to best meet the needs of their population while reducing or eliminating known sources of error. Careful examination and redesign of critical business processes by the States, coupled with targeted investments in technology, have also played an important role.

Significant opportunities exist to provide more access to data needed to analyze causes and trends in SNAP improper payments. Making available more robust data through a web-based environment will greatly enhance the ability of FNS and the States to spot emerging trends and act on them proactively. For FY 2012, the budget proposed increased funding to support the automation of the State and Federal SNAP quality control process. FNS will require States with payment accuracy challenges to implement corrective action plans and technological upgrades to improve control.

USDA is not just concerned with payment accuracy, making certain participants receive the proper benefit. It also works to ensure that benefits are used for their intended purpose – helping low-income households secure a healthy diet. The sale or purchase of SNAP benefits for cash is called trafficking, an illegal activity punishable by criminal prosecution. Trafficking in SNAP is not tolerated. Over the last 15 years, FNS has aggressively implemented a number of measures to reduce the prevalence of trafficking in SNAP from 4 percent down to its current level of 1 percent. Over the last ten years, 8,045 retail stores were permanently disqualified due to trafficking. Recipients who commit fraud also face penalties including disqualification.

Despite the significant decline in trafficking in SNAP, FNS continues to implement aggressive measures to improve program integrity and detect and stop fraud. All available resources – from state-of-the-art technology to undercover investigations to criminal prosecutions – are used to reduce and prevent trafficking and other program abuses. All of this

allows FNS to focus on high risk cases and further advance our ability to ensure that recipients and retailers who misuse benefits meant for those in need of food assistance are held accountable for their fraudulent actions.

FNS is also implementing “direct certification” for children eligible for free lunches and breakfasts. The process of direct certification involves the use by schools of income eligibility data from households with school-aged children, so that the school can certify free meal eligibilities without additional paperwork from the household or for the schools. Means-tested programs, such as SNAP, have stricter eligibility and verification requirements than the school meals programs. Use of this information allows certification of children certain to be eligible, permitting schools to focus their efforts on recruiting and accurately determining the eligibility of other children with more complex eligibility profiles, which helps improve correct certification and reduce improper payments.

The 2012 Budget includes a legislative language request to be added to a list of agencies that are allowed to access the Department of Health and Human Services New Hires Database. RD will use this database to verify incomes of residents living in Section 514 and 515 financed properties. Residents living in these properties are required to certify their income level annually or if income levels fluctuate by \$100 a month during the year. The database would allow RD to verify income and employment information utilizing social security information. Verifying this information will ensure that an appropriate level of housing subsidy is being provided on behalf of the tenant.

#### **Improving Program Delivery**

Recently, the President announced the creation of the White House Rural Council which will be headed by Secretary Vilsack. The goal of the Rural Council is to enhance the Federal Government's efforts to address the needs of rural America, to better coordinate Federal programs and maximize the impact of Federal investment to promote economic prosperity and quality of life in our rural communities. The White House Rural Council will focus on actions to better coordinate and streamline federal program efforts in rural America, and to better leverage

federal investments. The collaboration will result in better programs and services in rural communities and maximize the benefits of those programs.

Secretary Vilsack has challenged us to think creatively about how we do business and make changes in structure, program delivery, staffing, or responsibilities to improve our efficiency or quality of service. But we are not doing this alone. Consistent with the President's Executive Order 13563 on regulatory reform, we have asked for public comment on whether any existing program rules should be modified, streamlined, clarified, or repealed to improve access to USDA programs. Our intent is to minimize burdens on individuals, businesses, and communities attempting to access programs that promote economic growth, create jobs, and protect the health and safety of the American people. The comments will allow us to hear directly from those who use USDA programs as we work to streamline rules in a way that improves access to resources intended to create jobs and grow the economy.

The following are some examples of our current efforts to simplify and improve program efficiencies, reduce administrative and operating costs, and reduce barriers for entry and access to USDA programs:

- **Rural Development (RD):** To better serve its customers, RD is reviewing its regulations to determine which application procedures for Business Programs, Community Facilities Programs, Energy Programs, and Water and Environmental Programs can be streamlined and requirements synchronized. RD is approaching this exercise from the perspective of the people it serves, specifically by communicating with stakeholders on two common areas of regulation that would provide the basis of reform. This process will look to have similar requirements for programs that are focused on a similar applicant base, such as non-profit, Native American Tribes, and public bodies such as Community Facilities and Water and Environmental Programs will make an effort to have similar requirements.

To the extent practicable, each reform effort will consist of a common application and uniform documentation requirements making it easier for constituency groups to apply for

multiple programs. In addition, there will be associated regulations for each program that will contain information specific to each program.

The first area will provide support for entrepreneurship and business innovation. This effort will streamline and reformulate the Business & Industry Loan Guarantee Program and the Rural Energy for America program. The second area will streamline programs designed for municipalities, tribes, and non-profit organizations, specifically Water and Waste Disposal; Community Facilities; and programs such as Electric and Telecommunications loans that provide basic community needs. This regulatory reform initiative has the potential to reduce the burden to respondents (lenders and borrowers) by as much as 25 percent.

RD also continues to transition to a new computing environment that provides greater flexibility for management and business development. The Comprehensive Loan Program (CLP) retires legacy accounting systems and replaces them with upgraded accounting systems that can be utilized to support business needs of today. Replacing these systems mitigates difficulties in modifying, maintaining, and meeting new requirements, improves the use for internal and external customers, improves the integrity of the entire loan portfolio, and improves management reporting and analyzing capabilities. No new funding has been requested for this transition and all savings realized from reducing infrastructure costs are being used to continue the transition. The CLP will enable RD to implement new statutory or regulatory provisions in a more timely and effective manner.

- **Natural Resources and Environment (NRE):** NRCS has initiated the Conservation Delivery Streamlining Initiative (CDSI) to implement a more effective, efficient, and sustainable business model for delivering conservation assistance across the Nation. NRCS plans to simplify the customers' participation in NRCS' technical and financial assistance programs, streamline the delivery and timeliness of conservation assistance to clients, and enhance the technical quality of NRCS' conservation planning and services. CDSI will:
  - Allow NRCS field staff to spend more time on conservation planning in the field with customers, reduce the time needed to implement cost-share contracts, and provide more flexibility for customers to work with NRCS in different ways. NRCS estimates that this

initiative has the potential to significantly reduce the amount of time required for producers to participate in USDA's conservation programs. This includes efficiencies from reduced paperwork, data entry by the client, and reduced travel time to and from the local office to complete forms and other administrative tasks. Improvements being considered include:

- Provide an online portal that will give customers a 24/7 ability to apply for programs or services, review their plans and contracts, view and assess natural resource information specifically about their farm, evaluate the costs and benefits for various conservation treatment alternatives, notify NRCS of installed practices, and check on contract payments;
- Provide clients with more timely and specific information on alternative conservation treatments, including the environmental benefits of their planned and applied practices;
- Accelerate payments to customers; and
- Simplify conservation plan documents to more specifically address customers needs and goals.

Through reduced document handling, reduced decision-making and approval times, improved access to best-available information and technology, and staffing strategies that are aligned with streamlined processes, NRCS and USDA will benefit from a business model that will enable field technical staff to spend as much as 75 percent of their time in the field with clients, compared to the 20 to 40 percent now often reported.

The 2012 budget includes additional funding for the Conservation Effects Assessment Project (CEAP) that will enable NRCS to form the basis for demonstrating outcomes from conservation programs and improve the reliability and accuracy of data sources for national, regional, and watershed-scale assessments. It will also allow for more accurate and useful estimation and measurement of conservation accomplishments and enhance NRCS's ability to effectively target assistance to areas with the greatest need. CEAP tools also will support further CDSI development. For example, CDSI will use CEAP technology to estimate sediment, nutrient, and pesticide transport in order to formulate conservation alternatives with clients and resulting potential environmental benefits, which will streamline financial assistance delivery.

NRE, in cooperation with the Council on Environmental Quality (CEQ), are considering a series of initiatives to improve and streamline the NEPA process as it applies to Forest Service (FS) projects. Without jeopardizing environmental quality, these initiatives would distinguish those projects that may have little or no adverse impact. Before beginning a management project, FS undertakes extensive environmental analyses under the National Environmental Policy Act (NEPA). These analyses ensure that FS fully considers the environmental implications of projects and examines a range of alternatives. NEPA compliance costs are a significant expense for the Forest Service and the reviews entail significant time commitments. An average Environmental Impact Statement (EIS) can take over 1 ½ years to complete and an Environmental Assessment (EA) over 8 months.

These Forest Action Plans collectively represent the first-ever strategic plan for the Nation's state and private forests. The impetus for this historic effort grew out of landmark changes in the Food, Conservation, and Energy Act of 2008 (the 2008 Farm Bill), when Congress tasked the States and territories to craft assessments of the forests within their boundaries and develop strategies to address threats and improve forest health. States had flexibility in the approach they used to develop their assessments and strategies, but all States were guided by three national priorities:

- Conserving working forest landscapes
- Protecting forests from threats
- Enhancing public benefits from trees and forests

In 2010, the States and territories each produced Statewide Forest Resource Assessments and Strategies (59 in total) containing an in-depth analysis of the state and private forests within their boundaries and the resulting strategies to address the various threats they identified. According to the Assessments (called Forest Action Plans for short), the primary trends and threats facing the Nation's state and private forests include changing ownerships of private lands, increased urbanization and conversion of forestlands to other uses, and the effects of climate change, wildfire, and invasive species.

The resulting Forest Action Plans provide an analysis of forest conditions and trends and delineate priority forest landscape areas. They offer practical, long-term plans for investing State, Federal, and other resources where they can be most effective in achieving national conservation goals.

In addition, the Forest Service is in its fourth year of implementing the State and Private Forestry Redesign effort, which is a progressive strategy intended to focus and prioritize funds and resources to better shape and influence forest land use on a scale, and in a way, that optimizes public benefits from trees and forests for current and future generations. In FY 2011, the Forest Service will continue to advance its mission to sustain the Nation's forests through the Redesign effort by allocating at least 15 percent of net funds (not including national commitments) available for the Forest Health Management - Cooperative Lands, State Fire Assistance, Forest Stewardship, and Urban and Community Forestry programs through the Redesign's competitive process. This competitive process is based on the assumption that our collective efforts will be most effective if available resources are focused on issues and landscapes of national importance, and prioritized using Forest Action Plans on activities that promise meaningful outcomes on the ground. This competitive resource allocation was identified as an effective means of ensuring that federal State and Private Forestry (S&PF) dollars are invested in projects that meet this standard.

In FY 2010, S&PF competitively allocated \$19.21 million to State Foresters, supporting 98 projects in 46 States (as well as 3 Pacific Islands and Puerto Rico). These allocations enabled the Forest Service to leverage almost \$24 million partner dollars and in-kind contributions. These projects included such things as partnerships to reduce forest fragmentation to efforts to encourage the development of wood energy to hazardous fuels treatments near communities.

The Forest Service embarked on an initiative to achieve \$90 million of administrative savings in FY11 by way of acquisition efficiencies and reduced contract spending. The agency's acquisition work is accomplished at over 160 locations Service-wide. A small team is leading this effort by focusing on the capture and reporting of acquisition savings and on training Project Managers about techniques for decreasing contract costs and eliminating unnecessary

requirements. The majority of contract savings to-date have come from the IT acquisition group located at the Albuquerque Service Center, where they have been aggregating contract requirements to realize economies of scale, re-evaluating market research and requirements to minimize costs, and converting contracts from labor hour to fixed price. In the first half of FY11, the agency has realized \$11.6 million in savings and an additional \$51 million of cost avoidance over the next three years. Based on current spending levels, the agency is on track to achieve their \$90 million target in savings by the end of the fiscal year.

### **Improving Program Performance**

Strategic planning is a dynamic process used by USDA to ensure the best results for America. USDA's Strategic Plan outlines our strategy to build a revitalized rural economy that creates real opportunity for growth and prosperity. The plan articulates four strategic goals and 14 objectives that describe the Department's major programmatic policies and our commitment to provide exceptional service and state-of-the-art science through consistent management excellence across the Department.

In order to achieve meaningful performance improvement, we have identified desired outcomes and performance measures, as well as the means and strategies to achieve them. Performance measures are used to track the progress of attaining our objectives and overarching goal. We continually assess the quality of our services and our success in reaching our goals. The process involves an in-depth review of each of the agency's goals, objectives, and performance measures as they relate to the achievement of the Department's strategic goals. The results of this review form the basis for specific budget proposals and are reflected in our Annual Performance Plan, which is released with the budget. In addition, every year, the Department releases the Performance and Accountability Report, which tracks our achievement progress. In the 2010 report, we reported that agencies met or exceeded 31 of the 41 measures, 8 were unmet, and 2 were deferred.

Our close attention to performance outcomes and results has allowed USDA to better support its constituents as they strive to take advantage of today's new opportunities. We have



achieved many important successes by ensuring access to innovative technologies, promoting the production of renewable fuel and energy, opening new markets for crops, better utilizing our natural resources, and improving the health of America's children.

### **Rural Development**

We have made substantial investments in rural America to help people capture emerging opportunities. With more than 40 Farm Bill programs, RD was able to provide resources to modernize our Nation's infrastructure, provide broadband access, enhance energy independence, expand educational opportunities, and provide affordable health care. More than 33,700 rural jobs were created and saved as a result of the assistance that RD provided to more than 500 rural businesses; and more than 150,000 rural residents became homeowners in fiscal year (FY) 2010.

President Obama established a goal to deploy the next generation of high-speed wireless coverage to 98 percent of all Americans. With funding from the Recovery Act, we have done more to bridge the digital divide for rural Americans than many ever thought possible. Nearly 7 million rural residents, 364,000 businesses, and 32,000 anchor institutions – such as schools, libraries and hospitals - will gain easy and affordable access to high-speed broadband. These projects will create more than 25,000 immediate and direct jobs and are expected to contribute to long-term economic development opportunities in each rural community where a broadband project is launched.

Advancing biomass and biofuel production, which has the potential to create green jobs, is one of the many ways we are working to rebuild and revitalize rural America. By producing renewable energy – especially biofuels – America's farmers, ranchers, and rural communities have the ability to help ensure our Nation's energy security, environmental security, and economic security. Through investments in energy efficiency and renewable energy sources, farms, and rural small businesses across the country can reduce their energy consumption and energy expenses.

In 2009 and 2010, USDA has helped nearly 4,000 rural small businesses, farmers, and ranchers save energy and improve their bottom line by installing renewable energy systems and energy efficiency solutions that have produced or saved a projected 4.67 billion in kilowatt hours – enough energy to power 390,000 American homes for a year. USDA investments in renewable energy led to the production of nearly 1 billion gallons of advanced biofuels in FY 2010. Through USDA's 'Wood to Energy' initiative, we are helping expand the use of woody biomass as a clean renewable fuel while accomplishing forest restoration work.

#### **Farm and Foreign Agricultural Service**

Developing and supporting market opportunities for agricultural producers overseas has created jobs and prosperity in rural America. Strong U.S. farm exports are a key contributor to building an economy that continues to grow, innovate, and out-compete the rest of the world. Under President Obama's National Export Initiative (NEI), we are on track to double U.S. exports by 2014 by providing support businesses, both large and small, in ways that will allow us to reach more of the world's consumers. For FY 2011, USDA is currently projecting agricultural exports will reach \$137 billion, an increase of \$28 billion over last year.

Every \$1 billion in farm exports supports roughly 8,400 jobs in the United States. The growth in exports projected for this year is expected to support over 237,000 additional jobs. To build on this progress we need to continue to reach out to small and medium-sized businesses and to provide guidance and assistance on breaking into export markets. Currently, only 1 percent of U.S. companies export their products.

USDA plays a pivotal role in protecting and restoring America's forests, farms, ranches, and grasslands, while making them more resilient to threats and enhancing natural resources. The Department partners with private landowners to help conserve and protect the Nation's 1.3 billion acres of farm, ranch, and private forestlands. The Conservation Reserve Program (CRP) has reduced soil erosion by more than 8 billion tons, including an estimated 325 million tons in 2010. On fields enrolled in CRP, nitrogen and phosphorus losses were estimated to be reduced

by 607 million pounds and 122 million pounds, respectively, in 2010. In addition, CRP acreage reduces the impacts of downstream flood events and recharges groundwater aquifers.

The Risk Management Agency (RMA) has successfully used data mining for a number of years to combat suspected fraud, waste, and abuse in the Federal crop insurance program. Currently, RMA and FSA are in the process of developing a joint system of records notice that will allow FSA data to be used in the data mining process. This change is expected to improve RMA data mining capabilities to reduce fraud and abuse in the Federal crop insurance program and will, for the first time, allow data mining to be used to identify potential fraud and abuse in the FSA farm programs. FSA and RMA have also developed the Common Information Management System (CIMS), which provides for the sharing of common producer data between FSA, RMA, and the approved insurance providers. The sharing of data allows for timelier cross checking of producer information to reduce fraud and abuse as well as inadvertent data entry errors.

#### **Food, Nutrition and Consumer Services**

USDA's Food and Nutrition Service administers, in partnership with the States, the Nation's nutrition assistance programs, which serve one in four Americans annually. These programs are critical to this effort. Yet significant challenges remain that underscore the difficulty of achieving this goal. Unemployment and poverty rates remain unacceptably high, particularly childhood poverty. In the midst of these challenges, the nutrition assistance programs have responded decisively to help struggling families put food on the table. Participation in the Supplemental Nutrition Assistance Program (SNAP) has grown dramatically to a record 44.5 million people in March 2011, roughly half of which are children. And throughout the sharp rise in participation, the Department has continued to work with its State partners to promote access without sacrificing integrity. Last week, the Department announced the Fiscal Year 2010 SNAP Quality Control error rate – a record-low 3.81 percent, reflecting our close partnership with the State agencies that operate the program and this Administration's commitment to financial stewardship of citizen's tax dollars.

Our state partners have also responded to USDA/FNS-led efforts to streamline administration and cut through the red tape that serves as a barrier to struggling families and creates a burden to already overworked State agencies. In SNAP and other programs, we have made it easier for eligible low-income working families to get benefits by encouraging States to adopt policy options and use technology that can simplify the process of obtaining critically-needed assistance. We have also enabled low-income children to receive free school meals by promoting direct certification, which uses data from other means-tested programs to ensure that these children meet eligibility requirements without needing to file a separate application. This effort has significantly reduced paperwork for both low-income families and States agencies, and it has allowed 1.6 million more children to be directly certified in School Year 2009-10 than the previous year.

The Administration has also set a goal to solve the problem of childhood obesity within a generation so that children born today will grow up healthier and live longer, more productive lives. Studies have shown that roughly one third of American children are at risk for preventable diseases like hypertension, diabetes, and heart disease due to being overweight and obese. Current health science suggests that if we do not take steps to address this public health epidemic, the current generation of children may actually be the first to have shorter life expectancies than their parents. In addition, nearly 10 percent of American health spending can be attributed to obesity, reflecting the tremendous drain that obesity-related diseases have on our economy. This is also a national security issue as many of our young people are unable to qualify to serve in uniform due to health issues. These data leave no doubt that the need for improved access to healthy foods is evident every day across the country. At the same time, they underscore the need for better health promotion and sound nutrition guidance to both nutrition assistance program participants and the general public.

The Child Nutrition Programs are critical to this effort, serving as a model of good nutrition, and teaching children and their families to make wise food choices that will help them to lead healthier, more productive lives. The recent enactment of the Healthy, Hunger-Free Kids Act (Act) presents us with an historic opportunity to combat child hunger and improve the health and nutrition of children across the Nation. Implementation of the Act will help to promote good health, improve the diets of our children and address obesity by improving school meals and

reforming the overall school nutrition environment. In addition, it will reduce the barriers that keep children from participating in school nutrition programs and enhance program performance. FNS will continue to implement the new law in a thoughtful, flexible way, with input from its key partners.

Partnerships also play a key role in FNS' overall administrative strategy, where the agency continuously leverages its ongoing relationships with States to modernize, streamline, and improve program operations. As you know, all nutrition assistance programs are operated in partnership with State governments, and the very circumstances that have driven increased demand for these programs has also reduced the revenue available to States to operate the programs. This is particularly important in SNAP, in which States must cover half of the costs required to administer the program.

Other times performance is affected by consumer behavior. We observed a drop in the numbers of requests for nutrition education materials as the anticipated release drew near of the latest of the Dietary Guidelines (in this case, the 2010 *Dietary Guidelines for Americans*). Because stakeholders were well informed that new guidance would be forthcoming, they were less likely to seek information that they thought would soon be out of date or inconsistent with the future practices.

#### **Natural Resources and Environment Mission Area**

##### **Forest Service**

Process improvement for our National Forests have included the need to change approaches entirely to achieve our goals. The Forest Service target for increasing the percentage of total National Forest System land base for which fire risk is reduced through movement to a better condition class was not met because the Forest Service shifted funds to focus treatments on acreage in the Wildland-Urban Interface (WUI). WUI refers to those areas located at the interface of unoccupied land and human development, where wildfire poses the greatest risk to homes and other infrastructure. Because treatments in the WUI emphasize objectives related to resource protection over objectives related to ecological conditions, this shift in funding reduced the total number of acres that improved condition class.

There have been numerous accomplishments in the FS Solar Energy initiative. For example, the sun is now supplying up to 20 percent of the Wayne National Forest Headquarters' energy needs. The contractor (a local Service Disabled Veteran Owned Small Business) installed 253 additional solar panels on the roof of the building, bringing the total number of panels to 303. As of September 2010, the use of solar power here has reduced 65 tons, or 130,000 pounds, of carbon dioxide emissions, by substituting 63.9 tons of coal, which would have been used to generate the building's electricity needs.

Some of the best money saving ideas are the simplest. When challenged by the Secretary to save money, the Forest Service suggested simply halting their practice of painting their vehicles green. By transitioning to all-white vehicles, FS has generated a savings of \$1.8 million annually.

#### **Natural Resources Conservation Service**

Despite difficult economic conditions in FY 2010, through the Conservation Stewardship Program, a cooperative effort with agricultural producers, we have improved water and soil quality, enhanced wildlife habitat, and addressed the effects of climate change on nearly 25.2 million acres, a land area equivalent in size to the State of Virginia. We have also worked with producers through the Wetlands Reserve Program, Environmental Quality Incentives Program, and Wildlife Habitat Improvement Program to improve habitat on more than 471,000 acres for migratory birds that may have been impacted by the Deepwater Horizon oil spill.

The Conservation Effects Assessment Project (CEAP) is designed to estimate the effects of conservation practices on the landscape. The CEAP cropland assessment combines comprehensive farmer surveys and detailed soils information with edge-of-field and in-stream modeling to produce scientifically based estimates of the effects that conservation is having on cropland. Two of 14 regional CEAP cropland reports, the Upper Mississippi River Basin and the Chesapeake Bay Region quantify the great progress farmers have made in reducing sediment and

nutrient losses, while revealing a continuing need for conservation efforts to focus on nutrient management

The Farm Service Agency and the Natural Resources Conservation Service have worked with farmers, ranchers, forest land owners, and other entities to protect millions of acres of the most critical and important farmland through conservation easements and rental contracts. During 2010, enrollment in the Wetlands Reserve Program reached its highest one-year level of 272,762 acres, bringing the total cumulative program enrollment to nearly 2.5 million acres. Also, NRCS and FSA jointly administer the Grasslands Reserve Program (GRP) to help landowners restore and protect grassland, rangeland and pastureland. The 2008 Farm Bill reauthorized GRP for an additional 1.2 million acres, and enrollment in 2010 exceeded 335,000 acres.

The 2011 full-year continuing resolution adopted the Administration's proposals to reduce funding for three programs that were deemed redundant or better administered by local partners and sponsors. These include the Resource Conservation and Development (RC&D) Program and the Watershed and Flood Prevention Operations (WFPO). The RC&D program's goal to build community leadership skills through the establishment of councils has been sufficiently addressed and can now be turned over to local councils to operate. Most of the program benefits for WFPO are highly localized and the Administration believes that these projects should be the responsibility of local project sponsors. Further, WFPO projects have been entirely earmarked in recent years, diminishing the ability of NRCS to prioritize projects based on performance goals and a range of other factors. Finally, the 2011 full-year continuing resolution did not adopt the proposal to terminate the Watershed Rehabilitation program, which reflected the Administration's position that the maintenance, repair and operation of federally built dams that have reached the end of their design life, are primarily a local responsibility.

**Improving Civil Rights:**

We believe that every farmer and rancher should be treated equally and fairly. As part of our work towards addressing complaints of discrimination in program delivery, over the past

year, we have entered into settlements with black farmers as well as Native American farmers who claim to have faced discrimination by USDA in the past decades, and established a unified claims process for Hispanic and women farmers and ranchers who believe they have faced discrimination. These actions will allow those that have been waiting to get the relief they deserve and have long been promised. While we are pleased with the important progress that has been made, we are continuing to take steps to become a model service provider and employer.

In April 2009, as part of our comprehensive effort on civil rights, Secretary Vilsack called for an independent assessment of USDA's program delivery. In May 2011, we released the results of this Civil Rights Assessment, which provides recommendations that will help USDA improve field-based service delivery to minority and socially disadvantaged farmers and ranchers.

A significant number of the recommendations have been addressed by our efforts. For example, USDA will hold all managers accountable for utilizing a diverse pool of applicants for vacancies/promotions. Also, FSA employees will be required to thoroughly explain to applicants the reasons when they deny loan or program applications and what the applicant can do to improve chances of securing approval in subsequent applications. We are taking the other recommendations seriously in our effort to be a model service provider. A working group chaired by Secretary Vilsack and consisting of USDA leadership and senior career employees will review, analyze, and implement key recommendations of the Assessment.

We are taking other measures. For example, we are making improvements using lean six sigma to shorten the process for program complaints and will be doing so for employment complaints. A pilot project currently underway has reduced the program complaint intake processing time from an average of 90 to 30 days. In addition, we are working on a program complaint form, rather than filing by letter, that will reduce complaint processing times and errors, and reduce customer trips to USDA offices to file a complaint. Further, the Office of Assistant Secretary for Civil Rights has eliminated duplicative administration functions, created standard operating procedures for each phase of the employment and program complaint process, and restored certain key staffing to levels not seen in a decade.



The success of USDA's recent efforts to confront a history of civil rights abuses has been recognized and verified by a host of internal and external parties and metrics. For example, in FY 2010, USDA saw the lowest number of FSA complaints filed (37) and the lowest total number of Equal Employment Opportunity (EEO) complaints filed (461) since the Department began keeping track. The number of merit findings of discrimination has increased from 3 in FY 2007 to 22 in FY 2010. We are on track this fiscal year to see further reductions in filed EEO complaints and an increase in merit findings of discrimination. The Department is reducing the backlog of discrimination complaints by focusing additional resources on complaints processing and has also started to address complaints that were previously settled without full consideration.

The number of EEO complaints filed by USDA employees has dropped significantly since FY 2007 and the number of merit findings of discrimination have increased. The efforts of OASCR to ensure USDA employees are aware of their rights is evidenced in these numbers. In FY 2007 – 562 complaints were filed and there were 3 findings of discrimination; in FY 2008 – 555 complaints were filed with 4 findings of discrimination; FY 2009 – 529 complaints were filed with 13 findings of discrimination; FY 2010 – 461 complaints were filed with 22 findings of discrimination; and for FY 2011 – 294 complaints have been filed to and we projection there will be close to 485 by the end of the fiscal year. We have 17 findings of discrimination to date and projection by the end of the fiscal year there will be about 30.

USDA experienced a troublesome past as it relates to equal employment opportunity (employment) and civil rights (program delivery). One of Secretary Vilsack's top priorities is to improve equal opportunity and civil rights conduct throughout USDA, thereby improving USDA's record and establish USDA as a model employer and premier service provider. To achieve this end, the Secretary directed the establishment of an accountability unit in the Office of Human Resources Management to review all EEO and Civil Rights decisions in which there is finding against USDA and settlement agreements of individual and employee complaints of discrimination. Since its creation in May 2010, USDA identified and acted to hold individuals accountable through appropriate disciplinary or adverse action in more than 45 cases involving

managers, supervisors and executive service employees where liability against USDA was found. Since the implementation of this initiative, USDA has made significant progress and continues to work with agencies to ensure the identification of appropriate action(s) to correct and deter future misconduct and inappropriate behavior by our employees.

**Conclusion:**

In summary, President Obama and Secretary Vilsack have sent a clear message that they seek a more responsible government focused on transparency, accountability, and integrity. USDA is striving to live up to those expectations, while ensuring that American agriculture and rural communities stay strong through the 21<sup>st</sup> century and beyond.

USDA is continuously working to transform itself into a model organization. By tracking performance, focusing on program outcomes rather than outputs, aligning budgetary resources to our goals, and strengthening management operations to address challenges that hinder improved performance, the Department will enhance program performance and achieve its goals.

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**DOCUMENTS SUBMITTED FOR THE RECORD**

JUNE 23, 2011

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**Testimony**

**of**

**Brian AcMoody  
AcMoody Farms  
Union City, Michigan**

**on behalf of the**

**American Fruit and Vegetable Processors and Growers Coalition**

**Senate Committee on Agriculture, Nutrition, and Forestry**

**Hearing:**

**“Farm Bill Accountability: The Importance of Measuring  
Performance, While Eliminating Duplication and Waste”**

**Thursday, June 23, 2011**

## **Procedural Roadblocks to Wider Implementation of the Planting Transferability Pilot Project**

The Planting Transferability Pilot Project (PTPP) included in the 2008 Farm Bill is an example of legislation addressing a real problem for real people created from an unintended consequence. The 1996 Farm Bill included a provision that prohibited planting Fruits and Vegetables (FAV) on program acres unless three exemptions could apply; Farm History, Producer History or Double Crop History. However, since only feed grains (corn and wheat) were included as program crops, adequate "open" acres existed in the Midwest for traditional processing crops to continue their historic production of FAV with little to no limitation or exclusion. When soybeans became a program crop in 2002 and with the prohibition remaining from the previous bill, Midwest processors and producers of FAV were faced with the prospects of reduced supplies for processors and income loss for growers.

A coalition of Midwestern growers and processors immediately recognized the path that had been laid out and began an effort to tell their story and prevent the loss of processed FAV, an important component of a safe, affordable, and healthy food supply. Because the "fresh" segment of the FAV industry, mainly located in the west and southern regions of the country, had not experienced the negative effects of this unintended consequence, a solution was narrowly designed that would prevent any negative effects to any other portion of the FAV business but yet provide a positive alternative for those traditional Midwestern processors and growers. This wise solution was the Planting Transferability Pilot Project.

The PTPP was a legislative gem because it fixed an ever increasing problem for growers and processors and yet caused no negative consequences on any other portion of the FAV industry. The Secretary was directed to annually evaluate the performance of the PTPP and its effects. The first evaluation report has been issued, and emphasizes that no negative consequences have occurred. However, since the PTPP included an acreage limitation in the legislation, the implementation process authored by the USDA has included some provisions that actually caused participation to be reduced by the eligible growers who needed the planting flexibility the most. These roadblocks were due to the acreage limitation and the need to have a mechanism in place to ration the available acreages by states. In discussing these roadblocks with the Department of Agriculture (USDA), they have been willing to listen and seem to understand the negative impacts to eligible growers. However, as yet, USDA has proposed no solutions.

Growers have reported the following administrative roadblocks, which are a major reason why participation rates have been below expectations:

1. The March 1<sup>st</sup> sign up deadline limits a growers' flexibility to adjust his planting plans because the PTPP sign up is limited to a farm number and not a producer. If production needs change due to prevented planting on one farm, moving the PTPP eligible acres to another farm is not permitted and the producer loses his flexibility to plant for the entire season.
2. If the change described in #1 occurs after June 1, the producer not only would be prevented from planting his FAV as planned, but he also would lose all program benefits on the acreage committed to PTPP.

3. If a processor needs to shift production from one region to another due to weather constraints after March 1, producers could not receive PTPP acres to be able to take advantage of that opportunity. Without the acreage limitation restriction, the USDA would not have to limit PTPP sign up to March 1 and could allow the producers to make better decisions about their production.
4. Many producers have opted out of applying for PTPP because the acreage is limited and might be subject to a lottery system with the outcome not assured. Since production contracts must be signed and the acreage committed, declining to participate could be the only safe choice.

Since production needs for processing crops are highly market based, planting flexibility to respond to market signals is critical. The current structure limits a producer's decision-making abilities, and it is imperative that the USDA amend its rules to allow the flexibility the legislation originally intended when creating PTPP. Any attempt to attribute a participation rate for PTPP at a level below an artificial expectation is to misinterpret the real world decisions producers must make. The reasons for PTPP are still valid and the need to have a permanent program included in the next Farm Bill will become more critical as time goes by and farms continue to be transferred to a new generation of producers and producer history is permanently lost.

Participation in PTPP has been critical to individual farming families who have lost their Producer History for any myriad of reasons, or who have been farming since 2002. These circumstances include generational transfers, untimely or tragic deaths by a farm proprietor who possesses all the farm's history, change in the business form, retirements and sale of the operation to a neighbor, or a new and young grower diversifying a farming operation when contracts become available. These are faces in the crowd that owe their livelihood to the flexibility offered in PTPP. Processors are better able to plan production because they know that contracts will be filled. No other segment in the FAV industry can claim ANY negative impacts from providing flexible production for crops grown for processing. While some administrative adjustments are warranted within the existing USDA program rules, the concept of planting flexibility is essential to individual farm families and communities where processors employ thousands of people and should be here to stay.

United States Government Accountability Office

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**GAO**

Statement for the Record  
To the Committee on Agriculture,  
Nutrition, and Forestry,  
U.S. Senate

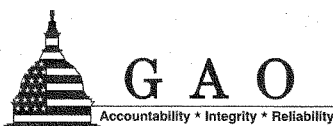
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For Release on Delivery  
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**U.S. DEPARTMENT OF  
AGRICULTURE**

**More Effective  
Management and  
Performance Can Help  
Implementation of the  
Farm Bill**

Statement for the Record by Lisa Shames, Director,  
Natural Resources and Environment



June 23, 2011

## U.S. DEPARTMENT OF AGRICULTURE

## More Effective Management and Performance Can Help Implementation of the Farm Bill



Highlights of GAO-11-779T, a statement for the record to the Committee on Agriculture, Nutrition and Forestry, United States Senate

**Why GAO Did This Study**

The current fiscal environment, ongoing deliberations for the next Farm Bill, and the public's expectations for a high-performing and efficient government underscore the need for the U.S. Department of Agriculture (USDA) to focus on program results and customer needs, work across organizational lines to help minimize any overlap and duplication, and build its internal capacity. USDA comprises 15 agencies in seven mission areas that are responsible for, among other things, assisting farmers and rural communities, overseeing meat and poultry safety, providing access to nutritious food for low-income families, and protecting the nation's forests. For fiscal year 2010, USDA estimated that its 15 agencies would have total outlays of \$129 billion.

This statement highlights examples from GAO's previous work that illustrate how USDA can address challenges it faces in three key areas: (1) the performance and accountability of USDA programs, (2) coordination within USDA and between USDA and other agencies to minimize duplication and overlap, and (3) the sufficiency of USDA management capacity. This statement is based on GAO's extensive body of work on USDA programs authorized under the Farm Bill and issued from September 2005 through May 2011.

View GAO-11-779T or key components. For more information, contact Lisa Shames at (202) 512-3841 or shamesl@gao.gov.

**What GAO Found**

USDA must ensure that its programs are being implemented efficiently and services are being delivered effectively, which requires it to review the progress it and its agencies have made in achieving program goals and developing strategies to improve performance and accountability. GAO's work notes cases in which USDA programs have either met or fallen short of meeting program goals. In April 2010, GAO reported on domestic food assistance programs—an area where three federal agencies administered 18 programs consisting of more than \$90 billion in spending in fiscal year 2010. GAO suggested that not enough is known about the effectiveness of these programs. Research GAO reviewed suggested that participation in seven USDA food assistance programs it examined, including four of the five largest, is associated with positive health and nutrition outcomes consistent with the programs' goals; these goals include raising the level of nutrition among low-income households, safeguarding the health and well-being of the nation's children, and strengthening the agriculture economy. Little, however, is known about the effectiveness of the remaining 11 programs—9 of which are USDA programs—because they have not been well studied. GAO suggested that USDA consider which of the lesser-studied programs need further research.

To achieve its missions, USDA must effectively coordinate with many groups both within and outside the agency. GAO's work provides instances of where improving coordination within USDA or across agencies has contributed or could contribute to improved performance of USDA programs. For example, in September 2005, GAO reported on USDA's need to improve coordination, including information-sharing and communication, between its Risk Management Agency (RMA) and Farm Service Agency (FSA) on potential fraud, waste, and abuse in the federal crop insurance program. For example, FSA offices in nine states did not conduct any of the field inspections RMA requested of farmers' fields in cases of anomalous crop insurance losses or when farmers were suspected of poor farming practices in 1 or more of the years in GAO's review. Also, RMA did not share with FSA information on the nature of the suspected poor farming practices or the results of follow-up inspections. GAO recommended actions to both agencies to more effectively conduct field inspections.

USDA must have sufficient internal management capacity in the areas of financial management, human capital management, and information technology to effectively and efficiently fulfill its multiple missions. GAO has reported on USDA programs where improvements are needed in these areas. For example, GAO reported in October 2008 that USDA provided farm program payments to thousands of individuals with incomes exceeding income eligibility caps. GAO recommended that USDA work with the Internal Revenue Service to develop a system for verifying the income eligibility for recipients of all farm program payments, which the agencies subsequently did.



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Chairwoman Stabenow, Ranking Member Roberts, and  
Members of the Committee:

We appreciate the opportunity to provide a statement for the record on performance and management challenges and opportunities facing the U.S. Department of Agriculture (USDA). The current fiscal environment; ongoing deliberations for the next Farm Bill, such as this oversight hearing; and the public's expectations for a high-performing and efficient government underscore the necessity for USDA to focus on program results and customer needs, work across organizational boundaries to help minimize any overlap and duplication, and build its internal capacity. As you know, the breadth of USDA's responsibilities span seven broad mission areas that, among other things, are to assist farmers and rural communities, oversee the safety of meat and poultry, provide access to nutritious food for low-income families, and protect the nation's forests. For fiscal year 2010, USDA reported that its 15 agencies had total outlays of \$129 billion. About 80 percent of these outlays (\$103 billion) are associated with mandatory spending programs, including the majority of programs related to nutrition assistance, farm commodities, export promotion, and conservation. The remaining 20 percent of outlays (\$26 billion) are associated with discretionary spending programs that, in part, support rural development loans and grants; manage national forests and other Forest Service activities; address pest and disease threats; conduct research and education; and provide technical as well as domestic and international marketing assistance.

In May 2011, the Secretary of Agriculture testified before the Senate Committee on Agriculture, Nutrition, and Forestry, laying out an ambitious agenda for USDA as it seeks to address its current performance and management issues and take advantage of emerging opportunities. Achieving this agenda will require USDA to tackle several challenges as it works to carry out its multifaceted mission and, more immediately, to meet the mandates in the next Farm Bill. Our work across the federal government has highlighted challenges agencies face as they focus on desired outcomes. Congress has put in place a statutory framework that addresses long-standing management problems that undermined the federal government's efficiency and effectiveness and provide greater accountability for results. This framework is to improve the federal government's effectiveness, accountability, and service delivery and enhance congressional decision making. Specifically, the Government Performance and Results Act Modernization Act of 2010 (GPRAMA) offers important opportunities for USDA, as well as other agencies, to focus attention on successfully improving the effectiveness of their programs

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and operations. For example, GPRAMA significantly enhances requirements for agencies to consult with Congress when establishing or adjusting governmentwide and agency goals. Through these consultations, Congress can identify performance and management issues that USDA needs to address and consider this information as it drafts the Farm Bill and oversees its implementation.

This statement highlights examples drawn from our previous work that illustrate how USDA can address challenges it faces in the following three key areas: (1) the performance and accountability of USDA programs, (2) coordination within USDA and between USDA and other agencies to minimize overlap and duplication, and (3) the sufficiency of USDA management capacity. I will also highlight in my statement opportunities where GPRAMA, which the administration recently began implementing, can help USDA address some of these challenges. This statement is based on our extensive body of work on USDA programs authorized under the Farm Bill and issued from September 2005 through May 2011. We conducted the performance audit work that supports this statement in accordance with generally accepted government auditing standards. Additional information on our scope and methodology is available in each issued product.

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### Performance and Accountability of USDA Programs

USDA must ensure that its programs are being implemented efficiently and services are being delivered effectively. To do so, USDA must review the progress it has made in achieving program goals and developing strategies to address any gaps in performance and accountability. To help USDA, and other agencies, address the challenge of improving the performance and accountability of their programs, GPRAMA creates several new leadership structures and responsibilities aimed at sustaining attention on improvement efforts. For example, the act designates the deputy head of each agency as Chief Operating Officer (COO), who has overall responsibility for improving the performance and management of the agency. The act also requires each agency to designate a senior executive as Performance Improvement Officer (PIO) to support the COO.

USDA, along with other agencies, is to continue to develop annual performance goals that will lead to the accomplishment of its strategic goals. In addition, the head of each agency must now identify priority goals. These goals must (1) reflect the priorities of the agency and be informed by the federal government's priority goals and consultations with Congress; (2) have ambitious targets that can be achieved within 2 years; (3) have a goal leader responsible for achieving each goal; and (4) have

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quarterly performance targets and milestones. In addition, at least quarterly, the agency head, COO, and PIO are to coordinate with relevant personnel who contribute to achieving the goal, from within and outside the agency; assess whether relevant organizations, program activities, regulations, policies, and other activities are contributing as planned to achieving the goal; categorize goals by their risk of not being achieved; and, for those at greatest risk, identify strategies to improve performance.

Our recent work has identified challenges to be met in improving program performance and accountability in the Forest Service and domestic food assistance programs.

- *Forest Service.* In March 2011, we testified that the Forest Service had not fully resolved performance accountability concerns that we raised in a 2009 testimony.<sup>1</sup> As we noted, the agency's long-standing performance accountability problems include an inability to link planning, budgeting, and results reporting. In other words, the Forest Service could not meaningfully compare its cost information with its performance measures. We also testified that while the Forest Service, along with Interior agencies that have responsibilities for fighting wildland fires, had taken steps to help contain wildland fire costs, they had not yet clearly defined their cost-containment goals or developed a strategy for achieving these goals—steps we first recommended in 2007.<sup>2</sup> Agency officials identified several agency documents that they stated clearly define goals and objectives and that make up their strategy to contain costs. However, these documents lacked the clarity and specificity needed by officials in the field to help manage and contain wildland fire costs. We therefore continue to believe that the Forest Service will be challenged in managing its cost containment efforts and in improving its ability to contain wildland fire costs until the agency clearly defines its cost-containment goals and strategy for achieving them.

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<sup>1</sup>GAO, *Forest Service: Continued Work Needed to Address Persistent Management Challenges*, GAO-11-423T (Washington, D.C.: Mar. 10, 2011) and *Forest Service: Emerging Issues Highlight the Need to Address Persistent Management Challenges*, GAO-09-443T (Washington, D.C.: Mar. 11, 2009).

<sup>2</sup>GAO, *Wildland Fire Management: Lack of Clear Goals or a Strategy Hinders Federal Agencies' Efforts to Contain the Costs of Fighting Fires*, GAO-07-655 (Washington, D.C.: June 1, 2007).

- *Domestic food assistance programs.* Our work on domestic food assistance programs—an area where three federal agencies administer 18 programs, consisting of more than \$90 billion in spending in fiscal year 2010—suggests not enough is known about the effectiveness of these programs.<sup>3</sup> Research we reviewed suggests that participation in seven of the USDA food assistance programs we examined, including four of the five largest—Special Supplemental Nutrition Program for Women, Infants, and Children; the National School Lunch Program; the School Breakfast Program; and the Supplemental Nutrition Assistance Program—is associated with positive health and nutrition outcomes consistent with the programs' goals. These goals include raising the level of nutrition among low-income households, safeguarding the health and well-being of the nation's children, and strengthening the agriculture economy. However, little is known about the effectiveness of the remaining 11 programs—9 of which are USDA programs—because they have not been well studied. GAO suggested that USDA consider which of the lesser-studied programs need further research, and USDA agreed to consider the value of examining potential inefficiencies and overlap among smaller programs.

### Coordination within USDA and between USDA and Other Agencies to Help Minimize Overlap and Duplication

USDA must effectively coordinate with many groups within and outside of the agency to achieve its missions. GPRAMA establishes a new framework aimed at taking a more crosscutting and integrated approach to focusing on results and improving performance—within agencies and across the federal government. At the governmentwide level, the act requires the Director of the Office of Management and Budget (OMB), in coordination with executive branch agencies, to develop—every 4 years—long-term, outcome-oriented goals for a limited number of crosscutting policy areas. On an annual basis, the Director of OMB is to provide information on how these long-term goals will be achieved, and agencies are to describe how they are working with each other to achieve the crosscutting goals.

Additional GPRAMA requirements could lead to improved coordination and collaboration for achieving agency-level goals as well. For example, the act requires each agency to identify the various organizations and program activities—within and external to the agency—that contribute to

<sup>3</sup>GAO, *Managing for Results: GPRAMA Modernization Act Implementation Provides Important Opportunities to Address Government Challenges*, GAO-11-617T (Washington, D.C.: May 10, 2011), and *Domestic Food Assistance: Complex System Benefits Millions, but Additional Efforts Could Address Potential Inefficiency and Overlap among Smaller Programs*, GAO-10-346, (Washington, D.C.: April 15, 2010).

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each of its goals. Also, as described earlier, GPRAMA requires top leadership and program officials to be involved in quarterly reviews, and to assess whether these organizations and program activities are contributing as planned to the agency's priority goals.

Based on our prior work, we have identified the following examples that illustrate how improving coordination within USDA or across agencies has contributed or could contribute to the improved performance of USDA programs.

- *Farm program agencies.* In September 2005, we reported on the need for improved coordination, including information-sharing and communication, between the Risk Management Agency (RMA) and Farm Service Agency (FSA).<sup>4</sup> Under USDA guidance, RMA is to provide FSA with a list of farmers who have had anomalous crop insurance losses or who are suspected of poor farming practices. Staff in FSA county offices review these cases for potential fraud, waste, and abuse by inspecting the farmers' fields and then referring the results of these inspections to RMA. However, we found FSA conducted about 64 percent of the inspections RMA requested, and FSA offices in nine states did not conduct any of the field inspections RMA requested in 1 or more of the years in our review. We also found that FSA may not be as effective as possible in conducting field inspections because RMA does not share with FSA information on the nature of anomalous crop insurance losses and suspected poor farming practices, or the results of follow-up inspections. In addition, FSA state officials told us that inspectors are reluctant to conduct field inspections because they believe RMA and insurance companies that administer the crop insurance program do not use the information to deny claims for farmers who do not employ good farming practices. In view of these weaknesses, we made a number of recommendations to RMA and FSA to improve the effectiveness of field inspections. In response, RMA implemented most of our recommendations, but FSA stated that it does not have sufficient resources to complete all field inspections. We expect to report in fiscal year 2012 on the results of our work currently under way in this area examining whether coordination between the agencies has improved.

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<sup>4</sup>GAO, *Crop Insurance: Actions Needed to Reduce Program's Vulnerability to Fraud, Waste, and Abuse*, GAO-05-528 (Washington, D.C.: Sept. 30, 2005).

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- *Veterinarian workforce.* Our past work has indicated that problems with USDA's management of its veterinarian workforce have contributed to competition among USDA agencies for these staff. Veterinarians play a vital role in the defense against animal diseases—whether naturally or intentionally introduced—and these diseases can have serious repercussions for the health of animals and humans, and for the nation's economy. However, there is a growing shortage of veterinarians nationwide—particularly those veterinarians who care for animals raised for food, serve in rural communities, and are trained in public health. We reported in February 2009 that this shortage has the potential to place human health, the economy, and nation's food supply at risk.<sup>9</sup> Specifically, we found that USDA had not assessed the sufficiency of its veterinarian workforce departmentwide, despite the fact that its agencies that employed mission-critical veterinarians were currently experiencing shortages or anticipating shortages in the future. As a result, USDA agencies competed against one another for veterinarians instead of following a departmentwide strategy to balance the needs of these agencies. In particular, the Animal and Plant Health Inspection Service (APHIS) was attracting veterinarians away from the Food Safety Inspection Service because the work at APHIS was more appealing, opportunities for advancement were greater, and the salaries were higher. Moreover, USDA was not fully aware of the status of its veterinarian workforce at its agencies and, therefore, could not strategically plan for future veterinarian needs.

We recommended, among other things, that USDA conduct an assessment of its veterinarian workforce to identify current and future workforce needs while also taking into consideration training and employee development needs and that a governmentwide approach be considered to address shortcomings. In response, the Office of Personnel Management—whose mission is to ensure the federal government has an effective civilian workforce—and relevant federal agencies, including USDA, created an interagency forum and developed a strategic workforce plan to obtain a governmentwide understanding of the current status and future needs of the federal veterinarian workforce. This is a positive step, but more work remains. For example, USDA still needs to complete a departmentwide assessment of its veterinarian workforce and create shared solutions to agency problems, which according to a senior agency official, it plans to do by the end of July 2011. Moreover, steps are still necessary to understand

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<sup>9</sup>GAO, *Veterinarian Workforce: Actions Are Needed to Ensure Sufficient Capacity for Protecting Public and Animal Health*, GAO-09-178 (Washington, D.C.: Feb. 4, 2009).

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the veterinarian workforce needed during a potential catastrophic event—whether a pandemic or an attack on the food supply.

- *Rural economic development.* Our past work indicates that in failing to find ways to collaborate more, USDA and the Small Business Administration (SBA) are missing opportunities to leverage each other's unique strengths to more effectively promote rural economic development and that they may fail to use taxpayer dollars in the most efficient manner. For example, we reported in September 2008 that the main causes for limited agency collaboration between these agencies include few incentives to collaborate and an absence of reliable guidance on consistent and effective collaboration.<sup>6</sup> We found that SBA and USDA appear to have taken actions to implement some collaborative practices, such as defining and articulating common outcomes, for some of their related programs. However, the agencies have offered little evidence so far that they have taken steps to develop compatible policies or procedures or to search for opportunities to leverage physical and administrative resources with their federal partners. Moreover, we found that most of the collaborative efforts performed by program staff in the field that we have been able to assess to date have occurred only on a case-by-case basis. As a result, it appears that USDA and SBA do not consistently monitor or evaluate these collaborative efforts in a way that allows them to identify areas for improvement.
- *Genetically engineered (GE) crops.* GE crops—crops that are engineered to resist pests or tolerate herbicides—are widespread in the United States and around the world. USDA, the Environmental Protection Agency (EPA), and the Food and Drug Administration (FDA) regulate GE crops to ensure that they are safe. However, critics of GE crops want them to be labeled as GE crops and kept separate from non-GE crops. Unauthorized releases of GE crops into food, animal feed, or the environment beyond farm fields have occurred, and it is likely that such incidents will occur again. As we reported in November 2008,<sup>7</sup> USDA, EPA, and FDA routinely coordinate their oversight and regulation of GE crops in many respects but could improve their efforts. For example, the agencies do not have a

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<sup>6</sup>GAO, *Rural Economic Development: Collaboration between SBA and USDA Could Be Improved*, GAO-08-1123 (Washington, D.C.: Sept. 18, 2008).

<sup>7</sup>GAO, *Genetically Engineered Crops: Agencies Are Proposing Changes to Improve Oversight, but Could Take Additional Steps to Enhance Coordination and Monitoring*, GAO-09-60 (Washington, D.C.: Nov. 5, 2008).

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coordinated program for monitoring the use of marketed GE crops to determine whether the spread of genetic traits is causing undesirable effects on the environment, non-GE segments of agriculture, or food safety—actions that the National Research Council and others have recommended.

To help ensure that unintended consequences arising from the marketing of GE crops are detected and minimized, we recommended in 2008 that the agencies develop a coordinated strategy for monitoring marketed GE crops and use the results to inform their oversight of these crops. Such a strategy should adopt a risk-based approach to identify the types of marketed GE crops that warrant monitoring, such as those with the greatest potential for affecting the environment or non-GE segments of agriculture or those that might threaten food safety through the unintentional introduction of pharmaceutical or industrial compounds into the food supply. The strategy should also identify criteria for determining when monitoring is no longer needed. To date, the agencies have not implemented this recommendation.

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### Sufficiency of USDA Management Capacity

USDA must have sufficient internal management capacity to effectively and efficiently fulfill its multiple missions. As part of the new governmentwide framework created by GPRAMA, the Director of OMB is required to develop long-term goals to improve management functions across the government in various areas, and agencies, including USDA, are required to describe how their efforts contribute to these goals. Among these areas are (1) financial management, (2) human capital management, and (3) information technology. The following are examples, drawn from our work, of USDA programs where improvements are needed in these areas:

- *Financial management.* We reported in March 2011 that improper payment estimates for USDA have increased by about \$1 billion—from approximately \$4 billion to a little more than \$5 billion from 2009 to 2010.<sup>8</sup> Some USDA programs or activities experienced increases in improper payments, while others decreased. For example, the level of estimated improper payments associated with the Federal Crop Insurance Corporation Program Fund more than doubled during this time, from \$205 million in fiscal year 2009 to \$525 million in fiscal year

<sup>8</sup> GAO, *Status of Fiscal Year 2010 Federal Improper Payments Reporting*, GAO-11-443R (Washington, D.C.: Mar. 25, 2011).



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2010. On the other hand, in April 2011, we noted that USDA reported a decrease in estimated improper payments for the Marketing Assistance Loan program from \$85 million to \$35 million.<sup>9</sup> USDA reported that corrective actions taken to reduce improper payments included providing additional training and instruction on improper payment control procedures, and integrating employees' individual performance results related to reducing improper payments into their annual performance ratings.

Our past work has also highlighted other areas where USDA needs to strengthen management controls to prevent improper payments. For example, we reported in October 2008 that USDA provided farm program payments to thousands of individuals with incomes exceeding income eligibility caps.<sup>10</sup> We recommended that USDA work with the Internal Revenue Service to develop a system for verifying the income eligibility for all recipients of farm program payments, which the agencies subsequently did. We also reported in July 2007 that USDA paid \$1.1 billion in such payments to more than 170,000 deceased individuals during the period 1999 through 2005.<sup>11</sup> Because USDA generally was unaware that these individuals were deceased, it did not have assurance that these payments were proper. We made recommendations to address this problem and, in response, USDA revised and strengthened guidance to its field offices for reviewing the eligibility of these individuals' estates to continue to receive payments. The agency also completed implementation of a data-matching and review process between its payment files and the Social Security Administration's master file of deceased individuals to identify program payment recipients who are deceased.

- *Human capital.* We have also reported on issues related to problems in USDA's civil rights program. For decades, there have been allegations of discrimination in USDA programs and in its workforce. Numerous federal reports have described serious weaknesses in USDA's civil rights program—particularly in resolving discrimination complaints

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<sup>9</sup>GAO, *Improper Payments: Recent Efforts to Address Improper Payments and Remaining Challenges*, GAO-11-575T (Washington, D.C.: Apr. 15, 2011).

<sup>10</sup>GAO, *Federal Farm Programs: USDA Needs to Strengthen Controls to Prevent Payments to Individuals Who Exceed Income Eligibility Limits*, GAO-09-67 (Washington, D.C.: Oct. 24, 2008).

<sup>11</sup>*Federal Farm Programs: USDA Needs to Strengthen Controls to Prevent Improper Payments to Estates and Deceased Individuals*, GAO-07-818, July 9, 2007.

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and in providing minority farmers with access to programs. In 2002, Congress authorized the position of Assistant Secretary for Civil Rights at USDA to provide leadership for resolving these long-standing problems. In October 2008, we reported that the Office of the Assistant Secretary for Civil Rights had not achieved its goal of preventing backlogs of complaints and that this goal was undermined by the office's faulty reporting of, and disparities in, its data. Also, some steps the office took to speed up its work may have adversely affected the quality of that work.

Because of these concerns, we recommended that the Secretary of Agriculture implement plans to improve how USDA resolves discrimination complaints and ensure the reliability of the office's databases on customer and employee complaints.<sup>12</sup> We also recommended that USDA obtain an independent legal examination of a sample of USDA's prior investigations and decisions on civil rights complaints. In addition, we reported that the office's strategic planning does not address key steps needed to ensure USDA provides fair and equitable services to all customers and upholds the civil rights of its employees. We further recommended that the Secretary of Agriculture develop a strategic plan for civil rights at USDA that unifies USDA's departmental approach with that of the Office of the Assistant Secretary for Civil Rights and that is transparent about USDA's efforts to address the concerns of stakeholders. In April 2009, we reported that difficulties persisted in the Office of the Assistant Secretary for Civil Rights in resolving discrimination complaints.<sup>13</sup>

As recently as March 2011, an extensive assessment of civil rights at USDA raised issues related to many of our 2008 recommendations and made recommendations consistent with them.<sup>14</sup> This assessment included a total of 234 recommendations to help USDA improve its performance on civil rights issues. The administration has committed to giving priority attention to USDA's civil rights problems, and the

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<sup>12</sup>GAO, *U.S. Department of Agriculture: Recommendations and Options to Address Management Deficiencies in the Office of the Assistant Secretary for Civil Rights*, GAO-09-62 (Washington, D.C.: Oct. 22, 2008).

<sup>13</sup>GAO, *U.S. Department of Agriculture: Recommendations and Options Available to the New Administration and Congress to Address Long-Standing Civil Rights Issues*, GAO-09-650T (Washington, D.C.: Apr. 29, 2009).

<sup>14</sup>Jackson Lewis LLP, "United States Department of Agriculture: Independent Assessment of the Delivery of Technical and Financial Assistance," (Mar. 31, 2011).

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agency has pointed to progress made in recent years. However, USDA has been addressing allegations of discrimination for decades and receiving recommendations for improving its civil rights functions without achieving fundamental improvements.

- *Information technology.* In recent reports, we have raised concerns about the overall security of USDA's computerized information systems. USDA relies on these systems to carry out its financial and mission-related operations. Effective information security controls are required to ensure that financial and sensitive information is adequately protected from inadvertent or deliberate misuse; fraudulent use; and improper disclosure, modification, or destruction. Ineffective controls can also impair the accuracy, completeness, and timeliness of information used by management. Our analysis of our reports and USDA's Office of Inspector General (OIG) reports regarding the security of these systems shows that USDA has not consistently implemented effective controls, such as those intended to prevent, limit, and detect unauthorized access to its systems or manage the configuration of network devices to prevent unauthorized access and ensure system integrity. For example, in March and November 2010, we reported on the need for federal agencies, including USDA, to improve implementation of information security controls such as those for configuring desktop computers and wireless communication devices.<sup>15</sup> The OIG identified information technology security as a significant management challenge for fiscal year 2010. The need for effective information security is further underscored by the evolving and growing cyber threats to federal systems and the dramatic increase in the number of security incidents reported by federal agencies, including USDA. From fiscal year 2007 to fiscal year 2010, the number of incidents reported by USDA to the U.S. Computer Emergency Readiness Team, based in the Department of Homeland Security,<sup>16</sup> increased by more than 330 percent.

In summary, as deliberations on reauthorizing the Farm Bill begin, GPRAMA provides USDA and Congress with new tools to identify and oversee the most important performance issues and program areas

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<sup>15</sup>GAO, *Information Security: Agencies Need to Implement Federal Desktop Core Configuration Requirements*, GAO-10-202 (Washington, D.C.: Mar. 12, 2010). GAO, *Information Security: Federal Agencies Have Taken Steps to Secure Wireless Networks, but Further Actions Can Mitigate Risk*, GAO-11-43 (Washington, D.C.: Nov. 30, 2010).

<sup>16</sup>When incidents occur, agencies are to notify the federal information security incident center—(US-CERT).

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warranting review. In light of the nation's long-term fiscal challenge, this reexamination of the contributions that federal programs, including USDA programs, make to achieving outcomes for the American people is critical. GAO stands ready to help Congress in its application of GPRAMA tools to its oversight of USDA programs and its deliberations on Farm Bill reauthorization.

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### Contacts and Staff Acknowledgments

Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. For further information about this statement, please contact Lisa Shames, Director, Natural Resources and Environment, (202) 512-3841 or ShamesL@gao.gov. Key contributors to this statement were James R. Jones, Jr., Assistant Director; Kevin Bray; Gary Brown; Mallory Barg Bulman; Ross Campbell; Tom Cook; Larry Crosland; Mary Denigan-Macauley; Andrew Finkel; Steve Gaty; Sandra Kerr; Carol Kolarik; Kathy Larin; Benjamin Licht; Paula Moore; Ken Rupar; Linda Sanders; Carol Hermstadt Shulman; Nico Sloss; Kiki Theodoropoulos; and Lisa Turner.

**Testimony of  
Bert Little, Ph.D.  
Associate Vice President for Academic Research  
Professor of Computer Science and Mathematics  
Executive Director, Center for Agribusiness Excellence  
Tarleton State University  
Texas A&M University System  
Before the Senate Committee on Agriculture, Nutrition, and Forestry  
Thursday, June 23, 2011  
9:30 AM**

Chairman Stabenow, Ranking Member Roberts, and Members of the Committee, thank you for the opportunity to submit testimony this morning before the Committee to discuss efforts to measure performance and eliminate fraud, waste, and abuse in the Federal Crop Insurance program. Specifically, it is important to point out the successes of the data warehousing and data mining efforts currently undertaken by the Center for Agribusiness Excellence (CAE) working in cooperation with the Risk Management Agency (RMA).

**I. Center for Agricultural Excellence (CAE)**

I am Bert Little, Associate Vice President for Academic Research and Professor of Computer Science and Mathematics at Tarleton State University, which has been a member of the Texas A&M University System since 1917. In this role, I also direct the CAE, which was founded at Tarleton specifically to address the section of the Agriculture Risk Protection Act of 2000 (ARPA 2000) that directed the Secretary of Agriculture to use data mining and data warehousing to improve integrity and compliance in the Federal Crop Insurance program.

Press reports as well as testimony before this and other Committees of Congress have raised questions about the integrity and cost-efficiency of the Federal Crop Insurance program. We appreciate that this Committee has devoted this morning's hearing to this topic of great concern both to farm producers and to taxpayers in general – measure performance and elimination of duplication and abuse. I will use my testimony to give the Committee a fresh update on the program integrity activities conducted by USDA's Risk Management Agency (RMA) through its data mining and data warehousing initiatives housed at CAE. At the start, it should be emphasized that the information analyzed at CAE is comprised of insurance policies and potential fraud and abuse of those policies. Financial data involving crop insurance companies who deliver the program to producers under the Standard Reinsurance Agreement (SRA) with FCIC are NOT analyzed. Therefore, testimony I present will not address those issues.

## II. DATA MINING AND WAREHOUSING OVERVIEW

CAE has had substantial success in applying data mining techniques to the crop insurance program. In its annual Program Compliance and Integrity reports to Congress USDA's Risk Management Agency has conservatively estimated that, over a period of ten years, CAE has saved American taxpayers \$838 million dollars through identification of potential fraud and abuse in the program. We thus help RMA avoid making improper payments. These savings are detailed in Appendix I. RMA and its staff are to be complimented for their effective and aggressive use of these powerful new compliance tools.

In the course of our analyses an important result is the finding that farmers who participate in the Federal Crop Insurance program on the whole are honest people who follow the rules. Our Spot Check List program, described in more detail below, was designed to identify suspicious patterns indicating possible program abuse. Consistently, we have found fewer than one percent of producers who participate in the Federal Crop Insurance program falling in the "suspicious" category. This is a very strong metric of program integrity, and by comparison, is much better than comparable lines of insurance in the property and casualty field that may be as high as 10%.

The Federal Crop Insurance program is data intense with complex rules, and is a setting in which data mining functions well. Savings were accomplished through a variety of coordinated activities aimed at exposing and preventing abuse. As a basis, CAE has built a data warehouse comprised of all RMA policy information from 1989 to the present. RMA refreshes these data every two weeks. Weather station and NEXRAD radar loop data, digital soils, satellite and other remote sensing data, and other agronomically relevant factors are integrated into the CAE data warehouse to complement policy data for analysis. Importantly, all data are georeferenced which allows location analyses (e.g., how did a farmer's neighbors' crops fare). All information maintained in the CAE data warehouse is subject to the same USDA privacy and security protections that apply to data the USDA maintains. Today the database contains more than three terabytes (terabyte = 1 trillion words (bytes) of information). We have linked this data across time to allow multi-year comparisons (e.g., see Appendix II). The time series capability is a key analytical approach previously not possible.

In addition to the Spot Check List, we assist USDA Office of the Inspector General (OIG) in their audits and investigations, and they maintain access to our user system, HyperDynamic Reporting Application (HyDRA). The Government Accountability Office (GAO) uses CAE in its audits on a frequent basis, and we are currently engaged in work for them. GAO testimony regarding the Federal Crop Insurance program often uses CAE research. The U.S. Attorney uses CAE research in its investigations and prosecution, and I provide Daubert qualified expert witness testimony for their work. These activities comprise some of the more than 150 data mining research products CAE produces each year in coordination with USDA.

### III . ONE EXAMPLE: THE SPOT CHECK LIST

One of the ways we use our groundwork is a system developed to identify suspicious or anomalous claims. Along with RMA staff we use the CAE data warehouse each year to identify multi-year patterns that signal suspicious or anomalous crop insurance claims. The result is termed the Spot Check List, which is an actual list of producers who will then become subject to increased compliance oversight. We have refined this process over the years to the following six steps:

- (1) Data mining algorithms are designed to identify schemes that farmers might potentially use to obtain improper crop insurance indemnities. Such “schemes” are based upon research that is motivated by such information as anecdotes from the field or experience of investigators, producers, agents, or adjusters about schemes to exploit the program;
- (2) RMA and CAE analysts review the data mining analyses to determine whether or not the scheme is structured and results in personal benefit. These schemes are tested against the national information using algorithms to determine whether they occur in the national data, where, and to what extent;
- (3) Schemes and specific producers are identified and placed on the Spot Check List. The List is reviewed by RMA Compliance staffers, who may add additional persons of interest to the List;
- (4) USDA Farm Service Agency (FSA) and State Executive Directors (SEDs) are, under standard operating procedure, provided the Spot Check List. SEDs ask local county FSA offices to conduct inspections during the growing season on the identified fields;
- (5) FSA sends a letter to each producer on the Spot Check List notifying them that two growing season (GSIs) inspections will be performed on his or her insured crop. Additional pre-harvest visit(s) may be made.
- (6) Beginning this year (2011), an additional Spot Check List was created and provided directly to the Approved Insurance Providers (AIPs). The AIPs will review the anomalous producers in lieu of random reviews which they were required to conduct in the past. RMA and the AIPs agree that reviewing anomalous producers will enhance program integrity.

The majority of policy holders on the Spot Check List respond to the FSA letter in step 5 by abstaining from contemplated abusive activities. A measurable reduction in indemnities paid is visible (Appendix II). That is, growers change their behavior as a result of knowing that they are being scrutinized. This subgroup of producers had loss ratios that were several fold higher than their neighbors in their own counties before they were on the Spot Check List. Their loss ratios fell precipitously over the next 3 years to the county averages after being placed on the Spot Check List. Notably, this effect of reduced indemnity lasts several years (~ 3) among more than two thirds of those policy holders on the Spot Check List. In sum, over ten years (2001 through 2011), the Spot Check List initiative alone has produced measurable reductions in unneeded indemnities of approximately \$838 million.

Importantly, the CAE Spot Check List is only one of more than 150 research products produced annually by CAE at the request of RMA. Each product is aimed at improving program integrity and contributing measurably and materially to cost savings. Other federal offices that have requested and received assistance from CAE in the form of data mining analyses have included the USDA Office of Inspector General (OIG), the Government Accountability Office (GAO), and various Federal prosecutors as well as investigators from the Federal Bureau of Investigation (FBI). When requested, CAE personnel have served as expert witnesses for Federal prosecutors in crop insurance fraud litigation. The largest fraud case where we provided expert witness testimony to date was an \$80 million tobacco fraud case in North Carolina in October 2009.

#### **IV. ONGOING RESEARCH AND FUTURE DEVELOPMENT**

Our current analytical products can and should be more fully utilized. The next logical extension is to better include in the process the AIPs, who sell and service over a million crop insurance policies to producers across the country.

In 2010 RMA formed a Data Mining Program Steering Committee to work directly with the AIPs and the National Crop Insurance Services (NCIS) to determine how the AIPs can use these tools to enhance their claims adjustment and quality control programs. RMA and the AIPs believe that the automated claims programs, along with the claims adjustment practices currently performed by the AIPs, will ensure fair and equitable adjustment of producers claims and enhance program integrity.

One analytical tool available on the CAE HyDRA System that offers a particularly powerful resource is our searchable, stored archive of NEXRAD weather loops – essentially the same Doppler Radar images we see on our local television weather reports. In one example, for instance, two farmers filed claims on hail damage that were denied because NOAA could not verify that a hail storm had occurred on the day in question. We were able to identify a very isolated, very heavy storm that produced the damage by using our NEXRAD system. Consequently, the farmers' claims were verified, and they could be paid the indemnity they deserved.

Most recently, CAE, in collaboration with NASA, has completed the process of integrating into the data mining process satellite data that measures the intensity of the green light reflected by the chlorophyll molecules in plants – a measure of vegetative health. CAE invested its own non-Federal resources to build a 120 Terabyte data system to store our satellite data for January 1, 2000 to the present. Our results are part of a pilot project to automate claims analysis. Pilot results are exciting, indicating a better than 90 percent ability to evaluate crop production via satellite using this system. We are currently working to develop and implement the Virtual Sensor System designed by NASA data mining scientists to augment MODIS satellite data with data from the Indian AWiS satellite, Landsat, and Spot.

The enabling accomplishment that allows us (CAE) the use of satellite data is that we have incorporated in our system the Common Land Unit (CLU) data held by USDA's Farm Service



Agency. With CLU data, we will be able to assess vegetative (biomass) health (indicated by reflectance of chlorophyll green) at the field level using satellite data. Thus, it is now possible to quantify satellite signal's direct relationship with crop production. Currently, the satellite data are being used to pilot an automated claims analysis system, FSA's CLUs and RMA policy holder data are coupled to look at individual farms. We see many such opportunities to improve our analysis with the inclusion of farm data reported to FSA, and we have been working closely with FSA for this purpose. The next major step is to refine CLU data to allow analysis at the sub-field level.

Through "technology transfer" we may be able to assist program managers in other Agencies such as APHIS, FNS, and NRCS to measure performance and eliminate fraud, waste, and abuse. We stand as ready partners to assist in saving taxpayer dollars and improving program performance and integrity.

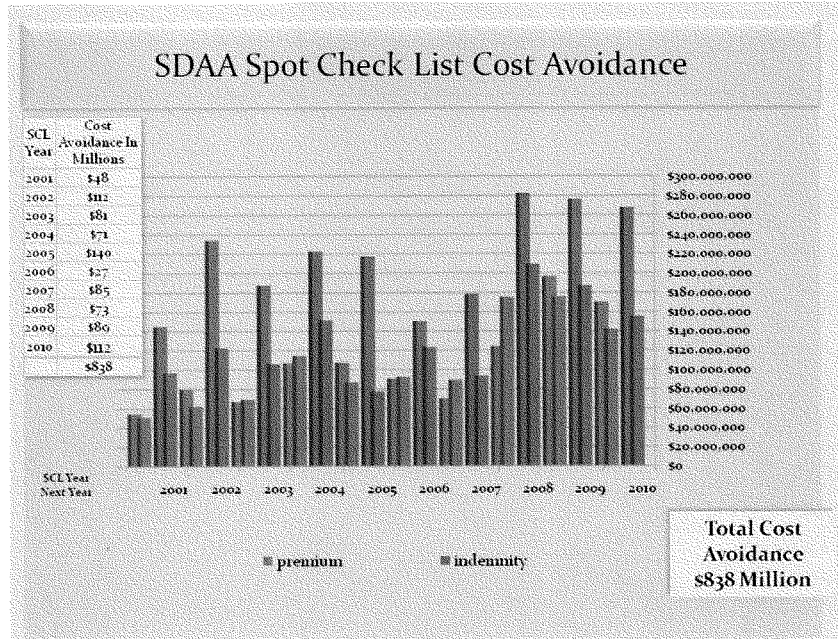
Notably, the CAE Research Team and I were recognized internationally by the *Institute of Electronic and Electrical Engineers* (IEEE) for having one of the top ten data mining case studies solving a real world problem in 2010 at their annual meeting in Sydney, Australia (Appendix III).

#### **V. SUMMARY**

Data mining as mandated under ARPA 2000 has been a striking success for Congress and USDA. For an investment of \$43.9 million, it has conservatively produced program savings of over \$838 million since December 2000 with the Spot Check List alone. For the longer term, Congress may wish to consider continuing this program by providing a multi-year funding authority in the 2011 Farm Bill, similar to the multiyear approach used so effectively to fund the program in the original 2000 APRA legislation. Of note, CAE has received international recognition in the data mining industry with a certificate of being in the top ten data mining case studies by IEEE in 2010.

Thank you again for giving us this opportunity to summarize CAE's record of providing cost savings to the Federal Crop Insurance program under the ARPA 2000 data mining program. Congress and USDA deserve a great deal of credit for taking the innovative initiative to implement this program in an effective and successful way to the benefit of both farmers and taxpayers. Huge progress has been made to improve the policing of the Federal crop insurance program since the adoption of ARPA in 2000. We have been honored to be part of the process. Thank you for your consideration. I would be happy to answer any questions you might have.

Appendix I

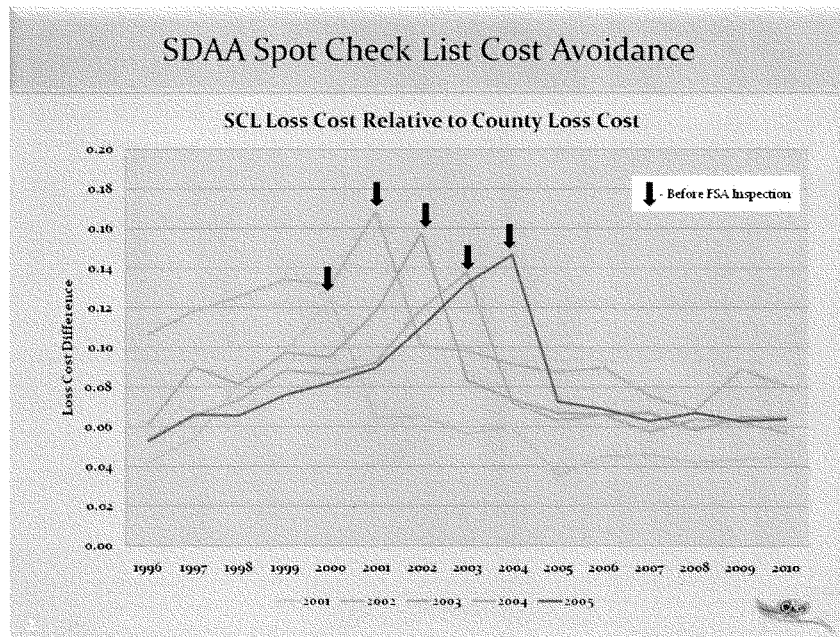


**Indemnity Decreases for 2001-2011: \$858 Million.**

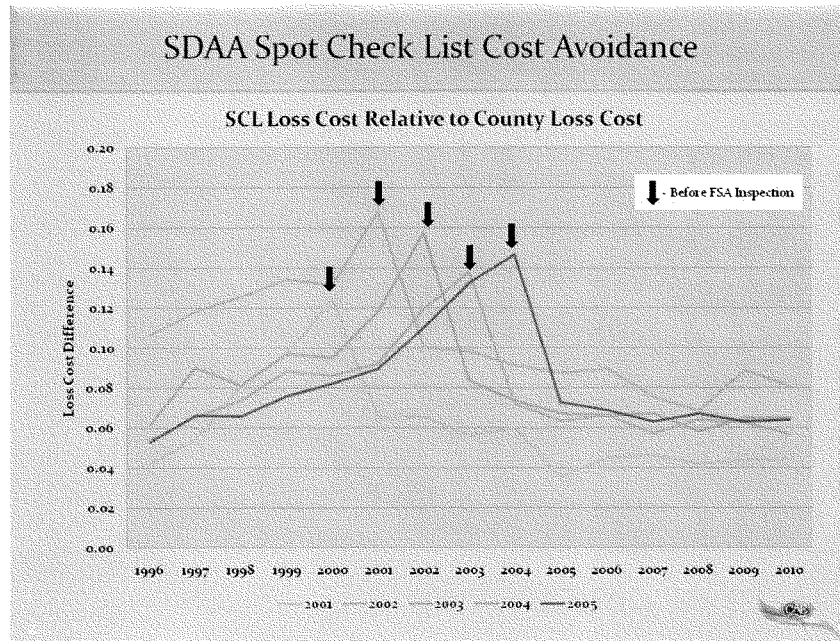
Taller bars (maroon, back row) reflect payments before producers were on the Spot Check List, and the shorter bars (maroon, front row) are after they were on the Spot Check List.

APPENDIX II

The two graphs below depict cohorts of producers before they were on the Spot Check List (rising lines), the year they were placed on the SCL (the “peak”), and years following SCL (declining lines); note the 3 years of rapid decline after Spot Check List.



## APPENDIX II (Continued)



*Loss Cost is a Measure of Severity, the Percent of Liability Paid Out*

- Loss Cost Difference is the Loss Cost of the Spot Check Producers Minus the County Loss Cost for the Same County, Crop, Type, and Practice
- On the Loss Cost Difference Graphs, the Background Loss Cost is the Horizontal Axis
- The SCL Producer Claims More Often and More Severely than their Peers
- The Average Loss Cost Difference of SCL Producers is Very High, Usually Higher than the Average National Loss Cost
- After Spot Check, the Average SCL Producer Rapidly Reduced their Losses for 2-3 Years
- Even after Spot Checks, they Remain Somewhat Anomalous, but Much Less than Before
- The Change in Behavior Lasts for Many Years



**IEEE International Conference On Data Mining (ICDM)  
Technical Committee on Intelligent Informatics (TCII)**

Proudly confers a

**Top-10  
Data Mining Case Study  
Certificate**

to the submission entitled

**US Department of Agriculture Risk Management  
Agency's Crop Insurance Data Mining Program**

by

**Dr. Bert Little, Michael Schucking and the CAE  
Research Center Team at Tarleton State  
University - Texas A&M University System**

for demonstrated success in the application of data mining  
techniques to solve a real-world challenge.

A handwritten signature in cursive script, appearing to read "Gabor".

A handwritten signature in cursive script, appearing to read "Schucking".

ICDM-2010 in Sydney, Australia

December 17, 2010



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**QUESTIONS AND ANSWERS**

JUNE 23, 2011

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Senate Committee on Agriculture, Nutrition & Forestry  
 Farm Bill Accountability: The Importance of Measuring Performance, While Eliminating  
 Duplication and Waste  
 Questions for the record  
 Mr. Brett Blankenship  
 June 23, 2011

Senator Sherrod Brown

- 1) In your testimony you note that you utilize two federal risk management programs: ACRE and crop insurance. You note that Blankenship Brothers signed up for ACRE because you knew the 2009 crop year payment would be large enough to outweigh the reduction in direct payments over the life of the farm bill. Given the current structure of the program, if given the opportunity would you enroll in ACRE again in the next farm bill? Why or why not?

Yes with the current structure of the program and with the current 'price' for ACRE participation, we would enroll. For growers like me who grow only wheat, the DCP program is an essential component of a farm safety net. Nevertheless, we decided that the ACRE program, with a 20% reduction in the DCP, was a reasonable price to pay for the protection against a market-price collapse over several growing seasons.

The advantage of ACRE versus DCP is that in times of a marketplace, systemic failure DCP will not compensate nearly enough – and crop insurance will not compensate at all. ACRE fills that need. Contrary-wise, when prices are favorable and compensation is not needed, ACRE will not be triggered.

- 2) Would you please discuss how what tools you used and cost-benefit analysis you performed to determine whether or not this program was right for you. Was your local FSA office able to provide ample support and explanation of the program? Please recount your experience working with FSA to sign up for ACRE and share any suggestions you may have about how to improve ACRE program delivery in the future.

The educational tools we used were from local and state FSA offices, regional universities, and prominent accountants. Whether or not ACRE seemed worth the risk varied regionally, and as a related matter, whether the operation was wheat-only, like our operation, or whether crops grown on the farm were diverse influenced the decision. My state (Washington) had a very high participation rate which was exceeded only by Oklahoma. Landlords who were skeptical of a new program also diminished some participation, which I will discuss in the next question.

As to the improvement question, some have suggested simplifying the formula for the trigger would make the program less complicated. Others have suggested examining a county-wide trigger, rather than a state wide trigger would be more fair in a diverse state like mine where a bumper crop in one county may raise the state average yield enough to nullify the crop losses in other counties.



One suggestion, which relates to the next question, would be to allow the operator of a farm to participate in ACRE if he chooses, but allow the landlord to remain in DCP if the landlord chooses. This solves the issue of attempting to educate the landlords regarding a complex program.

- 3) Your testimony notes that the decision to enroll in ACRE caused anxiety among your landlords. How do they feel about ACRE today? What could have been done differently to mollify your landlords' concerns?

This should be a key consideration for policy-makers when talking about new programs or changes to programs. Landlords are the forgotten and under-represented constituency when discussing Farm Bill programs. For some of my elderly landlords, who are often the surviving spouses of a farming couple, the consistent, regular payments are the most important component for their cash flow security. The DCP payment is what the landlord often uses to pay their property tax assessments, as well as the landlord share of fertilizer inputs in our lease arrangements. Many landlords were unwilling to risk a 20% reduction in their DCP payment in the hopes of a higher payout when there is a crop loss. A bird in the hand is better than two in the bush.

As the DCP is this type of landlord's main security in their retirement, attempting to persuade them into the ACRE program is often futile. They simply cannot tolerate the perceived risk, may not understand the complexity of the ACRE program, and in years where ACRE will not trigger a payment, they not only feel cheated but may struggle to make their property tax payments and fertilizer payments which come due before they receive their crop share.

- 4) How does enrollment in ACRE affects the way you utilize the crop insurance program? Does participation in ACRE affect your decisions regarding the type of crop insurance products and coverage levels you elect?

ACRE enrollment has not been in effect long enough to directly influence the way I choose crop insurance levels dramatically. I tend to select the crop insurance level that offers the most coverage for the least cost. It is important to note that the revenue products of crop insurance are only of value when the market price exceeds the cost of production. In years where the market price is low, crop insurance is essentially worthless – it will only “insure” the fact that I will lose a lot of money – and then charge me a premium to do so.

ACRE, on the other hand, takes effect when the market price plummets over multiple years. This is the scenario where ACRE saves the day and crop insurance totally fails. Both types of programs are essential, and the two programs complement each other.

Senator John Thune

- 1) Of all the programs in which your operations participate in – which would you tell me is the least effective or provides the least amount of assistance to your operation when compared to the amount of time and effort you spend meeting compliance requirements?

I can only speak for myself and my area, but I have found the lesser “conservation” programs to not be worth the paper they are printed on or the time it takes to apply. I have yet to receive a single EQIP dollar, and do not expect to. I tend to be progressive in my methods, and these programs tend to help growers who are less progressive upgrade their operations. This only punishes progressive growers for adopting the best management practices as it helps the less progressive growers catch up to us and therefore lowers the amount of return we get compared to our neighbors for being innovative. For instance, some EQIP funds helped my neighbors purchase GPS units for their tractors. When I inquired about the issue, I was denied because I already had units in service, and was already practicing full conservation methods.

CSP also causes its share of frustration, especially because the program rules change so often, the people in the field offices never know what the rules are. Furthermore, NRCS used different entity rules than FSA which caused great consternation for some growers. For a business structure like ours, it simply wasn't worth attempting to participate at the maximum level.

We have generalized our federal farm program participation to a rule: if FSA administers the program, we will try to participate; if NRCS administers the program, odds are it isn't worth the time.

One suggestion to CRP deals with establishing new stands of grass and the cost-share for seed. When we suggest the proper blend of grass that will be prolific and establish maximum cover, we are often forced to purchase so-called “native” varieties instead. This is not only very expensive, but is wasteful because the grasses that the farmer suggests establish themselves very well and crowd out the so-called “native” grasses. Forcing growers to plant grasses that are weak and will be overtaken by superior varieties is a waste of taxpayer's money, waste of grower's money, and a waste of time. I would rather have a strong stand of grass on my CRP, than ‘politically-correct’ native grass.

Senate Committee on Agriculture, Nutrition & Forestry  
Farm Bill Accountability: The Importance of Measuring Performance, While Eliminating  
Duplication and Waste  
Questions for the record  
Hon. Kevin Concannon  
June 23, 2011

Senator Debbie Stabenow

- (1) Many recent news stories have highlighted fraud and abuse within SNAP. I continue to be very concerned about program abuses, not only because it's a waste of our tax dollars, but also because it takes resources away from those who truly need it. We have made substantial progress in identifying and prosecuting fraud and abuse since the last Farm Bill, but we can and should do more. Looking forward, what proactive steps can the agency take to better pinpoint fraud early? Are there additional authorities or resources the agency needs to improve performance at both the retail and recipient level?

**Response:** Americans support helping struggling families put food on the table but they want to know that taxpayer dollars are being spent wisely. Correcting mistakes and rooting out waste, fraud and abuse so that Federal dollars are wisely spent is a top priority for this Administration. We are working on behalf of American taxpayers to protect the Federal investment in SNAP and to make sure the program is targeted towards those families who need it the most.

Trafficking, the sale of SNAP food benefits for cash, has decreased significantly over the past 15 years. The first trafficking assessment in 1993 determined that \$811 million in program benefits were trafficked in fiscal year 1993. This was approximately 4 cents on the dollar. The most recent estimate, for the period 2006-2008, determined that trafficking diverted \$330 million in program benefits annually, or roughly, one cent of each benefit dollar. The national implementation of electronic benefit transfer (EBT) as the issuance system for SNAP instead of paper coupons is credited in large part for the decrease in trafficking. Despite the significant decline in trafficking, USDA continues to implement aggressive measures to improve program integrity and detect and stop fraud. SNAP uses a fraud detection system, the Anti-Fraud Locator for Electronic Benefit Transfer Transactions (ALERT) system, to monitor electronic transaction activity and identify suspicious retail grocers for analysis and investigation.

To continue strengthening our fraud detection capabilities, USDA is redesigning the ALERT system with new, more advanced technology and analytical tools available in the private sector. A primary component in this redesign is engaging in continuous data mining efforts and integrating the results of those efforts into the ALERT system. Initial system is scheduled to be delivered to FNS for testing in 2012. SNAP also has a team of investigators across the country that conduct on-site reviews of stores suspected of trafficking or of not complying with program rules. In FY 2010, FNS conducted over 5,000 investigations. In addition, enhancements in the Agency's Store Tracking and Redemption System (STARS) to better screen retailer applications and provide predictive risk assessments on the retailer population were recently introduced.

We are constantly on the look-out for new trafficking schemes. Once we uncover them in one area, we share that intelligence with all of our investigative personnel and investigative partners such as OIG and State Law Enforcement Bureaus to enable them to detect these new schemes early.

The 2008 Farm Bill gave FNS enhanced authority to combat fraud, including additional sanctions and civil penalties for the misuse of benefits, the stealing of benefits from SNAP recipients, and allowing FNS to withhold benefits from retailers charged with fraudulent activities while administrative action to disqualify them is pending. FNS is developing proposed rules and intends to issue final regulations as soon as possible.

FNS always endeavors to make effective and efficient use of the program integrity tools, authorities, and resources available. The careful application of information technology as well as strong partnerships with SNAP State agencies, USDA OIG and State and local law enforcement are important parts of our successful strategy. If the Congress were to provide additional tools, authorities or resources for this purpose, FNS would make effective use of them.

- (2) FNS primarily focuses on fraud at the retail level, while states are responsible for eligibility and fraud for individuals. What actions has FNS taken to help states address recipient fraud? Has FNS also worked with states to reduce payment errors and improve eligibility determinations? Please provide information indicating the results of any work.

**Response:** Recipient integrity is a key concern for the Food and Nutrition Service (FNS). Misuse or sale (trafficking) of program benefits by recipients both weakens the nutrition assistance goals of the program and undermines public confidence in Federal and State governments' management of the program.

In response to these concerns, FNS has increased its focus on recipient integrity issues. I initiated this effort with a letter to our State partners emphasizing importance recipient integrity and seeking to begin collaboration to better understand and address this problem. FNS Regional Offices are working with State agencies to develop profiles of their current anti-fraud activities to establish a baseline and to identify potential barriers. We are seeking State partners who are willing to participate in pilot testing of new and innovative ways to prevent, detect and prosecute recipient violations. Potential pilots may focus on enhancing State-level data mining capabilities, greater Federal-State data sharing, and policy modifications related to card replacement and other administrative processes.

FNS is also committed to minimizing all program certification errors and insuring that participants receive the benefits to which they are entitled – no more; no less. There has been consistent improvement in the accuracy of providing SNAP benefits over the last decade. For fiscal year 2010, the combined payment error was 3.81 percent. This represents a record low error rate and is the seventh year in a row that the national payment error rate has been under 6 percent—long considered the standard for recognition.

- (3) In its 2007 report, *“Food Stamp Trafficking: FNS Could Enhance Program Integrity by Better Targeting Stores Likely to Traffic and Increasing Penalties”* GAO was critical of FNS’s methods for handling fraud, suggesting that you need to do a better job of targeting high risk stores, especially in urban areas. What is FNS’ response to the GAO criticism and what steps has FNS taken to address some of the concerns that GAO has raised on fraud targeting?

**Response:** While we believed we were doing an effective job in targeting at the time of the report, we nevertheless took GAO’s recommendation to heart and implemented several suggestions. FNS is committed to reducing the rate of SNAP fraud and has taken aggressive measures to improve the early identification and oversight of suspected program violators.

Beginning in June 2007, FNS implemented a revised store classification system to systematically compare similar stores and better identify fraudulent transaction activity for investigation. In addition, FNS doubled the number of months of SNAP transaction data available on-line to investigators and program analysts for purposes of analysis from 6 months to 1 year.

In December 2007, FNS received and processed daily SNAP transaction data into its ALERT fraud detection system. This has assisted FNS in early monitoring and identification of violating stores. FNS began to use data mining to target high risk areas, and we have, as resources allow, located investigators in those high risk areas or brought investigators in from other areas on a temporary basis.

As a result of a data mining project, in August 2009, FNS implemented a predictive risk assessment tool. The tool is integrated in our system used to manage SNAP retailer participation and assigns each retailer a risk category of high, medium, or low, based on the likelihood that a retailer may commit program violations. Every retail grocery store’s risk level is assessed at the point of application. If the store is approved, its risk level is re-assessed daily. The risk assessment is granular, down to the zip code level, to ensure that smaller areas within large cities with historically high rates of violations are classified as high risk. This predictive indicator analyzes 18 characteristics for each individual store that are based on 10 years worth of Agency investigations as well as OIG/GAO audit findings, to ensure that FNS resources are focused on those stores that are the most prone to violate.

High risk retailers are prioritized by FNS’s fraud detection system and are carefully scrutinized by Agency compliance staff. While making no assumption that any one store is trafficking based on this prioritization process, SNAP’s risk profile tool has allowed the Agency to re-allocate resources towards retailers presenting the highest risk of non-compliance.

In January 2011, FNS implemented an automated and more robust screening process into its system. The new screening tool ensures that FNS effectively identifies retail store owners or store location addresses with a history of program violations for greater scrutiny and potential denial of participation.

In February 2011, FNS implemented a new training program to help investigators utilize open source information available on the internet to gather intelligence and ensure more effective approaches when targeting investigations.

- (4) The 2008 Farm Bill mandated the use of Electronic Benefit Transfer (EBT) systems. Several other agencies have also begun implementing electronic systems for benefit distribution. Each of these agencies, including USDA, provides matching funds for states to implement these systems. What sort of coordination or oversight exists to ensure that federal dollars are being utilized in a cost-effective manner in state systems? Is there any coordination between agencies or mandate that these systems not be duplicative?

**Response:** FNS provides oversight of federal dollars used by States. States achieve economies of scale by adding additional State and federal programs to their EBT card system. States use cost allocation methods to ensure that all participating programs pay their fair share of the cost of the EBT program. FNS monitors the methods used to allocate charges to various State and federal programs for the operation of their EBT system.

Most States issue cards that include both SNAP benefits and various cash benefits. Not all card users are eligible for the dual benefits and may only have either the cash benefit or the SNAP benefit. States that issue cash on the EBT card in addition to SNAP benefits allocate costs accordingly. Costs are allocated based on monthly cost per case and the percentage of costs for individual program participation in relation to total recipient participation.

States pay 50 percent of the SNAP administrative costs. This feature of SNAP's administrative structure provides an incentive for States to be cost-effective in utilizing administrative resources, since it is in the State's best interest to ensure they maximize their own investment – and by extension the Federal investment – and not allow duplicative efforts.

- (5) OIG determined that FNS performed reviews to evaluate how States manage SNAP, but the Agency engaged in limited oversight over State fraud detection units. OIG indicated that EBT management reports were underutilized by states in fraud detection, largely due to a lack of guidance on utilization from FNS. OIG also suggested that much of the data provided by states in annual reports was unreliable and unverified. Please explain the extent to which FNS is currently overseeing or providing guidance on fraud prevention activities at the state level.

**Response:** States are required by Program regulations to pursue all activities identified as potentially fraudulent for potential legal remedies. FNS realizes that this alone is not sufficient to combat concerns on recipient integrity and fraud prevention. To strengthen the focus on these issues, I recently wrote to our State partners and emphasized the importance of recipient integrity and stressing the need to work towards a collaborative understanding to address these issues. These efforts will bolster and supplement the current reports and systems States have to assist them in the area of fraud detection.

FNS is also working to address the OIG report findings and recommendations and has encouraged all States to use EBT management reports to determine which could be useful in detecting and following up on suspicious SNAP transactions. FNS routinely shares the data associated with actions taken against fraudulent retailers with those States that are interested in working with that data to bring actions against involved recipients. FNS has reached out to States to let them know we are interested in working with each of them to support a more aggressive approach by providing additional data that would be useful for identifying and investigating fraudulent recipients, as well as looking at procedural changes and policy options that could help mitigate these troublesome activities.

- (6) Categorical eligibility has reduced complicated and duplicative paperwork in determining eligibility for SNAP, but it has also posed some logistical challenges in disqualifying individuals who lose eligibility through the original program of enrollment. What steps are states required to take to ensure individuals who were categorically eligible for SNAP continue to meet eligibility criteria? What sort of resources might be necessary to improve data sharing between agencies to reduce errors in eligibility?

**Response:** SNAP State agencies are required to act on all changes made to a household's Temporary Assistance to Needy Families (TANF) or Supplemental Security Income (SSI) case. Therefore, if a household loses eligibility for cash TANF or SSI benefits, the household's SNAP case will be reevaluated according to current policies. If a State has broad-based categorical eligibility (BBCE), the household must be eligible for the TANF program that confers BBCE in order to remain categorically eligible. If the State does not have BBCE or the household is ineligible for the TANF program that confers BBCE, the regular SNAP income and resource policies are applied to the household. Many State agencies have created dual eligibility systems for SNAP and TANF so they will immediately be alerted when a household loses TANF eligibility.

- (7) FNS does not track each item purchased with SNAP benefits but does review the dollar amounts associated with that purchase. Does FNS believe reviewing item purchases would be a cost-effective fraud detection tool?

**Response:** FNS does not believe that it is cost effective to track each item purchased with SNAP benefits for purposes of identifying retailer or recipient fraud. Doing so would require significant changes and financial costs for State Agencies, EBT vendors, the retail grocery industry, and ultimately, the Federal government.

While 83 percent of benefits in fiscal year 2010 were redeemed in supermarkets and superstores, 15 percent of benefits were redeemed through smaller stores unlikely to have scanning equipment to record product purchases. Adding scanning equipment in these locations would be a large investment for store owners or the government. FNS would also have to invest in upgrading its fraud detection system to be able to store and utilize purchase level data.

The fraud detection system currently in use at FNS has consistently proven successful in identifying violating retailers. Major enhancements to further refine that identification are already underway and will be complete in 2012.

- (8) There are currently nutrition provisions from the last Farm Bill still awaiting regulations including increased authority for FNS to issue administrative penalties. Please provide the Committee a list of anticipated dates of completion for these pending regulations as well as a description of where each of these regulations are in the approval and clearance process.

**Response:** USDA is making significant progress publishing regulations on the 2008 Farm Bill. Most provisions of the 2008 Farm Bill were effective on October 1, 2008 and were implemented by States without regulations.

In May 2011, USDA published four Farm Bill regulations. These are a proposed rule on eligibility, a proposed rule on major changes in program design, an interim rule on privacy, and a final rule on civil rights protections.

USDA is also moving forward with regulations that enhance our ability to fight bad actors in the program. The first regulation expands the definition of trafficking to include situations where a client's benefits are stolen or a client engages in the sale of eligible food, or practices dumping the contents of a water or milk bottle in order to return the bottle for a cash deposit, with the intent to accumulate cash and circumvent existing program rules. This proposed rule was published for comment on June 20, 2011 and it is scheduled to be published as a final rule in early 2012. FNS is also drafting a proposed rule to allow FNS to withhold settlement from retailers who engage in egregious trafficking activity, in coordination with USDA's Office of Inspector General, while the administrative disqualification process is pending. A work plan for this rule has been submitted to the Office of Management and Budget (OMB) for designation and it is scheduled to be published as a proposed rule in early 2012. In addition, FNS has a retailer sanctions rule in draft and is actively engaged in discussions with USDA's Office of General Counsel regarding some of the details in the proposal. This rule was submitted to OMB and was designated as an economically significant rule. It is scheduled to be published as a proposed rule prior to the end of the calendar year.

USDA also has three additional rules near publication in the final stage of clearance. These are a proposed rule on fleeing felons, a proposed rule on major systems failures, and a proposed rule on testing new State automated data processing system.

- (9) How many staff does FNS currently have assigned to fraud detection activities at the state, regional and national level? Does FNS currently have adequate staff resources to detect, investigate and conclude fraud investigations in a timely manner?

**Response:** FNS has approximately 103 staff years dedicated to retailer compliance. That includes staff that analyzes data and processes cases against the retailers as well as 42 investigators that conduct undercover investigations. SNAP's team of investigators is located across the country and conducts on-site reviews of stores suspected of trafficking or of not complying with program rules. In fiscal year 2010, these staff conducted over 5,000 investigations.



FNS also works with USDA's Office of Inspector General and State Law Enforcement Bureaus to complement our limited resources. FNS is authorized to pursue administrative actions against retailers that violate program rules. More serious cases that may result in criminal charges are referred to OIG to pursue. State Law Enforcement Bureaus can also bring criminal cases against violators based on their State statutes. FNS does not have information on the number of staff assigned to fraud detection at these partner agencies.

FNS always endeavors to make effective and efficient use of the program integrity tools, authorities, and resources available. The careful application of information technology as well as strong partnerships with SNAP State agencies, USDA OIG and State and local law enforcement are important parts of our successful strategy. If the Congress were to provide additional tools, authorities or resources for this purpose, FNS would make effective use of them.

- (10) Recent news articles have highlighted alarming rates of card reissuance in several states. When a card is reissued to a recipient, does the lost or stolen card remain active?

**Response:** Cards that are lost or stolen are deactivated by the card processor as soon as the loss is reported. Anyone who tries to use the card between the time it is lost or stolen and reported needs the Personal Identification Number (PIN), chosen by the recipient, to access benefits. Once a household reports that their EBT card is lost or stolen, the State agency assumes liability for benefits subsequently drawn from the account. The State must replace any benefits lost or stolen after the household has reported the lost/stolen card.

- (11) Please detail enforcement actions and penalties FNS is authorized to impose on retailers and individuals found to be trafficking SNAP benefits?

**Response:** States are responsible for conducting investigations and penalizing individuals found to be trafficking SNAP benefits. Investigations result from information obtained through data matches, whistleblower complaints from the public, a State's internal fraud detection analysis, or from positive investigations of retail operations indicating the possible involvement of recipients. In Fiscal Year 2010, States conducted over 361,000 investigations resulting in the disqualification of 44,408 individuals, defined as an Intentional Program Violation (IPV). IPV's are those in which client's provide false statements or withhold facts in order to obtain benefits or who are found guilty of trafficking SNAP benefits. Individuals assessed an IPV are penalized as follows: the first offense results in a 12 month disqualification, the second offense results in a 24 month disqualification, the third offense results in permanent disqualification.

FNS is directly responsible for preventing and monitoring fraud at retail grocery stores. FNS employs a fraud detection system, the Anti-fraud Locator using EBT Retailer Transactions (ALERT), to monitor individual SNAP EBT transactions to identify suspicious patterns of activity for potential investigation. FNS compliance staff review each suspicious store flagged by an internal Agency Watch List and work closely with State and Federal partners to investigate and prosecute trafficking. Over the last 15 years, FNS has aggressively implemented a number of measures to reduce the prevalence of trafficking in SNAP from 4 percent down to its current

level of 1 percent. In 2010, 42 FNS investigators conducted nearly 5,000 undercover investigations.

If a retail grocery store is found guilty of trafficking SNAP benefits on any occasion, regardless of the dollar amount, they are referred to the USDA Office of Inspector General for possible criminal prosecution. Criminal penalties may result in jail time, deportation if applicable, and/or substantial financial penalties. In addition to criminal penalties, the Food and Nutrition Act of 2008 grants FNS the authority to levy administrative sanctions. Upon any instance of trafficking, FNS permanently disqualifies a retail grocery store from program participation. Over the last 10 years, 8,045 retail stores were permanently disqualified for trafficking SNAP benefits.

In addition to disqualification, if the owner sells his grocery store to a new owner who proves to FNS that a bona-fide transfer took place, meets the Agency's eligibility guidelines, and becomes authorized; FNS assesses a transfer of ownership civil money penalty against the previously disqualified owner. In addition, all SNAP disqualifications are referred to WIC State Agencies for reciprocal disqualification, which is not subject to appeal. Furthermore, any individuals identified during the investigation of a retail grocery store are referred to State Agencies for potential investigation.

(12) How is FNS assisting states in preventing individuals from participation in SNAP who have been disqualified as a result of fraud or trafficking?

**Response:** Intentional Program Violations (IPVs) are those in which clients provide false statements or withhold facts in order to obtain benefits or violate the Food and Nutrition Act, regulations or State statutes to use or traffic benefits. Individuals found guilty of an IPV through an administrative disqualification hearing, a Federal, State or local court; or who have signed either a waiver of right to an administrative disqualification hearing or a disqualification consent agreement in cases referred for prosecution, are ineligible to participate in SNAP for a period of time. The period of the disqualification is based on the offense committed and can be from 12 months up to permanent disqualification.

Disqualified individuals are tracked through the FNS operated Electronic Disqualified Recipient System (eDRS). eDRS is a centralized national database with data submitted each month by all 50 States, the District of Columbia, Guam, and the Virgin Islands. This system allows States a quick and efficient way to determine if a person has been disqualified elsewhere and prevents disqualified individuals from crossing State lines and participating in another State.

Once the State has determined a client is guilty of an IPV, the State is responsible for accessing eDRS to view any past violations so that the correct penalty is assigned to the client. Each State agency is required to report information to eDRS regarding disqualified individuals no later than 30 days after the date the disqualification took effect.

States are responsible for keeping eDRS current and for editing and resubmitting erroneous entries. FNS maintains an eDRS help desk to answer questions for States that run into difficulty performing any of these tasks.

- (13) Please provide a step-by-step description of how FNS pursues administrative disqualification of a retailer suspected of trafficking. Please outline the process by which trafficking is verified as well as an estimate of the average amount of time required after detection to disqualify a guilty retailer.

**Response:** FNS uses a fraud detection system to monitor all SNAP EBT transaction activity to identify anomalous patterns. Suspicious retailers are placed on the Agency's Watch List. FNS compliance analysts review transaction data from each store on the Watch List and determine whether an undercover investigation is warranted or if sufficient data is present to administratively sanction the store. FNS may also conduct additional research, such as a store visit or request additional information, such as tax returns, to help evaluate a store's transaction activity and redemptions.

If further research or an undercover investigation finds evidence of trafficking, all cases are referred to USDA's Office of Inspector General (OIG) for consideration for criminal prosecution. If USDA OIG pursues the case as a criminal matter, FNS withholds any further action until it is cleared by USDA OIG.

Once FNS has been notified that a case is cleared for administrative action, FNS issues a letter of charges. Store owners have 10 days to respond to the charges and provide evidence to refute the Agency's findings. Upon receipt of a store owner's reply, FNS carefully considers all information available and informs the store, via a letter, of the Agency's determination.

For retail grocery stores found guilty of trafficking, FNS permanently disqualifies these stores and the sanction is effective upon receipt of the Agency's determination letter. The store owner has 10 days to request an administrative review, but the store continues to be disqualified from participating in SNAP during the review process. If no review is requested the disqualification is final. If the administrative review is sustained and the store owner is further aggrieved, a judicial review in Federal court may be requested.

For cases in which FNS issued an administrative action in fiscal year 2010, it took an average of just over 5 months from the time a store was added to the Agency's Watch List until a final decision was rendered. Most of that time was spent on the investigative process, which involves a careful examination of the facts, may involve undercover activity, and accounts for analysis necessary to respond to evidence presented by the retailer in order to refute the Agency's charges. Once FNS completed its review of all available evidence and issued a determination letter for trafficking, in fiscal year 2010, it took 17 days on average to implement a permanent disqualification.

Senator Sherrod Brown

- 1) At Wednesday's hearing I asked you to provide detail on the following:
  - A comparison of fraud and improper payment rates today and over the past 10 years.

- Detail on how the USDA counts and keeps track of fraud and abuse?
- What steps the USDA is taking to ensure program integrity?
- What can be done to further improve program administration and management?
- Provide detail on how EBT cards work. For instance, are these cards transferrable? How often are cards replaced? How does recertification work?
- Do you have the tools and authorities you need to track and prosecute fraud by cardholders and retailers? What, if any additional authorities would be useful?

**Response:**

Fraud and Improper Payment Today and Over the Past 10 Years

FNS takes seriously its responsibility to make sure that only those families who are actually eligible for the program participate, and that the correct amount of benefits is provided to them. FNS has achieved a steady decline in the rate of improper payments over time. The payment error rate decreased dramatically over the last 10 years, from 9.86 percent in FY 1999 to 3.81 percent in FY 2010. Between FY 2000 and FY 2010, the result of the reduction in the combined error rate is a decrease in erroneous benefits payments of over \$3.3 billion. Over 98 percent of those receiving SNAP benefits are eligible for a benefit. The error rate relates to whether or not the benefit allotment is too much or too little.

FNS also takes seriously its responsibility for preventing and monitoring fraud at retail grocery stores. Trafficking, the sale of SNAP food benefits for cash, has decreased significantly over the past 15 years. The first trafficking assessment in 1993 determined that \$811 million in program benefits were trafficked in fiscal year 1993. This was approximately 4 cents on the dollar. The most recent estimate, for the period 2006-2008, determined that trafficking diverted \$330 million in program benefits annually, or roughly, one cent of each benefit dollar. The national implementation of electronic benefit transfer (EBT) as the issuance system for SNAP instead of paper coupons is credited in large part for the decrease in trafficking.

How USDA Combats and Keeps Track of Fraud and Abuse

FNS utilizes two systems to track SNAP retailer fraud and abuse. SNAP retailer participation is monitored through the Store Tracking and Redemption System (STARS). STARS is used by FNS staff and its federal and State partners to monitor SNAP redemptions and is specifically used by FNS to administer sanctions for retail grocery stores found violating Program rules. STARS is used to add new stores and remove existing stores, including those disqualified, and uses a sub-system to communicate updates daily to EBT processors who are responsible for taking action to enable or disable EBT point-of-sale equipment.

FNS also employs a fraud detection system called the Anti-fraud Locator using EBT Retailer Transactions (ALERT). ALERT is a database that contains each individual SNAP electronic transaction conducted nationwide, which is data mined for patterns of fraudulent activity in order to identify stores for investigation.

FNS is in the final design and development stage for upgrading to the next generation fraud system (set for completion in 2012) that will significantly enhance the Agency's ability to identify and take action against retailer fraud. In addition, enhancements in the Agency's Store Tracking and Redemption System (STARS) to better screen retailer applications and provide predictive risk assessments on the retailer population were recently introduced.

The 2008 Farm Bill gave FNS enhanced authority to combat fraud, including additional sanctions and civil penalties for the misuse of benefits, the stealing of benefits from SNAP recipients, and allowing FNS to withhold benefits from retailers charged with fraudulent activities while administrative action to disqualify them is pending. FNS is developing proposed rules and will issue final regulations as soon as possible.

FNS works directly with our partners to aggressively pursue recipient fraud, which is a State Agency responsibility. While rare, fraud undermines public confidence and jeopardizes the ability of SNAP to serve the tens of millions of struggling families who need it the most. In fiscal year 2010, States conducted 781,000 fraud investigations, disqualified 44,408 individuals, and collected \$287 million in recipient claims. An additional \$1.3 billion in delinquent SNAP recipient claims has been collected since 1992 via the Treasury Offset Program (TOP).

FNS strongly encourages States to pursue recipients that are associated with retailers charged with trafficking that is generated by the ALERT EBT transaction data-mining system. FNS is now in the processes of collecting information from States to determine how often they are using this information to pursue recipient traffickers, and if not what are the challenges and barriers to doing so. FNS is interested in exploring new policies and technical assistance that can further support States' efforts in this area.

Individuals disqualified from participation in SNAP are tracked through an FNS operated Electronic Disqualified Recipient System (eDRS). eDRS is a centralized national database, utilizing data submitted each month by all 50 States, the District of Columbia, Guam, and the Virgin Islands, that tracks individuals disqualified from participation in SNAP for fraud violations. eDRS assists States in assigning the correct penalty, which varies by type and number of offenses, to individuals being disqualified. It also assists States in preventing these individuals from crossing State lines and participating in another State during the period of their disqualification.

Once the State has determined a client is guilty of an IPV, they are responsible for accessing eDRS in order to view any past violations so that the State assigns the correct penalty to individuals being disqualified. Each State agency is required to report to FNS information via eDRS when individuals are disqualified for IPV's no later than 30 days after the date the disqualification took effect. States are also responsible for keeping eDRS current and for editing and resubmitting any erroneous entries. FNS maintains an eDRS help desk that can answer questions for States that run into difficulty performing any of these tasks.

#### How USDA Ensures Program Integrity

Recipient integrity is a key concern for FNS. The misuse or sale (trafficking) of program benefits by recipients both weakens the nutrition assistance goals of the program and undermines public confidence in the program.

In response to these concerns, FNS has increased its focus on recipient integrity issues. I initiated this effort with a letter to our State partners emphasizing importance recipient integrity and seeking to begin collaboration to better understand and address this problem. FNS Regional Offices are working with State agencies to develop profiles of their current anti-fraud activities to establish a baseline and to identify potential barriers. We are seeking State partners who are willing to participate in pilot testing of new and innovative ways to prevent, detect and prosecute recipient violations. Potential pilots may focus on enhancing State-level data mining capabilities, greater Federal-State data sharing, and policy modifications related to card replacement and other administrative processes.

Retailer integrity is also critically important. FNS uses a fraud detection system to monitor all SNAP EBT transaction activity to identify anomalous patterns. Suspicious retailers are placed on the Agency's Watch List. FNS compliance analysts review transaction data from each store on the Watch List and determine whether an undercover investigation is warranted or if sufficient data is present to administratively sanction the store. FNS may also conduct additional research, such as a store visit or request additional information, such as tax returns, to help evaluate a store's transaction activity and redemptions.

If further research or an undercover investigation finds evidence of trafficking, all cases are referred to USDA's Office of Inspector General (OIG) for consideration for criminal prosecution. If USDA OIG pursues the case as a criminal matter, FNS withholds any further action until it is cleared by USDA OIG.

Once FNS has been notified that a case is cleared for administrative action, FNS issues a letter of charges. Store owners have 10 days to respond to the charges and provide evidence to refute the Agency's findings. Upon receipt of a store owner's reply, FNS carefully considers all information available and informs the store, via a letter, of the Agency's determination.

For retail grocery stores found guilty of trafficking, FNS permanently disqualifies these stores and the sanction is effective upon receipt of the Agency's determination letter. The store owner has 10 days to request an administrative review, but the store continues to be disqualified from participating in SNAP during the review process. If no review is requested the disqualification is final. If the administrative review is sustained and the store owner is further aggrieved, a judicial review in Federal court may be requested.

#### How USDA is Improving Program Administration and Management

FNS understands and appreciates the workload management challenges faced by States and local jurisdictions in this difficult economy. To help provide administrative relief to States and ensure program integrity, FNS has approved a variety of waivers, promoted policy options, and encouraged States to undergo business-process reengineering (BPR) in order to improve administration and management of the Program.

FNS has approved waivers that allow applicants to interview over the telephone instead of in person; allow elderly and disabled households with no earned income to forgo an interview at recertification; and allow applicants for Supplemental Security Income (SSI) benefits to apply for SNAP using a joint SSI/SNAP application process.

FNS has promoted policy options that streamline administration of the program. FNS' workload management matrix lists options that States can implement without a waiver, such as limiting the scope of the interview for stable, low-risk cases and providing maximum, 24-month certification periods for elderly and disabled households.

FNS encourages States pursue BPR efforts that help identify, analyze, and redesign a local office's basic business processes with the aim of achieving significant improvements in performance measures. The resulting savings in staff time creates an opportunity to channel those savings to activities that improve customer service and payment accuracy.

FNS provides some support for States interested in BPR but more resources are needed to provide technical assistance. The President's FY 2012 budget includes \$9 million dollars for technical assistance to States implementing BPR.

FNS is committed to working with States to ensure awareness of administrative options available to help manage and reduce workload while maintaining program integrity and improving customer service.

#### How EBT Cards Work

States are responsible for certifying recipient eligibility. Once it is determined that a recipient is eligible to receive benefits, the State issues the recipient an EBT card. Issuance varies by State, some cards are issued immediately to a recipient, commonly referred to as over-the-counter issuance. Other States mail EBT cards from a central point. States provide orientation material to each recipient describing how to use and care for the card, as well as contact information to check balances or report a lost card. Recipients select a four digit Personal Identification Number (PIN) as the EBT card is a PIN based debit card. The PIN serves as identity verification that the person using the card is authorized.

Benefits are typically made available each month and accessible to recipients based on issuance schedules that vary from State to State. Unused SNAP benefits roll over from one month to the next. However, SNAP benefits are expunged from EBT cards that have not been used for 1 year. Furthermore, EBT cards are not transferrable. However, all members of a certified SNAP household must have access to the SNAP benefits. A SNAP recipient in need of shopping assistance may allow another person to use the EBT card by sharing the PIN, but the benefits belong to the recipient household. SNAP recipients are instructed to be very careful about safeguarding their PIN.

Card replacement varies by State. EBT has been the method of issuance in all States since 2004. In some States, EBT cards are not typically replaced unless they are defective, lost or stolen.

Other States have replaced State cards when a high percentage began to fail at the point-of-sale due to age. At least one State has mirrored the commercial world by adding an expiration date to their card. Lost or stolen cards are deactivated when the loss is reported, and a defective card is automatically cancelled when it is replaced.

The Food and Nutrition Act provides a process by which households may be recertified for SNAP and receive uninterrupted service, provided the household:

1. Submits a completed recertification form, generally prior to the 15<sup>th</sup> of the last month of certification to receive uninterrupted service. (Households that apply after the 15<sup>th</sup> can still be recertified, but may not receive uninterrupted service);
2. Is interviewed as part of the recertification process. Households certified for 12 months or less must be interviewed at least once every 12 months; and
3. Provides any necessary verification to establish continued eligibility. At recertification a household must report changes to income, household composition or deductions that they may be receiving. A household must also verify any questionable information at this time.

This process ensures that the household is receiving the correct amount of benefits for current circumstances. After the State agency receives and verifies the necessary information, the State agency determines eligibility and recalculates the household's benefit amount as necessary. If the recipient is determined to be eligible during the recertification they continue using the same EBT card.

#### Tools and Authorities to Track and Prosecute Fraud

FNS always endeavors to make effective and efficient use of the program integrity tools, authorities, and resources available. The careful application of information technology as well as strong partnerships with SNAP State agencies, USDA OIG and State and local law enforcement are important parts of our successful strategy. If the Congress were to provide additional tools, authorities or resources for this purpose, FNS would make effective use of them.

#### Senator Robert P. Casey, Jr.

- 1) I commend Mr. Concannon and the Food, Nutrition, and Consumer Services for their commitment and success in decreasing fraud, abuse and improper payments. One question I have is whether SNAP Retailers that intentionally submit fraudulent SNAP claims become ineligible to redeem SNAP. What repercussions do SNAP Retailers face under these circumstances? What instances has FNS observed such fraudulent claims by SNAP retailers and what action did FNS take to address these abuses?



**Response:** As Electronic Benefit Transfer (EBT) is the sole form of SNAP benefit issuance, retailers no longer submit deposits or claims to USDA. Individual SNAP transactions are tracked electronically and payments are deposited directly into a retail grocery store's bank account on a daily basis.

A retailer may create a fraudulent transaction by trafficking, which is the exchange of SNAP benefits for cash. The exchange typically occurs at a discount, where a SNAP recipient is given 50 cents on the dollar in cash and the retailer processes a transaction charged to the government and pockets the remaining amount as profit.

If FNS finds evidence that a retail grocery store is engaged in trafficking, it refers the case to USDA's Office of Inspector General for potential criminal prosecution. Criminal prosecution may lead to jail time, deportation if applicable, and/or significant financial penalties.

In addition to possible criminal prosecution, FNS implements administrative penalties. Upon any instance of trafficking, regardless of the amount, FNS permanently disqualifies the retail grocery store from SNAP participation. In the event that the disqualified retailer sells their store and the new owner proves that a bona-fide transfer took place and becomes authorized, the disqualified retailer is assessed a Transfer of Ownership Civil Money Penalty. Furthermore, the disqualified retailer is referred to the State Agency responsible for administering the Women, Infants, and Children (WIC) for removal from WIC, which is not subject to an appeal.

A retailer may also break program rules by allowing SNAP recipients to purchase non-food items with benefits. In such cases, the retailer may be disqualified from participating in SNAP for a period of 6 months to 3 years.

Senator Amy Klobuchar

- 1) Undersecretary Concannon, I commend USDA for working hard on proposed rules to improve the nutrition standards in our school meal programs. The quality of the meals our kids eat in school plays a major role in their health, well-being, and ability to learn.

I sent the Department a letter yesterday expressing some concerns I have about some of the changes USDA is proposing I and look forward to your response.

As you know, I am a big proponent of your efforts to increase vegetable intake and decrease the amount of sodium in the School Breakfast Program and National School Lunch Program meals.

However, given some of the more significant changes in the new standards, do you foresee any difficulties for schools and for meal providers in implementing these reductions per your timeline?

How do you think these proposed rules will affect the practical operation of school meal programs? What are your thoughts on the logistics of implementing these changes nationwide?

**Response:** USDA recognizes that the proposed rule to improve school meals would require a significant commitment from our program operators. Meeting the proposed requirements may involve training employees, securing new equipment, working with existing food suppliers and possibly identifying new ones, and updating menus and recipes. Schools that currently participate in the Healthier US School Challenge (HUSCC), are well positioned to implement these changes because they already have a focus on a variety of whole grains, fruits, and vegetables. To assist schools in meeting the HUSCC criteria and the Dietary Guidelines for Americans, USDA is providing training and technical assistance to State Agencies, school districts and schools. During the last year, five national Webinars and 206 in-person training events were held in all seven Food and Nutrition Service regions. These activities are important to helping schools understand the new requirements and to create a school nutrition environment that fosters consumption of healthier meals.

USDA is working with schools to create healthful meals that are appealing and budget friendly through the Recipes for Healthy Kids Competition (which focuses on recipes for whole grain, bean and pea, and dark green and orange vegetable menu items) and the Chefs Move to Schools programs. USDA is also providing competitive and non-competitive Team Nutrition Training Grants to State Agencies to assist them in providing trainings for child nutrition program foodservice staff on improving school meals and to provide evidence-based nutrition education for children, teachers, parents and others caregivers.

We are confident that USDA Foods (which account for 15 to 20 percent of the food served on the lunch line) is well positioned to help schools comply with improved nutrition standards. The USDA Foods program offers more fruits and vegetables, more whole grains, and more food that is lower in sugar, salt, and fat than ever before. All food distributed through the USDA Foods program support the Dietary Guidelines for Americans and meet rigorous food safety standards.

USDA will update technical assistance materials such as the Food Buying Guide and the Grains-Breads Instruction, and develop practical guidance as needed to facilitate implementation of the new meal requirements. We will collaborate with the National Food Service Management Institute to revise or develop technical assistance and training resources to help schools improve procurement, menu planning, and other aspects of the food service operation to be able to meet the new requirements in a cost effective way. Furthermore, the Food and Nutrition Service Regional Offices will work closely with all the State agencies to support nationwide implementation of the new meal requirements.

Senator Kirsten Gillibrand

Undersecretary Concannon, I appreciate your efforts on behalf of school children, in particular your work with the Healthy Hunger-Free Kids Act.

I was proud to support this legislation. The bipartisan effort on this legislation will improve the foods that are offered in our nation's schools.

However, I wanted to raise some of the concerns that I am hearing from my schools in NY. These concerns revolve around the potential they won't be able to absorb the high costs associated with the new program, even with the changes mandated in the Healthy Hunger-Free Kids Act.

- Specifically, that the changes could hurt participation and further increase plate waste.
- Discount programs for large orders do not fit at all for small schools. Small schools cannot store or use food items fast enough to provide spoilage or waste.
- And will reimbursements for free and reduced lunches increase proportionately to the increase food costs

Given these concerns, I wanted to know what steps the Department is taking to help schools achieve the goals of the Health Hunger-Free Kids Act in a way not detrimental to the schools meal programs. I think we'd all agree any changes we make need to be changes that are implementable by schools.

**Response:** The Healthy, Hunger-Free Kids Act of 2010 (HHFKA) requires USDA to promulgate proposed regulations to update the school meal patterns and nutrition standards based on the scientific recommendations made by the Institute of Medicine (IOM). The proposed rule issued January 13, 2011 incorporates IOM's recommendations set forth in the report *School Meals: Building Blocks for Healthy Children*. These recommendations were developed by a committee that included experts in health, nutrition, school food service, and economics. We are aware that the proposed meal requirements must be successfully implemented by small and large schools, result in tasty and low-cost meals, and retain student participation. We are considering the public comments submitted by program operators and other stakeholders to develop a feasible implementing rule. In addition we are taking numerous steps to facilitate schools' transition to new meal requirements. USDA is providing training and technical assistance to State agencies, school districts and schools. During the last year, five national Webinars and 206 face-to-face trainings were held in all seven Food and Nutrition Service regions. These activities are helping schools move in the direction of the new requirements and to create a school nutrition environment that fosters consumption of healthier meals.

USDA is helping schools create healthful meals that are appealing and budget friendly through the Recipes for Healthy Kids Competition (which focuses on recipes for whole grain, bean and pea, and dark green and orange vegetable menu items) and the Chefs Move to Schools programs. USDA is also providing competitive and non-competitive Team Nutrition Training Grants to State Agencies to assist them in providing trainings for child nutrition programs foodservice staff on improving school meals and to provide evidence-based nutrition education for children, teachers, parents and others caregivers.

In terms of food costs and meal reimbursements, USDA estimated that the increased cost of serving meals that meet the new nutrition standards is about \$6.8 billion in the first five years of implementation. The HHFKA provides (effective October 1, 2012) an additional 6 cents per

lunch for schools meeting the requirements established by the implementing rule. The Act also recognizes that there are other important sources of revenue for school food service and aims to strengthen these revenue streams through two provisions; one requiring equity in school lunch pricing for children who are not eligible for free or reduced price meals and the other ensuring schools generate a proportionate share of revenue from non-program food sales to food cost. When taken together, the non-Federal revenue generated by these provisions plus the additional Federal reimbursement provided for improved meals will, on average, provide enough revenue for schools to meet the new standards without additional changes to reduce costs.

However, not all schools will face the same cost challenges. The increase in food costs will depend in part on the foods offered in the menu, students' selection of foods, the use of USDA Foods, and the school food authority environment (e.g., bid pricing, purchasing power, location in metro or rural area, geographical/cultural food preferences, variety of cooking/production methods). Schools with menus that already emphasize fruits, vegetables and whole grains may need to make fewer changes, and the cost of implementation in those schools may be lower than the average.

USDA will also continue to assist schools by providing a wide variety of fruits, vegetables, lean meats and poultry, reduced-fat cheeses, reduced-sodium products, and whole grains through USDA Foods. USDA Foods, which comprise approximately 15-20% of a school lunch, are one way to stretch limited meal budgets for most of the schools participating in the National School Lunch Program.

Senator Richard Lugar

- 1) We were all happy to see that the Department announced last week that the FY 2010 Supplemental Nutrition Assistance Program (SNAP) quality control error rate was a record-low 3.81 percent. However, participation in the SNAP has grown dramatically to a record-high 44.5 million people. That's a substantial increase from the 26 million participants in 2007. So, while the error rate has decreased, the overall participation rate has increased, which means the overall number of errors in the program likely has not been lowered. What more is the Department doing to reduce this error rate even further? Specifically, how is the Department working with the states to reduce fraud and wasted in the SNAP.

**Response:** FNS is committed to reducing improper payments with numerous strategies that have proven to be successful.

- **Leadership Commitment:** One of the most important factors in maintaining improved performance in payment accuracy is the need for State partners to continuously renew their leadership commitment to excellence. FNS provides leadership through interactions with State policy decision makers, including participation in meetings with State commissioners and governors; presentations at functions such as the American Public Human Services Association, the National Conference of State Legislatures, as well as other National and regional conferences

and meetings, and sponsoring regional training meetings attended by State commissioners and SNAP directors.

FNS facilitates the commitment, involvement and collaboration among State partners and leadership at all levels through the exchange of information, tools, and strategies aimed at reducing error rates. FNS facilitates information sharing through direct exchanges and through a web based environment maintained for such use. The SNAP Partner Web facilitates the exchange of information and communication on error reduction issues among FNS and State staff. FNS will continue to use the Partner Web to update and disseminate vital program information.

- National Payment Accuracy Work Group (NPAWG): FNS supports the activities of the SNAP NPAWG, a team of experts from FNS national and regional offices, to monitor and evaluate payment accuracy progress, analyze error rate data, and exchange information on payment accuracy best practices and program improvement strategies. The work group develops tools for States to use as guides to assist in continuing to improve program integrity. Efforts of the work group to make timely and useful payment accuracy related information and tools available across regions and States contributes significantly to success in payment accuracy.
- Early Detection System: FNS uses an early detection system based on preliminary QC data, to target States that may be experiencing a higher incidence of payment errors. This strategy uses a tier methodology to rank States based on error rate performance in order to support effective and consistent deployment of limited FNS resources for intervention and technical assistance. FNS intervenes, as appropriate, to address situations with individual States identified through the process. “Critical States” are States that have received a sanction or may potentially be sanctioned based on a reported payment error rate above the national average. FNS provides these States with top priority technical assistance and attention. Intervention strategies include but are not limited to annual corrective action assessments, direct communications with high level State leadership, and periodic meetings with State program managers to develop targeted special payment accuracy initiatives based on QC data analysis.
- State Exchange: Since the early 1980s, FNS has provided through the State Exchange Program, funds for States to travel to other States to see ideas for improvement that have proven to be successful and to participate in conferences where such ideas are presented. Strategies of interest include systems or technology; policy options; and business practices or work flow reengineering. FNS continues to support State exchange, which totaled \$631,000 in FY 2010.
- Other State Practices: FNS works closely with States to encourage implementation of practices that have proven helpful at reducing improper payments elsewhere. For instance, business process reengineering offers States many options for looking at internal operations for ways to work more efficiently and with reduce payment errors. Another example are error review committees made up of various State

agency stakeholder representatives who meet to discuss QC findings, error prone elements, policy application and corrective action plans, are a proven cost effective internal management tool for monitoring payment accuracy and enhancing accountability. Another State practice is data matching to verify client eligibility and detect dual participation. States have numerous options for data matching beyond those required by FNS, to further enhance payment accuracy. FNS supports all such efforts by reimbursing 50 percent of such expenditures as allowable administrative costs.

- 2) A 2009 study by the Ohio State University found that the average user of food stamps had a body mass index (BMI) that was 1.15 points higher than non-users. The study also found that people's BMI increased faster when they were on food stamps than when they were not and that people's BMI increased more the longer they were on the program. While you have shared information on how your agency is reducing fraud in the Supplemental Nutrition Assistance Program, what is being done to encourage healthy eating for those enrolled in the program?

**Response:** We are not aware of any convincing evidence to support the notion that SNAP or other Federal nutrition assistance programs cause obesity and overweight. While some studies have shown an association between participation in Federal nutrition programs and higher weight, others have not. None have shown a *causal* relationship.

Almost every American's diet is in need of improvement. In USDA's most recent analysis of national data on dietary intake (1999-2004 National Health and Nutrition Examination Survey), SNAP participants and eligible nonparticipants had nutrient intakes that were more similar than dissimilar. All subgroups – SNAP participants, eligible nonparticipants and higher income persons – consumed too much fat, saturated fat, and added sugar, and too few fruits, vegetables and whole grains.

That said, SNAP plays a vital role in helping to improve the nutrition of the Nation, particularly among low-income individuals. SNAP has an education component (SNAP-Ed) with a primary goal to provide nutrition information that encourages SNAP recipients to make healthy food choices within a limited budget and choose a physically active lifestyle consistent with the current Dietary Guidelines for Americans and MyPlate.

SNAP Nutrition education is delivered by more than 100 organizations, in partnership with State SNAP agencies, through hundreds of local projects. FNS has developed a number of resources to support SNAP nutrition educators. These include:

- *Education and Administrative Reporting System (EARS)* is a national reporting system for SNAP-Ed designed to be a management tool. The uniform data collected will inform management decisions, support policy initiatives, and provide documentation for legislative, budget and other requests that support FNS planning.
- *EARS Training Module* an interactive and self-directed training experience that is available anytime, anywhere. This new online learning module provides background information and

detailed instructions on completing the EARS form, which is perfect for training new staff members and those who are not yet familiar with EARS. More experienced staff members will appreciate the self-directed nature of the course, practical examples, and a case study which allows for a focused learning experience or simply a refresher on key elements of the EARS form.

- SNAP-Ed makes various educational resources available, which include:
  - *Loving Your Family* is a comprehensive low literacy curriculum that focuses on English and Spanish speaking mothers who participate in SNAP. The curriculum provides easy and tasty low cost recipes.
  - *Eat Right When Money's Tight* is a resource that provides information on how to shop on a limited food budget with tips on best buys in each food group.
  - *Eat Smart, Live Strong: Nutrition Education for Older Adults* is designed to improve fruit and vegetable consumption and physical activity among 60-74 year olds participating in or eligible for FNS nutrition assistance programs.
  - *The SNAP-Ed Connection Recipe Finder* is a database of 600 healthy recipes that are generally low cost; use readily available ingredients; can be prepared quickly; use simple measurements and basic equipment. All of the recipes are available in English and Spanish and are highlighted on the Let's Move website.

Senator Saxby Chambliss

- 1) Under Secretary Concannon, as you know, the Healthy, Hunger-Free Kids Act that was recently signed into law, requires the USDA to undertake the Supplemental Nutrition Assistance Program Education (SNAP-Ed). What measures are the Department taking to ensure an effective message in delivering nutrition education information to guarantee that resources are being used efficiently?

**Response:** The Healthy, Hunger-Free Kids Act (HHFK) of 2010 (Public Law 111-296), Section 241, calls for the establishment of a Nutrition Education and Obesity Program (NEOP). Similar to the previous SNAP-Ed program, the target population eligible to receive nutrition education and obesity prevention service under the NEOP is low-income individuals. The provision requires interventions to be evidence-based and outcome driven with a focus on preventing obesity.

The HHFK Act requires consultation with the Director of the Center for Disease Control and Prevention (CDC) and a wide range of stakeholders and experts to identify allowable uses of funds and strengthen the delivery, oversight, and evaluation of nutrition education and obesity prevention services. Accordingly, FNS conducted an aggressive outreach effort to engage its partners, stakeholders and experts in consultation on all aspects of the NEOP provision. FNS

directed nearly 25 consultative sessions over a 6 month period. These sessions included national stakeholders meetings, listening sessions, and webinars. It also included focused meetings and conference calls with State SNAP directors and State implementing agency staff coordinated through the American Public Human Services Association (APHSA), Regional Extension Service administrators, nutrition network administrators, Native American Tribal Leaders, nutrition practitioners, researchers, and representative of community-based organizations that serve low-income population.

Additional meetings were conducted with Federal partners such as CDC Nutrition, Physical Activity, and Obesity prevention staff and USDA partners involved with SNAP-Ed evaluation and research. A meeting was also held with members of the White House Task Force on Obesity. To broaden opportunities for public input, SNAP established an e-mail box to receive informal written comments from stakeholders and the public.

Even prior to the passage of the HHHK legislation, FNS took concrete steps to better assess the impacts of SNAP-Ed. Such work has also provided valuable information to the implementation of the NEOP. FNS:

- Created a tool on how to conduct credible impact evaluations involving nutrition education. This tool is posted on the FNS web-site and used as the foundation for workshops delivered at a variety of meetings with State SNAP agencies and their nutrition education partners.
  - Analyzed information provided in States' annual SNAP-Ed reports for 2010 on their evaluation activity and findings.
  - Conducted an independent and rigorous FNS impact evaluation of several SNAP-Ed projects that were competitively selected as promising.
- 2) Under Secretary Concannon, I understand that the partnerships between states and the USDA play a large role in the administration of nutrition assistance programs; can you elaborate on the Department's efforts to streamline the authorization process for retailers of the Women, Infants, and Children (WIC) program and the Supplemental Nutrition Assistance Program (SNAP)?

**Response:** While WIC and SNAP are both nutrition programs, they differ in many ways. WIC is not an entitlement program. WIC is targeted to specific populations of women, infants, and children. Only certain foods are eligible to be purchased with WIC benefits. WIC is administered by 90 State Agencies and Indian Tribal Organizations. Each WIC State agency is responsible for authorizing an appropriate number and distribution of vendors in order to ensure the lowest practicable food prices consistent with adequate participant access to the foods WIC provides. Each State agency must also ensure effective management, oversight and review of its authorized vendors.

SNAP retailers are authorized and managed at the Federal level by the Food and Nutrition Service (FNS). FNS has made several operational improvements to these processes in the last



several years. Retailers are able to submit an application on line, and provide information related to re-determination of eligibility on-line. Information regarding participating stores available for clients, advocates, and researchers is now available on our website.

FNS continues to look for opportunities to streamline the retailer authorization process. In WIC, retail grocery stores must provide their SNAP authorization number in order to apply to accept WIC benefits. FNS has granted authority to WIC State Agency staff to access SNAP's Store Tracking and Redemption System (STARS). STARS is a database that tracks and monitors all SNAP retailer data down to the store level, including store location, sales, and ownership information. This allows WIC State Agencies to utilize STARS to verify application data and SNAP authorization as reported by the retailer, in order to facilitate WIC authorization. WIC retailer authorization data is submitted annually to FNS and is maintained in WIC's The Integrity Profile System (WIC TIPS). FNS built both STARS and WIC TIPS using the same technology so that the databases can easily share information.

Senator John Thune

- 1) What do you consider the greatest compliance challenge with SNAP?

**Response:** While some stores and clients violate Program rules, the vast majority of SNAP recipients use their benefits correctly and the vast majority of participating retailers operate within Program rules. Yet holding bad actors who misuse benefits accountable and eliminating stores that traffick SNAP benefits from the program is our responsibility as public stewards and we take it very seriously. Americans support helping struggling families put food on the table but they want to know that taxpayer dollars are being spent wisely. Correcting mistakes, and rooting out waste, fraud and abuse so that Federal dollars are used properly is a top priority for this Administration.

- 2) What are you doing to correct it?

**Response:** FNS takes an aggressive stance against those who violate program rules.

Trafficking occurs when retailers and recipients discounting SNAP benefits in order for recipients to convert their SNAP benefits into cash (e.g., 50 cents on the dollar). Trafficking has decreased significantly over the past 15 years from approximately 4 cents on the dollar in the mid 1990s to approximately 1 cent on the dollar in the mid 2000s.

We are constantly on the look-out for new trafficking schemes. As a result, we are able to identify schemes early and share intelligence with all of our investigative personnel and investigative partners such as OIG and State Law Enforcement Bureaus to enable them to take appropriate action.

Our Anti-Fraud Locator for Electronic Benefit Transfer Transactions (ALERT) system is being redesigned with new, more advanced technology and analytical tools to strengthen our fraud detection capabilities. The new ALERT system will allow FNS to more quickly implement

fraud detection as new schemes are identified and will allow FNS staff to focus on higher priority cases.

FNS is also in discussions with OIG and Treasury's Financial Crimes Enforcement Network to perform data matching to help OIG better target networks of SNAP fraud. This data matching and enhanced data mining through ALERT will enable FNS' ability to detect fraudulent retailers early and shut them down quickly.

As a result of the last Farm Bill, FNS is in the process of changing the definition of trafficking to better address new schemes, circumstances where a transaction does not directly involve the exchange of cash for SNAP benefits. FNS is taking this action in response to instances where retailers may try to evade current regulations by using indirect methods, such as a purported sale of food at the point of sale with the intent to immediately exchange the food for cash. The proposed rule that addresses these trafficking situations was published in the Federal Register on June 20.

SNAP also has a team of investigators across the country that conduct on-site reviews of stores suspected of trafficking or of not complying with program rules. In FY 2010, FNS conducted over 5,000 investigations.

Recipient integrity is also a key concern for FNS. We understand that misuse or sale (trafficking) of program benefits by recipients both weakens the nutrition assistance goals of the program and undermines public confidence in Federal and State governments' management of the program.

States are responsible for conducting investigations and penalizing individuals found to be trafficking SNAP benefits. Investigations result from information obtained through data matches, whistleblower complaints from the public, a State's internal fraud detection analysis, or from positive investigations of retail operations indicating the possible involvement of recipients. In Fiscal Year 2010, States conducted over 361,000 investigations resulting in the disqualification of 44,408 individuals, defined as an Intentional Program Violation (IPV). IPVs are those in which client's provide false statements or withhold facts in order to obtain benefits or who are found guilty of trafficking SNAP benefits. Individuals assessed an IPV are penalized as follows: the first offense results in a 12 month disqualification, the second offense results in a 24 month disqualification, the third offense results in permanent disqualification.

FNS has increased its focus on recipient integrity issues. I initiated this effort with a letter to our State partners emphasizing importance recipient integrity and seeking to begin collaboration to better understand and address this problem. FNS Regional Offices are working with State agencies to develop profiles of their current anti-fraud activities to establish a baseline and to identify potential barriers. We are seeking State partners who are willing to participate in pilot testing of new and innovative ways to prevent, detect and prosecute recipient violations. Potential pilots may focus on enhancing State-level data mining capabilities, greater Federal-State data sharing, and policy modifications related to card replacement and other administrative processes.

Senate Committee on Agriculture, Nutrition & Forestry  
 Farm Bill Accountability: The Importance of Measuring Performance, While Eliminating  
 Duplication and Waste  
 Questions for the record  
 Ms. Phyllis Fong  
 June 23, 2011

Senator Debbie Stabenow

- (1) OIG recently released its Semi-Annual Report to Congress (SARC). In this report, OIG indicated that some 80 cases were closed in the past 6 months, yielding \$7.9 million in monetary returns. How long might an investigation take from the time potential fraud is identified until the case has been closed? Does OIG currently have the resources it needs to pursue all cases it receives or are you forced to turn down prosecution of some cases due to lack of resources?

**Response:** The SARC references 80 convictions that are specific to our SNAP investigations. OIG cannot provide a specific length of time that it takes to complete an investigation, as there are many variables which have an impact on duration. Such variables include but are not limited to: the nature of the USDA program under investigation, the type of crime being investigated, the number of witnesses to be interviewed, the volume of documents to be obtained and reviewed, the need to obtain and execute search warrants, the willingness of the U.S. Attorney's Offices to prosecute the individuals, and the length of time the case might take to proceed through the judicial process.

We are scrutinizing each referral we receive to ensure that we are taking only those cases that meet our strategic plan goals, will have an impact, and that we have the resources to complete. Although we have seen an increase in the number of cases being referred to OIG for investigation, we have also had an increase in the number of cases we had to decline due to lack of resources.

- (2) OIG has been engaged in an audit of the databases in several States with large numbers of SNAP recipients to determine the extent to which duplicate payments are being issued. Please provide the committee an update on the status of these reviews.

**Response:** We visited 11 States (Texas, Louisiana, Mississippi, Alabama, Florida, Missouri, Kansas, New York, New Jersey, Pennsylvania, and Massachusetts). Our objective was to review the States' eligibility data to identify anomalies that could result in improper payments being made to individuals. We analyzed the data to identify individuals who:

- are deceased and continue to receive SNAP benefits,
- simultaneously receive SNAP benefits from multiple States,
- have invalid social security numbers,
- exceed the income eligibility requirements, or

- receive more than the maximum benefit allowed.

We plan to issue individual reports of our findings on each State to the appropriate Food and Nutrition Service (FNS) Regional Office this fall. A report on the issues we found in all of the 11 States is expected to be issued to FNS by January 2012.

- (3) In your report titled “State Fraud Detection Efforts for the Supplemental Nutrition Assistance Program” OIG determined that State annual activity reports contained unreliable and unverified data. Has OIG conducted any additional review of state fraud detection activities? What additional federal oversight activities, authority and/or resources are needed to ensure States are providing proper oversight and accountability?

**Response:** We issued two fast reports, “State Fraud Detection Efforts for the Supplemental Nutrition Assistance Program” on July 12, 2010, and “State Fraud Detection Efforts for the Supplemental Nutrition Assistance Program – Use of EBT Management Reports” on September 10, 2010.

We believe that FNS has the necessary authority and resources to ensure that States are providing proper oversight and accountability. FNS could, however, enhance its Federal oversight by requiring States to evaluate fraud detection units in management evaluation (ME) reviews. Currently, States’ ME reviews do not address the efficiency and functioning of the fraud detection units. By requiring States to continuously assess fraud detection efforts, FNS would put in place a more robust system of controls for assessing the States’ fraud detection efforts, and for identifying recipients that are fraudulently using their SNAP benefits.

We also provided the following recommendations to FNS in an effort to ensure States provide proper oversight and accountability to identify potentially fraudulent activities by SNAP recipients:

- FNS should establish and provide guidance to States in identifying and assessing available Electronic Benefits Transaction (EBT) management reports to determine which reports could be most useful to each State’s fraud detection units.
- FNS should require States to implement procedures for the periodic review and analysis of management reports to detect and follow up on suspicious or unusual SNAP transactions.
- FNS should include, as part of their ME review process, an assessment of the States’ fraud detection units.

During our review of the 11 States mentioned in our response to question (2), we interviewed staff in State fraud detection units to learn what tools they are using to identify participant fraud, what actions are taken when fraud is identified, and what technological improvements or increases in staffing they have made since the increase in

SNAP participation.<sup>1</sup> Any findings related to State fraud detection units will be included in the upcoming reports.

- (4) In conducting fraud investigations, OIG frequently requires access to information from a variety of state and federal agencies as well as some private sector partners. Has OIG experienced any challenges or delays in receiving necessary information in a timely fashion? Please provide detailed information of any challenges or delays.

**Response:** OIG has encountered some difficulty accessing information needed for our SNAP investigations. FNS no longer requires a SNAP retailer to disclose the financial institution designated to receive reimbursement for transactions by SNAP recipients at its establishment. FNS had previously required this information and the information was readily available to OIG when needed. At this time the respective State enters into an agreement with a "SNAP processor," a third party entity, to facilitate SNAP transactions and maintain financial institution records relating to assigned SNAP retailers. FNS has stated that it lacks authority to compel a processor to disclose the financial institution information to OIG. Therefore, OIG is currently issuing subpoenas to the relevant financial institutions for the necessary records. This process can significantly delay OIG's investigative efforts.

Additionally, OIG routinely issues subpoenas to State tax agencies for business tax records to assist in SNAP fraud investigations related to authorized SNAP retailers. OIG has experienced challenges to these subpoenas. For example, the State of Ohio's Department of Public Safety referred a SNAP allegation to OIG involving a retailer and asked OIG to conduct an investigation. In pursuing the allegation, OIG issued a subpoena to the Ohio Department of Taxation for sales tax and business records of the retailer. The Ohio Department of Taxation refused to provide the records and is currently challenging the subpoena claiming that OIG needs a court order for the records, based upon Ohio State law. The matter is currently before the Sixth Circuit Court of Appeals; it has been 23 months since OIG subpoenaed the records.<sup>2</sup>

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<sup>1</sup> Average monthly participation in the SNAP program increased by 53 percent between 2007 and 2010.

<sup>2</sup> Subpoena was issued on August 20, 2009.

Senator Saxby Chambliss

- 1) Ms. Fong, what audits, investigations or issues have been so serious that you have taken them directly to the Secretary? What should be USDA's top management priority? What USDA programs, functions or agencies are of most concern to you? Why?

**Response:** We routinely advise the Secretary and Deputy Secretary of issues that are considered high profile or issues that may be of a sensitive nature.

As to USDA's top management priority, OIG identifies and reports on the most significant management challenges facing USDA each year. This information is also reflected in USDA's annual Performance and Accountability Report.<sup>3</sup> Our next reporting of the management challenges is scheduled for August 2011. Of the management challenges facing USDA, we believe the most significant priorities for USDA should be:

- Improving interagency communication, coordination, and program integration
- Implementing strong, integrated, internal control systems in a secure information technology environment
- Identifying and eliminating material weaknesses in the Civil Rights control structure and environment
- Improving controls for food safety inspection systems

Because OIG's mission is to identify and eliminate fraud, waste, and abuse, any USDA program with identified vulnerabilities is of significant concern to OIG. As referenced in our past semiannual reports to Congress and annual reports of management challenges facing USDA, OIG's primary concerns are food safety and public health, information security, and eliminating identified vulnerabilities and improper payments in agency programs.

Senator John Thune

- 1) Do you believe OIG adequately monitors fraud, waste and abuse of USDA programs?

**Response:** OIG has consistently obtained significant results in identifying and reducing fraud, waste, and abuse in USDA programs and operations, particularly given the diversity and complexity of USDA programs and our limited resources. For example, from Fiscal Year 2008 through June 1, 2011, OIG's investigations resulted in over 2,150 convictions and \$368 million in monetary results; and OIG audits made 1,136 recommendations to agencies which resulted in recommended recoveries of \$46.8 million and approximately \$597 million in funds to be put to better use.

<sup>3</sup> The most current version of these reports may be viewed on USDA's Web site - <http://www.ocfo.usda.gov/usdarpt/usdarpt.htm> (Performance and Accountability Report, FY 2010) and <http://www.usda.gov/oig/webdocs/MgmtChallenges2010.pdf> (USDA Management Challenges, dated August 2010).

2) What is OIG's biggest challenge?

**Response:** OIG's biggest challenge is maintaining the quality and breadth of our work in the face of a potential reduction in resources. OIG allocates resources to oversight of programs based upon many factors, including the level of risk in such program areas. There are programs in USDA that would benefit from more frequent oversight, but some important OIG reviews get delayed by a year or two because our resources are needed for programs deemed to be at greater risk of fraud, waste, and abuse. Our continuous challenge is properly determining which programs have the highest risk of misuse and mismanagement, so that we can allocate resources to review the programs in a timely manner. In light of a potentially significant reduction in our resources, the frequency of reviews of certain programs could be further strained.

RESPONSES TO QUESTIONS FOR THE RECORD RE TESTIMONY OF JOE LEONARD,  
JR., PH.D. ON JUNE 23, 2011

Senator Debbie Stabenow

- (1) In your testimony, you mention that in FY2010, USDA saw the lowest number of FSA program complaints and the lowest total number of Equal Employment Opportunity complaints since the Department began keeping track. What was the first fiscal year in which the Department began keeping track? Additionally, please provide a chart detailing the number of program complaints filed against each Agency and the number of Equal Employment Opportunity complaints filed against each Agency; including columns indicating the result or resolution of the complaints (e.g., merit finds of discrimination, etc.).

**RESPONSE:** In FY 2007, the Office of the Assistant Secretary for Civil Rights created the Civil Rights Enterprise System (CRES) for Department-wide program and employment complaint processing and monitoring. This system migrated into CRES all previous tracking systems used by civil rights staff throughout the Department. The accurate reporting of data for employment and program complaints culled from CRES did not occur until FY 2009.

A copy of the Form 462 report detailing employment discrimination complaint processing is attached for your review. Also attached is data from the Program Complaint Management System (the program arm of CRES) indicating complaint closures and disposition by USDA agency from FY 2006 – 2010.

- (2) On Wednesday, May 12, a report on USDA civil rights issue was released. Prepared by the Jackson Lewis consulting firm, the report was ordered by Sec. Vilsack in April 2009. The report makes department-wide recommendations aimed to help USDA improve service delivery to minority and socially disadvantaged farmers and ranchers, and it also suggests agency-specific changes to enhance program delivery and outreach to promote diversity, inclusion, and accessibility. How does USDA intend to respond to the recommendations in the Jackson Lewis report, and what actions has USDA taken to implement the report's recommendations?

**RESPONSE:** A work group consisting of key USDA leadership and senior career employees has been assembled to review, analyze and implement key recommendations. In addition, USDA is planning to consult with community based organizations on the implementation plan for the recommendations.

There are 234 recommendations that include department wide or agency specific recommendations. We have identified approximately 90 recommendations that could be implemented quickly and in some cases are items the department is already implementing as part of our cultural transformation activities and our commitment to improving civil rights. The additional 140 recommendations fall into three categories:

- 1). Require a policy change



- 2). Require legislation and/or could be advanced as part of the 2012 farm bill
- 3). Items that cannot be implemented.

Office of Advocacy and Outreach is working with leadership and members of the workgroup of agency representatives in order to prepare the report due to the Secretary by October 1<sup>st</sup>.

Senator Sherrod Brown

- 1) Congress recently passed funding for the long overdue Pigford settlement for black farmers. In the 110<sup>th</sup> Congress, I worked with Senator Grassley, the late Senator Kennedy – and when they served in the Senate – President Obama, Vice President Biden, and Secretary Clinton, on the Pigford Claims Remedy Act on behalf of the nearly 600 farmers in Ohio who were denied loans and assistance from USDA based upon race. What has the Department done to ensure the timely processing of these claims?

**RESPONSE:** The process for adjudicating claims pursuant to *In Re Black Farmers Discrimination Litigation (Pigford II)* has not been formally established. The *Pigford II* settlement agreement has not yet been approved by the court. The court has scheduled a fairness hearing on the settlement agreement for September 1, 2011.

Senator Charles Grassley

- 1) There was a GAO report conducted in 2008 that found USDA has major issues with how it handles employee discrimination and other workplace complaints. Then, in the Jackson Lewis “Civil Rights Assessment” report issued in March of 2011, it was still found that USDA still takes entirely too long to process employee complaint cases. Why is there such a lack of progress on speeding up the processing of employee complaint cases?

There are plenty of other agencies who deal with discrimination and workplace claims made by employees. And many of those agencies have no trouble processing claims. What is it at USDA that makes it so difficult to process employee complaints in a timely manner? Who is responsible for the delays in processing employee discrimination and other workplace complaints? Is there anyone who has been held responsible for slow processing, or failure to process claims? Can USDA provide me with the steps it is taking to fix the problems with how it processes employees’ discrimination and other work place complaints?

**RESPONSE:** USDA has made significant progress processing employment complaints during this administration. All EEO processing in USDA is undergoing a Lean Six Sigma (LSS) process improvement review. The LSS process has identified complaint processing redundancies and delays. The LSS review will be completed shortly on the EEO process resulting in a subsequent reduction in processing times.

Senator John Thune

- 1) What is the percentage of the USDA annual budget spent resolving civil rights complaints and settling claims?

**RESPONSE:** The percentage of the USDA annual budget spent resolving civil rights complaints and settling claims is negligible. USDA's total budget for 2010 was over \$130 billion and compared to \$7.1 million for processing complaints, including investigation costs and settlements."

PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

Case #	USDA Rec. Date	Case Status	Agency	Class	Accepted?	Determined ACCEPTED DATE	Closed Date	Closure Code
10-3237	10/7/2009	Investigation	RD		Accepted	11/24/2009	7/27/2010	* No Jurisdiction
10-3617	1/28/2010	Archive	FNS		Accepted	1/28/2010	2/18/2010	*15-Day Letter Returned Unclaimed
10-4152	7/30/2010	Archive	FNS		Accepted	8/13/2010	9/23/2010	*15-Day Letter Returned Unclaimed
10-4153	8/10/2010	Archive	FNS		Accepted	9/9/2010	10/7/2010	*15-Day Letter Returned Unclaimed
08-0683	11/1/2007	Archive	FNS		Cannot Determine		9/24/2008	*15-Day Letter Returned Unclaimed
09-2775	6/29/2009	Archive	FNS		Cannot Determine		7/27/2009	*15-Day Letter Returned Unclaimed
2012220	10/29/2004	Closed	FNS		Cannot Determine		12/2/2010	*15-Day Letter Returned Unclaimed
08-1291	4/2/2008	Archive	RD		Cannot Determine		10/23/2008	*15-Day Letter Returned Unclaimed
98-0237	2/6/1998	Archive	FSA	Keepseagle	Accepted	5/8/1998	2/26/2008	*Administrative Closure
98-0239	2/20/1998	Archive	FSA	Garcia	Accepted	8/18/1998	2/27/2008	*Administrative Closure
99-0230	4/27/1999	Archive	RD		Accepted	6/30/2000	2/26/2008	*Administrative Closure
04-0018	2/4/2004	Archive	RD	Chiang	Accepted	6/29/2004	2/26/2008	*Administrative Closure
04-0197	8/12/2004	Archive	RD		Accepted	8/31/2004	2/26/2008	*Administrative Closure
04-0057	9/9/2004	Archive	RD		Accepted	10/20/2005	2/27/2008	*Administrative Closure
06-0043	1/10/2006	Archive	RD		Accepted	10/25/2005	6/10/2008	*Administrative Closure
00-0481	11/18/1999	Adjudication	FSA	Keepseagle	Accepted	9/7/2006	2/29/2008	*Administrative Closure
06-0046	12/12/2005	Adjudication	RD		Accepted	9/26/2006	6/10/2008	*Administrative Closure
1607662	12/27/2006	Archive	FSA		Accepted	4/27/2007	2/27/2008	*Administrative Closure
07-0362	6/20/2007	Archive	FSA		Accepted	2/26/2008	2/28/2008	*Administrative Closure
2226046	4/30/2007	Archive	RD		Accepted	5/22/2008	9/10/2008	*Administrative Closure
08-0693	11/7/2007	Adjudication	RD		Accepted	6/19/2008	4/15/2008	*Administrative Closure
09-2227	2/4/2009	Adjudication	FSA		Accepted	7/31/2009	5/21/2009	*Administrative Closure
09-2524	4/22/2009	Closed	FSA		Accepted	10/22/2009	8/17/2009	*Administrative Closure
09-1965	10/27/2008	Investigation	RD		Accepted	1/22/2010	11/18/2009	*Administrative Closure
10-3603	1/20/2010	Archive	RD		Accepted	2/2/2010	3/3/2010	*Administrative Closure
10-3819	4/7/2010	Archive	FNS		Accepted	4/7/2010	6/15/2010	*Administrative Closure

PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

10-3972	5/25/2010	Archive	FNS		Accepted	6/8/2010	9/21/2010	*Administrative Closure
10-4340	8/23/2010	Archive	FNS		Accepted	8/23/2010	11/1/2010	*Administrative Closure
10-4232	8/24/2010	Archive	FNS		Accepted	8/27/2010	10/27/2010	*Administrative Closure
10-4230	9/9/2010	Archive	FNS		Accepted	9/9/2010	10/27/2010	*Administrative Closure
11-4582	12/29/2010	Closed	FNS		Accepted	1/4/2011	2/3/2011	*Administrative Closure
06-0901	10/4/2005	Archive	FNS		Cannot Determine		6/24/2008	*Administrative Closure
07-0054	5/16/2007	Archive	FNS		Cannot Determine		11/18/2008	*Administrative Closure
07-0248	6/28/2007	Archive	FNS		Cannot Determine		3/12/2008	*Administrative Closure
07-0360	6/20/2007	Archive	FNS		Cannot Determine		2/8/2008	*Administrative Closure
07-0378	7/31/2007	Archive	FNS		Cannot Determine		6/20/2008	*Administrative Closure
08-0646	10/18/2007	Archive	FNS		Cannot Determine		2/28/2008	*Administrative Closure
08-0661	10/16/2007	Archive	FNS		Cannot Determine		2/8/2008	*Administrative Closure
08-0784	12/6/2007	Archive	FNS		Cannot Determine		3/4/2008	*Administrative Closure
08-0835	12/27/2007	Archive	FNS		Cannot Determine		2/8/2008	*Administrative Closure
08-0885	1/15/2008	Archive	FNS		Cannot Determine		2/29/2008	*Administrative Closure
08-1014	2/1/2008	Archive	FNS		Cannot Determine		5/5/2008	*Administrative Closure
08-1021	2/13/2008	Archive	FNS		Cannot Determine		3/11/2008	*Administrative Closure
08-1263	4/18/2008	Archive	FNS		Cannot Determine		11/26/2008	*Administrative Closure
08-1265	3/27/2008	Archive	FNS		Cannot Determine		6/20/2008	*Administrative Closure
08-1545	6/30/2008	Archive	FNS		Cannot Determine		9/17/2008	*Administrative Closure
08-1648	8/1/2008	Archive	FNS		Cannot Determine		12/10/2008	*Administrative Closure
08-1674	8/5/2008	Archive	FNS		Cannot Determine		9/19/2008	*Administrative Closure
08-1735	8/27/2008	Archive	FNS		Cannot Determine		1/6/2009	*Administrative Closure
08-1925	9/19/2008	Archive	FNS		Cannot Determine		1/5/2009	*Administrative Closure
08-2856	8/25/2008	Archive	FNS		Cannot Determine		12/30/2008	*Administrative Closure
09-2783	5/21/2009	Archive	FNS		Cannot Determine		7/1/2009	*Administrative Closure
09-2788	1/5/2009	Archive	FNS		Cannot Determine		3/4/2009	*Administrative Closure
09-2789	1/5/2009	Archive	FNS		Cannot Determine		3/4/2009	*Administrative Closure
09-2791	1/5/2009	Archive	FNS		Cannot Determine		12/9/2008	*Administrative Closure
09-2792	2/4/2009	Archive	FNS		Cannot Determine		2/4/2009	*Administrative Closure
09-2793	2/27/2009	Archive	FNS		Cannot Determine		4/20/2009	*Administrative Closure
09-2794	2/18/2009	Archive	FNS		Cannot Determine		5/5/2009	*Administrative Closure
09-2796	3/9/2009	Archive	FNS		Cannot Determine		5/5/2009	*Administrative Closure
09-2797	3/13/2009	Archive	FNS		Cannot Determine		6/16/2009	*Administrative Closure

PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

09-2798	10/31/2008	Archive	FNS		Cannot Determine	1/1/2009	*Administrative Closure
09-2799	11/18/2008	Archive	FNS		Cannot Determine	1/28/2009	*Administrative Closure
09-2800	2/4/2009	Archive	FNS		Cannot Determine	3/11/2009	*Administrative Closure
09-2801	5/21/2009	Archive	FNS		Cannot Determine	7/13/2009	*Administrative Closure
09-2807	5/7/2009	Archive	FNS		Cannot Determine	7/8/2009	*Administrative Closure
09-2808	5/7/2009	Archive	FNS		Cannot Determine	7/8/2009	*Administrative Closure
09-2809	5/6/2009	Archive	FNS		Cannot Determine	7/9/2009	*Administrative Closure
09-2841	5/27/2009	Archive	FNS		Cannot Determine	7/13/2009	*Administrative Closure
09-2842	1/27/2009	Archive	FNS		Cannot Determine	4/2/2009	*Administrative Closure
09-2854	10/20/2008	Archive	FNS		Cannot Determine	11/12/2008	*Administrative Closure
09-2854	3/31/2009	Archive	FNS		Cannot Determine	6/12/2009	*Administrative Closure
09-2895	7/27/2009	Archive	FNS		Cannot Determine	7/29/2009	*Administrative Closure
09-2952	8/17/2009	Archive	FNS		Cannot Determine	8/17/2009	*Administrative Closure
09-3006	8/25/2009	Archive	FNS		Cannot Determine	1/8/2010	*Administrative Closure
09-3121	4/15/2009	Archive	FNS		Cannot Determine	4/22/2009	*Administrative Closure
10-3290	11/5/2009	Archive	FNS		Cannot Determine	12/22/2009	*Administrative Closure
10-3291	11/5/2009	Archive	FNS		Cannot Determine	12/22/2009	*Administrative Closure
10-3292	11/5/2009	Archive	FNS		Cannot Determine	12/22/2009	*Administrative Closure
10-3293	11/4/2009	Archive	FNS		Cannot Determine	12/22/2009	*Administrative Closure
10-3296	10/28/2009	Archive	FNS		Cannot Determine	11/20/2009	*Administrative Closure
10-3416	12/9/2009	Archive	FNS		Cannot Determine	12/9/2009	*Administrative Closure
10-3982	3/11/2010	Archive	FNS		Cannot Determine	5/20/2010	*Administrative Closure
11-4424	11/19/2010	Closed	FNS		Cannot Determine	12/17/2010	*Administrative Closure
2113660	3/2/2006	Adjudication	FNS		Cannot Determine	1/12/2009	*Administrative Closure
2207230	3/8/2007	Archive	FNS		Cannot Determine	2/21/2008	*Administrative Closure
2207783	2/20/2007	Archive	FNS		Cannot Determine	5/13/2008	*Administrative Closure
07-0189	6/4/2007	Archive	FS		Cannot Determine	2/8/2008	*Administrative Closure
07-0590	9/27/2007	Archive	FS		Cannot Determine	2/26/2008	*Administrative Closure
08-1182	3/25/2008	Archive	FS		Cannot Determine	11/9/2008	*Administrative Closure
09-2643	5/27/2009	Archive	FS		Cannot Determine	12/9/2009	*Administrative Closure
10-4140	8/10/2010	Archive	FS		Cannot Determine	8/25/2010	*Administrative Closure
11-4574	12/29/2010	Closed	FS		Cannot Determine	7/11/2011	*Administrative Closure
01-0128	3/30/2001	Archive	FSA	Garcia	Cannot Determine	2/26/2008	*Administrative Closure
99-0231	2/1/1999	Archive	FSA	Keepseagle	Cannot Determine	2/27/2008	*Administrative Closure
01-0109	10/23/2000	Archive	FSA		Cannot Determine	2/27/2008	*Administrative Closure

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06-0103	FSA	Archive	9/13/2006	Cannot Determine		2/26/2008	*Administrative Closure
06-2484	FSA	Archive	5/4/2006	Cannot Determine		12/3/2009	*Administrative Closure
07-0120	FSA	Archive	11/2/2006	Cannot Determine		2/26/2008	*Administrative Closure
07-0169	FSA	Archive	5/31/2007	Cannot Determine		2/27/2008	*Administrative Closure
07-0259	FSA	Archive	6/12/2007	Cannot Determine		2/6/2009	*Administrative Closure
07-0368	FSA	Archive	6/15/2007	Cannot Determine		2/8/2008	*Administrative Closure
07-0440	FSA	Archive	5/24/2007	Cannot Determine		3/4/2008	*Administrative Closure
07-0442	FSA	Archive	5/24/2007	Cannot Determine		3/4/2008	*Administrative Closure
08-0668	FSA	Archive	10/24/2007	Cannot Determine		1/14/2009	*Administrative Closure
08-0896	FSA	Archive	1/15/2008	Cannot Determine		2/28/2008	*Administrative Closure
08-1056	FSA	Archive	2/22/2008	Cannot Determine		3/19/2008	*Administrative Closure
08-1636	FSA	Archive	7/29/2008	Cannot Determine		1/5/2009	*Administrative Closure
08-1765	FSA	Archive	8/29/2008	Cannot Determine		12/4/2008	*Administrative Closure
09-2339	FSA	Archive	3/11/2009	Cannot Determine		1/14/2010	*Administrative Closure
09-2352	FSA	Archive	3/17/2009	Cannot Determine		12/10/2009	*Administrative Closure
09-2503	FSA	Archive	3/30/2009	Cannot Determine		3/9/2010	*Administrative Closure
09-2559	FSA	Archive	4/30/2009	Cannot Determine		8/25/2009	*Administrative Closure
09-2644	FSA	Archive	5/26/2009	Cannot Determine		3/5/2010	*Administrative Closure
09-2723	FSA	Archive	7/21/2009	Cannot Determine		12/1/2009	*Administrative Closure
09-3005	FSA	Archive	7/21/2009	Cannot Determine		12/18/2009	*Administrative Closure
10-3248	FSA	Archive	10/14/2009	Cannot Determine		12/9/2009	*Administrative Closure
11-4557	FSA	Closed	12/22/2010	Cannot Determine		2/23/2011	*Administrative Closure
11-4712	FSA	Closed	1/14/2011	Cannot Determine		2/18/2011	*Administrative Closure
1794043	FSA	Archive	10/17/2003	Cannot Determine		8/25/2009	*Administrative Closure
1932742	FSA	Archive	10/10/2003	Cannot Determine		8/25/2009	*Administrative Closure
2163588	FSA	Archive	5/7/2007	Cannot Determine		3/4/2008	*Administrative Closure
2195953	FSA	Archive	11/1/2006	Cannot Determine		3/14/2008	*Administrative Closure
2206087	FSA	Archive	2/28/2007	Cannot Determine		2/28/2008	*Administrative Closure
2216559	FSA	Archive	3/16/2007	Cannot Determine		2/26/2008	*Administrative Closure
07-0505	NRCS	Archive	9/20/2007	Cannot Determine		2/8/2008	*Administrative Closure
08-0679	NRCS	Archive	11/1/2007	Cannot Determine		2/20/2008	*Administrative Closure
11-4651	NRCS	Closed	1/25/2011	Cannot Determine		2/15/2011	*Administrative Closure
2207367	NRCS	Archive	2/28/2007	Cannot Determine		5/9/2008	*Administrative Closure
04-0021	RD	Archive	9/15/2004	Cannot Determine		6/10/2008	*Administrative Closure
04-0049	RD	Archive	9/15/2004	Cannot Determine		4/8/2008	*Administrative Closure

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04-0233	9/15/2004	Archive	RD	Cannot Determine		6/24/2008	*Administrative Closure
05-0965	2/15/2005	Archive	RD	Cannot Determine		6/24/2008	*Administrative Closure
06-0002	11/8/2005	Archive	RD	Cannot Determine		6/10/2008	*Administrative Closure
06-0006	3/20/2006	Archive	RD	Cannot Determine		6/10/2008	*Administrative Closure
06-0007	6/16/2006	Archive	RD	Cannot Determine		6/10/2008	*Administrative Closure
06-0011	4/20/2006	Archive	RD	Cannot Determine		6/10/2008	*Administrative Closure
06-0014	1/3/2006	Archive	RD	Cannot Determine		6/10/2008	*Administrative Closure
06-0045	9/6/2006	Archive	RD	Cannot Determine		6/10/2008	*Administrative Closure
06-0048	10/27/2005	Archive	RD	Cannot Determine		6/10/2008	*Administrative Closure
06-0084	2/15/2006	Archive	RD	Cannot Determine		2/27/2008	*Administrative Closure
07-0060	5/21/2007	Archive	RD	Cannot Determine		2/8/2008	*Administrative Closure
07-0082	5/14/2007	Archive	RD	Cannot Determine		3/13/2008	*Administrative Closure
07-0154	5/29/2007	Archive	RD	Cannot Determine		2/26/2008	*Administrative Closure
07-0253	6/18/2007	Archive	RD	Cannot Determine		2/27/2008	*Administrative Closure
07-0274	5/8/2007	Closed	RD	Cannot Determine		2/18/2011	*Administrative Closure
07-0326	7/23/2007	Archive	RD	Cannot Determine		4/11/2008	*Administrative Closure
07-0388	8/2/2007	Archive	RD	Cannot Determine		5/12/2008	*Administrative Closure
07-0454	8/6/2007	Archive	RD	Cannot Determine		2/8/2008	*Administrative Closure
07-0490	8/7/2007	Archive	RD	Cannot Determine		2/27/2008	*Administrative Closure
07-0715	8/30/2007	Archive	RD	Cannot Determine		5/9/2008	*Administrative Closure
07-0716	8/29/2007	Archive	RD	Cannot Determine		6/10/2008	*Administrative Closure
07-0733	9/26/2007	Archive	RD	Cannot Determine		2/27/2008	*Administrative Closure
07-0799	7/23/2007	Archive	RD	Cannot Determine		4/10/2008	*Administrative Closure
07-0904	2/1/2007	Archive	RD	Cannot Determine		9/26/2008	*Administrative Closure
07-1245	8/1/2007	Archive	RD	Cannot Determine		9/17/2008	*Administrative Closure
08-0584	10/2/2007	Archive	RD	Cannot Determine		4/22/2008	*Administrative Closure
08-0645	10/18/2007	Archive	RD	Cannot Determine		2/29/2008	*Administrative Closure
08-0726	11/19/2007	Archive	RD	Cannot Determine		5/7/2008	*Administrative Closure
08-0731	3/17/2008	Archive	RD	Cannot Determine		3/23/2008	*Administrative Closure
08-0737	11/1/2007	Archive	RD	Cannot Determine		2/29/2008	*Administrative Closure
08-0889	1/17/2008	Archive	RD	Cannot Determine		2/28/2008	*Administrative Closure
08-0894	1/17/2008	Archive	RD	Cannot Determine		11/18/2008	*Administrative Closure
08-0895	1/15/2008	Archive	RD	Cannot Determine		2/28/2008	*Administrative Closure
08-0913	1/16/2008	Archive	RD	Cannot Determine		11/19/2009	*Administrative Closure
08-0948	1/29/2008	Archive	RD	Cannot Determine		4/21/2008	*Administrative Closure

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08-0959	2/7/2008	Archive	RD	Cannot Determine		4/15/2008	*Administrative Closure
08-0960	2/8/2008	Archive	RD	Cannot Determine		3/28/2008	*Administrative Closure
08-0961	2/8/2008	Archive	RD	Cannot Determine		4/15/2008	*Administrative Closure
08-0962	2/8/2008	Archive	RD	Cannot Determine		4/4/2008	*Administrative Closure
08-0979	1/31/2008	Archive	RD	Cannot Determine		4/30/2008	*Administrative Closure
08-0997	2/27/2008	Archive	RD	Cannot Determine		4/23/2008	*Administrative Closure
08-0999	2/11/2008	Archive	RD	Cannot Determine		9/25/2008	*Administrative Closure
08-1018	2/4/2008	Archive	RD	Cannot Determine		3/4/2008	*Administrative Closure
08-1079	2/25/2008	Archive	RD	Cannot Determine		3/28/2008	*Administrative Closure
08-1080	2/25/2008	Archive	RD	Cannot Determine		5/7/2008	*Administrative Closure
08-1144	2/27/2008	Archive	RD	Cannot Determine		5/13/2008	*Administrative Closure
08-1202	4/1/2008	Archive	RD	Cannot Determine		1/15/2009	*Administrative Closure
08-1233	4/9/2008	Archive	RD	Cannot Determine		4/23/2008	*Administrative Closure
08-1295	2/19/2008	Archive	RD	Cannot Determine		6/24/2008	*Administrative Closure
08-1335	4/25/2008	Archive	RD	Cannot Determine		9/26/2008	*Administrative Closure
08-1365	5/2/2008	Closed	RD	Cannot Determine		2/16/2011	*Administrative Closure
08-1366	5/6/2008	Archive	RD	Cannot Determine		6/24/2008	*Administrative Closure
08-1368	5/6/2008	Closed	RD	Cannot Determine		2/16/2011	*Administrative Closure
08-1369	5/6/2008	Archive	RD	Cannot Determine		6/24/2008	*Administrative Closure
08-1395	4/23/2008	Archive	RD	Cannot Determine		11/19/2009	*Administrative Closure
08-1460	5/15/2008	Closed	RD	Cannot Determine		2/18/2011	*Administrative Closure
09-2036	11/19/2008	Archive	RD	Cannot Determine		12/8/2008	*Administrative Closure
09-2041	11/19/2008	Archive	RD	Cannot Determine		2/26/2009	*Administrative Closure
09-2048	11/18/2008	Archive	RD	Cannot Determine		1/14/2009	*Administrative Closure
09-2207	1/29/2009	Archive	RD	Cannot Determine		2/18/2009	*Administrative Closure
09-2285	2/26/2009	Archive	RD	Cannot Determine		11/19/2009	*Administrative Closure
09-2340	3/11/2009	Archive	RD	Cannot Determine		7/22/2009	*Administrative Closure
09-2896	7/28/2009	Archive	RD	Cannot Determine		11/24/2009	*Administrative Closure
10-3340	10/14/2009	Archive	RD	Cannot Determine		12/4/2009	*Administrative Closure
10-3620	1/26/2010	Archive	RD	Cannot Determine		3/29/2010	*Administrative Closure
10-3646	2/4/2010	Archive	RD	Cannot Determine		4/29/2010	*Administrative Closure
10-3872	3/31/2010	Archive	RD	Cannot Determine		5/10/2010	*Administrative Closure
10-3862	4/20/2010	Archive	RD	Cannot Determine		5/5/2010	*Administrative Closure
10-3936	11/25/2009	Archive	RD	Cannot Determine		6/30/2010	*Administrative Closure
10-4034	6/28/2010	Archive	RD	Cannot Determine		7/20/2010	*Administrative Closure



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10-4035	6/28/2010	Archive	RD	Cannot Determine		7/21/2010	*Administrative Closure
10-4117	7/29/2010	Archive	RD	Cannot Determine		8/27/2010	*Administrative Closure
10-4118	7/30/2010	Archive	RD	Cannot Determine		8/18/2010	*Administrative Closure
10-4124	8/3/2010	Archive	RD	Cannot Determine		8/18/2010	*Administrative Closure
10-4361	9/28/2010	Closed	RD	Cannot Determine		12/29/2010	*Administrative Closure
11-4278	10/4/2010	Archive	RD	Cannot Determine		10/22/2010	*Administrative Closure
11-4330	10/20/2010	Closed	RD	Cannot Determine		11/24/2010	*Administrative Closure
1918868	5/28/2004	Adjudication	RD	Cannot Determine		9/2/2008	*Administrative Closure
2148688	8/4/2006	Archive	RD	Cannot Determine		9/12/2008	*Administrative Closure
2199954	2/20/2007	Archive	RD	Cannot Determine		3/15/2008	*Administrative Closure
2217772	3/15/2007	Archive	RD	Cannot Determine		3/12/2008	*Administrative Closure
2215902	4/2/2007	Archive	RD	Cannot Determine		2/8/2008	*Administrative Closure
2221506	4/2/2007	Archive	RD	Cannot Determine		3/17/2008	*Administrative Closure
07-0430	5/24/2007	Archive	RMA	Cannot Determine		2/11/2008	*Administrative Closure
07-0431	5/24/2007	Archive	RMA	Cannot Determine		2/11/2008	*Administrative Closure
07-0432	5/24/2007	Archive	RMA	Cannot Determine		2/11/2008	*Administrative Closure
07-0434	5/24/2007	Archive	RMA	Cannot Determine		2/11/2008	*Administrative Closure
07-0435	5/24/2007	Archive	RMA	Cannot Determine		2/11/2008	*Administrative Closure
07-0436	5/24/2007	Archive	RMA	Cannot Determine		2/11/2008	*Administrative Closure
07-0437	5/24/2007	Archive	RMA	Cannot Determine		2/11/2008	*Administrative Closure
07-0439	5/24/2007	Archive	RMA	Cannot Determine		2/11/2008	*Administrative Closure
07-0441	5/24/2007	Archive	RMA	Cannot Determine		2/11/2008	*Administrative Closure
07-0443	5/24/2007	Archive	RMA	Cannot Determine		2/11/2008	*Administrative Closure
07-0444	5/24/2007	Archive	RMA	Cannot Determine		2/11/2008	*Administrative Closure
07-0329	7/27/2007	Adjudication	FSA	Accepted	10/13/2007	8/7/2008	*Failure to State a Claim
07-0423	2/21/2007	Investigation	FSA	Accepted	1/1/2008	3/16/2009	*Failure to State a Claim
2147158	6/8/2006	Archive	RD	Accepted	3/11/2008	5/16/2008	*Failure to State a Claim
08-1705	8/15/2008	Archive	FSA	Accepted	10/21/2008	2/19/2009	*Failure to State a Claim
08-1022	2/13/2008	Investigation	NRCS	Accepted	10/23/2008	1/23/2009	*Failure to State a Claim
08-1401	5/1/2008	Adjudication	FSA	Accepted	2/18/2009	8/18/2008	*Failure to State a Claim
09-2195	1/26/2009	Adjudication	FSA	Accepted	4/6/2009	4/1/2009	*Failure to State a Claim
08-1651	8/1/2008	Closed	FSA	Accepted	10/22/2009	10/16/2008	*Failure to State a Claim
10-3985	4/27/2010	Archive	FNS	Accepted	5/20/2010	6/18/2010	*Failure to State a Claim
10-4006	6/16/2010	Archive	FNS	Accepted	7/1/2010	7/1/2010	*Failure to State a Claim
10-4244	8/10/2010	Archive	FNS	Accepted	9/9/2010	10/22/2010	*Failure to State a Claim

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10-4181	8/25/2010	Investigation	FSA		Accepted	9/13/2010	10/29/2010	*Failure to State a Claim.
10-4033	6/30/2010	Archive	CSREES		Cannot Determine		7/20/2010	*Failure to State a Claim.
07-0489	9/5/2007	Archive	FNS		Cannot Determine		1/24/2008	*Failure to State a Claim
07-0518	9/11/2007	Archive	FNS		Cannot Determine		2/4/2008	*Failure to State a Claim
07-0519	9/11/2007	Archive	FNS		Cannot Determine		3/3/2008	*Failure to State a Claim
08-0778	12/5/2007	Archive	FNS		Cannot Determine		3/7/2008	*Failure to State a Claim
08-0852	12/31/2007	Archive	FNS		Cannot Determine		2/20/2008	*Failure to State a Claim
08-1279	4/7/2008	Archive	FNS		Cannot Determine		9/24/2008	*Failure to State a Claim
08-1504	6/5/2008	Archive	FNS		Cannot Determine		9/22/2008	*Failure to State a Claim
08-1517	6/23/2008	Archive	FNS		Cannot Determine		9/22/2008	*Failure to State a Claim
08-1627	7/29/2008	Archive	FNS		Cannot Determine		12/17/2008	*Failure to State a Claim
08-1756	9/2/2008	Archive	FNS		Cannot Determine		11/21/2008	*Failure to State a Claim
08-1813	9/16/2008	Archive	FNS		Cannot Determine		11/19/2008	*Failure to State a Claim
09-3138	7/2/2009	Archive	FNS		Cannot Determine		7/6/2009	*Failure to State a Claim
10-3497	12/28/2009	Archive	FNS		Cannot Determine		12/30/2009	*Failure to State a Claim
10-3983	3/11/2010	Archive	FNS		Cannot Determine		5/20/2010	*Failure to State a Claim
10-3984	4/27/2010	Archive	FNS		Cannot Determine		6/18/2010	*Failure to State a Claim
10-4096	7/20/2010	Archive	FNS		Cannot Determine		8/4/2010	*Failure to State a Claim
2162016	10/24/2006	Archive	FNS		Cannot Determine		3/10/2008	*Failure to State a Claim
2214413	3/20/2007	Archive	FNS		Cannot Determine		4/30/2008	*Failure to State a Claim
08-1400	3/25/2008	Archive	FS		Cannot Determine		10/17/2008	*Failure to State a Claim
08-1573	6/19/2008	Archive	FS		Cannot Determine		11/19/2008	*Failure to State a Claim
10-3628	1/26/2010	Archive	FS		Cannot Determine		4/23/2010	*Failure to State a Claim
08-0689	11/6/2007	Archive	FSA		Cannot Determine		6/20/2008	*Failure to State a Claim
08-1283	4/21/2008	Archive	FSA		Cannot Determine		8/14/2008	*Failure to State a Claim
08-1293	4/21/2008	Archive	FSA		Cannot Determine		11/21/2008	*Failure to State a Claim
08-1294	4/21/2008	Archive	FSA		Cannot Determine		11/21/2008	*Failure to State a Claim
08-1511	6/19/2008	Archive	FSA		Cannot Determine		10/14/2008	*Failure to State a Claim
08-1557	6/23/2008	Archive	FSA		Cannot Determine		1/9/2009	*Failure to State a Claim
08-1639	7/29/2008	Archive	FSA		Cannot Determine		9/22/2008	*Failure to State a Claim
09-1992	11/5/2008	Archive	FSA		Cannot Determine		9/17/2009	*Failure to State a Claim
09-2066	12/1/2008	Archive	FSA		Cannot Determine		7/16/2009	*Failure to State a Claim
09-2077	12/5/2008	Archive	FSA		Cannot Determine		2/19/2009	*Failure to State a Claim

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09-2197	1/15/2009	Archive	FSA	Cannot Determine		12/4/2009	*Failure to State a Claim.
10-3249	10/14/2009	Archive	FSA	Cannot Determine		12/14/2009	*Failure to State a Claim.
10-3313	10/21/2009	Archive	FSA	Cannot Determine		1/15/2010	*Failure to State a Claim.
10-3606	1/20/2010	Archive	FSA	Cannot Determine		3/31/2010	*Failure to State a Claim.
10-3874	4/29/2010	Archive	FSA	Cannot Determine		5/10/2010	*Failure to State a Claim.
10-4018	6/12/2010	Archive	FSA	Cannot Determine		8/3/2010	*Failure to State a Claim.
10-4284	8/24/2010	Closed	FSA	Cannot Determine		11/24/2010	*Failure to State a Claim.
1251346	7/11/2002	Archive	FSA	Cannot Determine		1/28/2011	*Failure to State a Claim.
2153476	9/14/2006	Archive	FSA	Cannot Determine		1/28/2008	*Failure to State a Claim.
2222416	4/16/2007	Archive	FSA	Cannot Determine		9/26/2008	*Failure to State a Claim.
08-0933	1/24/2008	Archive	NRCS	Cannot Determine		11/19/2008	*Failure to State a Claim.
08-1005	1/30/2008	Archive	RD	Cannot Determine		1/13/2009	*Failure to State a Claim.
07-0119	5/23/2007	Archive	RD	Cannot Determine		6/13/2008	*Failure to State a Claim.
07-0144	5/18/2007	Archive	RD	Cannot Determine		3/13/2008	*Failure to State a Claim.
07-0168	6/1/2007	Archive	RD	Cannot Determine		8/6/2008	*Failure to State a Claim.
07-0446	8/6/2007	Archive	RD	Cannot Determine		11/4/2008	*Failure to State a Claim.
07-0491	8/22/2007	Archive	RD	Cannot Determine		2/4/2008	*Failure to State a Claim.
08-0694	11/7/2007	Archive	RD	Cannot Determine		2/5/2008	*Failure to State a Claim.
08-0911	1/17/2008	Archive	RD	Cannot Determine		4/4/2008	*Failure to State a Claim.
08-1044	2/26/2008	Archive	RD	Cannot Determine		2/29/2008	*Failure to State a Claim.
08-1251	4/15/2008	Archive	RD	Cannot Determine		10/16/2008	*Failure to State a Claim.
08-1325	4/29/2008	Archive	RD	Cannot Determine		1/5/2009	*Failure to State a Claim.
08-1393	5/14/2008	Archive	RD	Cannot Determine		9/18/2008	*Failure to State a Claim.
08-1418	5/19/2008	Archive	RD	Cannot Determine		11/4/2008	*Failure to State a Claim.
08-1468	6/3/2008	Archive	RD	Cannot Determine		1/22/2009	*Failure to State a Claim.
08-1469	6/6/2008	Archive	RD	Cannot Determine		8/7/2008	*Failure to State a Claim.
08-1544	6/27/2008	Archive	RD	Cannot Determine		9/8/2008	*Failure to State a Claim.
08-1562	7/9/2008	Archive	RD	Cannot Determine		9/22/2008	*Failure to State a Claim.
08-1640	7/30/2008	Archive	RD	Cannot Determine		9/8/2008	*Failure to State a Claim.
08-1761	9/3/2008	Archive	RD	Cannot Determine		7/9/2009	*Failure to State a Claim.
08-1872	9/29/2008	Archive	RD	Cannot Determine		2/19/2009	*Failure to State a Claim.
10-3790	3/23/2010	Archive	RD	Cannot Determine		4/20/2010	*Failure to State a Claim.
10-3837	4/15/2010	Archive	RD	Cannot Determine		5/6/2010	*Failure to State a Claim.
10-4052	7/12/2010	Archive	RD	Cannot Determine		8/11/2010	*Failure to State a Claim.
10-4085	7/20/2010	Archive	RD	Cannot Determine		8/20/2010	*Failure to State a Claim.

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10-4240	8/24/2010	Archive	RD						10/22/2010	*Failure to State a Claim
10-4301	8/24/2010	Closed	RD						12/7/2010	*Failure to State a Claim
11-4332	10/20/2010	Closed	RD						11/24/2010	*Failure to State a Claim
2182085	12/27/2006	Archive	RD						2/4/2008	*Failure to State a Claim
2198602	11/1/2006	Archive	RMA						2/12/2008	*Failure to State a Claim
09-3615	10/14/2008	Closed	FSA					10/16/2008	1/21/2011	*Pigford Based Closure
09-2684	6/10/2009	Investigation	FSA					Accepted	7/26/2010	*Pigford Based Closure
09-1930	10/16/2008	Archive	FSA						1/7/2009	*Pigford Based Closure
09-2555	4/29/2009	Archive	FSA						4/21/2010	*Pigford Based Closure
09-2577	5/4/2009	Archive	FSA						4/22/2010	*Pigford Based Closure
10-3487	12/16/2009	Archive	FSA						4/22/2010	*Pigford Based Closure
10-4222	9/15/2010	Closed	FSA						12/7/2010	*Pigford Based Closure
11-4372	11/3/2010	Closed	FSA						12/7/2010	*Pigford Based Closure
11-4447	10/15/2010	Closed	FSA						12/29/2010	*Pigford Based Closure
11-4547	12/15/2010	Closed	FSA						1/4/2011	*Pigford Based Closure
11-4552	12/15/2010	Closed	FSA						1/4/2011	*Pigford Based Closure
11-4586	1/3/2011	Closed	FSA						1/24/2011	*Pigford Based Closure
11-4588	1/6/2011	Closed	FSA						1/21/2011	*Pigford Based Closure
11-4592	1/6/2011	Closed	FSA						1/11/2011	*Pigford Based Closure
11-4611	1/10/2011	Closed	FSA						2/15/2011	*Pigford Based Closure
11-4623	1/18/2011	Closed	FSA						2/11/2011	*Pigford Based Closure
11-4652	1/25/2011	Closed	FSA						2/25/2011	*Pigford Based Closure
2099756	2/8/2006	Adjudication	RD					9/14/2006	9/30/2008	*Untimely Filing Closure Letter
08-1457	5/29/2008	Adjudication	FSA					Accepted	1/5/2009	*Untimely Filing Closure Letter
08-1654	8/4/2008	Investigation	NRCS					Accepted	4/1/2009	*Untimely Filing Closure Letter
09-1943	10/20/2008	Adjudication	RD					Accepted	4/7/2009	*Untimely Filing Closure Letter
09-2059	11/25/2008	Investigation	FSA					Accepted	5/8/2009	*Untimely Filing Closure Letter
10-4144	6/25/2010	Archive	RD					Accepted	8/30/2010	*Untimely Filing Closure Letter
10-4252	9/28/2010	Investigation	RD					Accepted	12/17/2010	*Untimely Filing Closure Letter

## PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

08-1513	6/12/2008	Archive	CSREES		Cannot Determine		9/9/2008	*Untimely Filing Closure Letter
08-1094	3/4/2008	Archive	FNS		Cannot Determine		4/4/2008	*Untimely Filing Closure Letter
08-1006	2/13/2008	Archive	FS		Cannot Determine		7/23/2008	*Untimely Filing Closure Letter
08-1865	9/23/2008	Archive	FS		Cannot Determine		1/5/2009	*Untimely Filing Closure Letter
10-3625	1/29/2010	Archive	FS		Cannot Determine		3/5/2010	*Untimely Filing Closure Letter
07-0269	6/27/2007	Archive	FSA		Cannot Determine		5/27/2008	*Untimely Filing Closure Letter
07-0376	8/1/2007	Archive	FSA		Cannot Determine		5/7/2008	*Untimely Filing Closure Letter
08-1419	5/19/2008	Archive	FSA		Cannot Determine		3/4/2009	*Untimely Filing Closure Letter
08-1465	6/3/2008	Archive	FSA		Cannot Determine		7/29/2008	*Untimely Filing Closure Letter
08-1653	8/1/2008	Archive	FSA		Cannot Determine		9/26/2008	*Untimely Filing Closure Letter
08-1668	8/5/2008	Archive	FSA		Cannot Determine		9/1/2009	*Untimely Filing Closure Letter
08-1670	8/5/2008	Archive	FSA		Cannot Determine		9/11/2008	*Untimely Filing Closure Letter
08-1759	9/3/2008	Archive	FSA		Cannot Determine		10/14/2008	*Untimely Filing Closure Letter
08-1835	9/12/2008	Archive	FSA		Cannot Determine		12/5/2008	*Untimely Filing Closure Letter
09-2108	12/16/2008	Archive	FSA		Cannot Determine		7/29/2009	*Untimely Filing Closure Letter
09-2456	3/23/2009	Archive	FSA		Cannot Determine		6/3/2009	*Untimely Filing Closure Letter
09-2740	6/16/2009	Archive	FSA		Cannot Determine		11/24/2009	*Untimely Filing Closure Letter
09-2902	7/29/2009	Archive	FSA		Cannot Determine		3/11/2010	*Untimely Filing Closure Letter

## PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

10-3899	5/11/2010	Archive	FSA		Cannot Determine	7/15/2010	* Untimely Filing Closure Letter
10-3929	5/24/2010	Archive	FSA		Cannot Determine	6/7/2010	* Untimely Filing Closure Letter
10-3946	6/3/2010	Archive	FSA		Cannot Determine	6/14/2010	* Untimely Filing Closure Letter
10-4040	6/24/2010	Archive	FSA		Cannot Determine	7/27/2010	* Untimely Filing Closure Letter
10-4079	7/19/2010	Archive	FSA		Cannot Determine	7/27/2010	* Untimely Filing Closure Letter
10-4104	7/27/2010	Archive	FSA		Cannot Determine	9/2/2010	* Untimely Filing Closure Letter
10-4141	6/30/2010	Archive	FSA		Cannot Determine	9/23/2010	* Untimely Filing Closure Letter
10-4168	8/19/2010	Archive	FSA		Cannot Determine	9/17/2010	* Untimely Filing Closure Letter
10-4178	8/30/2010	Archive	FSA		Cannot Determine	10/4/2010	* Untimely Filing Closure Letter
10-4266	9/9/2010	Archive	FSA		Cannot Determine	11/4/2010	* Untimely Filing Closure Letter
10-4281	9/28/2010	Closed	FSA		Cannot Determine	1/24/2011	* Untimely Filing Closure Letter
11-4310	10/15/2010	Archive	FSA		Cannot Determine	11/10/2010	* Untimely Filing Closure Letter
11-4374	11/1/2010	Closed	FSA		Cannot Determine	11/30/2010	* Untimely Filing Closure Letter
11-4535	12/13/2010	Closed	FSA		Cannot Determine	1/24/2011	* Untimely Filing Closure Letter
11-4536	12/10/2010	Closed	FSA		Cannot Determine	2/7/2011	* Untimely Filing Closure Letter
11-4602	12/2/2010	Closed	FSA		Cannot Determine	1/24/2011	* Untimely Filing Closure Letter
11-4713	12/9/2010	Closed	FSA		Cannot Determine	2/23/2011	* Untimely Filing Closure Letter
2153732	10/16/2006	Archive	FSA		Cannot Determine	3/12/2008	* Untimely Filing Closure Letter

## PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

07-1289	9/17/2007	Archive	NRCS		Cannot Determine		7/22/2008	*Untimely Filing Closure Letter
10-4126	8/3/2010	Archive	NRCS		Cannot Determine		8/31/2010	*Untimely Filing Closure Letter
11-4471	10/28/2010	Closed	NRCS		Cannot Determine		12/6/2010	*Untimely Filing Closure Letter
08-0769	12/4/2007	Archive	RD		Cannot Determine		1/28/2008	*Untimely Filing Closure Letter
08-0942	2/1/2008	Archive	RD		Cannot Determine		7/25/2008	*Untimely Filing Closure Letter
08-1162	3/18/2008	Archive	RD		Cannot Determine		3/31/2008	*Untimely Filing Closure Letter
08-1248	4/9/2008	Archive	RD		Cannot Determine		9/22/2008	*Untimely Filing Closure Letter
08-1253	4/16/2008	Archive	RD		Cannot Determine		4/22/2008	*Untimely Filing Closure Letter
08-1313	4/28/2008	Archive	RD		Cannot Determine		6/13/2008	*Untimely Filing Closure Letter
08-1553	7/2/2008	Archive	RD		Cannot Determine		11/19/2008	*Untimely Filing Closure Letter
08-1768	9/3/2008	Archive	RD		Cannot Determine		11/4/2008	*Untimely Filing Closure Letter
09-2950	8/11/2009	Archive	RD		Cannot Determine		11/25/2009	*Untimely Filing Closure Letter
10-4029	6/30/2010	Archive	RD		Cannot Determine		8/10/2010	*Untimely Filing Closure Letter
10-4183	9/2/2010	Archive	RD		Cannot Determine		9/23/2010	*Untimely Filing Closure Letter
10-4285	9/28/2010	Archive	RD		Cannot Determine		11/5/2010	*Untimely Filing Closure Letter
11-4327	10/20/2010	Closed	RD		Cannot Determine		11/30/2010	*Untimely Filing Closure Letter
11-4352	10/14/2010	Closed	RD		Cannot Determine		11/30/2010	*Untimely Filing Closure Letter
11-4484	11/30/2010	Closed	RD		Cannot Determine		2/23/2011	*Untimely Filing Closure Letter

PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

11-4612	1/12/2011	Closed	RD		Cannot Determine		2/11/2011	*Untimely Filing Closure Letter
11-4682	12/29/2010	Closed	RD		Cannot Determine		2/11/2011	*Untimely Filing Closure Letter
11-4688	12/21/2010	Closed	RD		Cannot Determine		2/15/2011	*Untimely Filing Closure Letter
11-4689	12/21/2010	Closed	RD		Cannot Determine		2/11/2011	*Untimely Filing Closure Letter
11-4690	12/21/2010	Closed	RD		Cannot Determine		2/23/2011	*Untimely Filing Closure Letter
11-4710	2/11/2011	Closed	RD		Cannot Determine		2/24/2011	*Untimely Filing Closure Letter
2216404	4/5/2007	Archive	RD		Cannot Determine		7/21/2008	*Untimely Filing Closure Letter
1029830	2/17/2000	Archive	RD		Accepted	9/20/2000	1/2/2008	Closure Letter - Settlement
2062051	6/9/2005	Archive	RD		Accepted	9/1/2005	3/13/2008	Closure Letter - Settlement
2108129	2/2/2006	Investigation	FS		Accepted	3/17/2006	1/10/2011	Closure Letter - Settlement
2209660	9/26/2006	Archive	RD		Accepted	11/6/2006	6/16/2008	Closure Letter - Settlement
2181922	12/29/2006	Archive	RD		Accepted	5/25/2007	1/4/2008	Closure Letter - Settlement
07-0208	6/8/2007	Archive	RD		Accepted	9/17/2007	6/16/2008	Closure Letter - Settlement
08-0706	11/8/2007	Adjudication	RD		Accepted	3/28/2008	4/16/2008	Closure Letter - Settlement
08-0578	10/2/2007	Archive	RD		Accepted	5/22/2008	4/16/2008	Closure Letter - Settlement
2210117	3/14/2007	Archive	RD		Accepted	9/24/2008	6/16/2008	Closure Letter - Settlement
08-1376	5/9/2008	Archive	RD		Accepted	11/19/2008	9/30/2010	Closure Letter - Settlement
09-2225	1/30/2009	Archive	RD		Accepted	3/13/2009	9/30/2010	Closure Letter - Settlement
09-2321	3/5/2009	Archive	RD		Accepted	4/3/2009	9/30/2010	Closure Letter - Settlement
09-2852	7/7/2009	Archive	RD		Accepted	11/17/2009	9/30/2010	Closure Letter - Settlement
09-3122	9/15/2009	Closed	RD		Accepted	11/24/2009	2/11/2011	Closure Letter - Settlement
10-3500	12/30/2009	Archive	RD		Accepted	2/1/2010	5/7/2010	Closure Letter - Settlement
07-0450	7/11/2007	Archive	RD		Cannot Determine		6/16/2008	Closure Letter - Settlement
08-0926	1/25/2008	Archive	RD		Cannot Determine		12/23/2008	Closure Letter - Settlement
08-1201	3/28/2008	Archive	RD		Cannot Determine		6/16/2008	Closure Letter - Settlement
1403420	11/6/2002	Adjudication	RD		Cannot Determine		4/16/2008	Closure Letter - Settlement
1865139	5/9/2004	Archive	RD		Cannot Determine		11/13/2008	Closure Letter - Settlement
2006292	9/22/2004	Archive	RD		Cannot Determine		3/12/2008	Closure Letter - Settlement
2051998	5/3/2005	Adjudication	RD		Cannot Determine		9/8/2008	Closure Letter - Settlement



PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

2062785	6/23/2005	Fact Finding	RD		Cannot Determine		5/6/2008	Closure Letter - Settlement
2064500	6/30/2005	Archive	RD		Cannot Determine		3/13/2008	Closure Letter - Settlement
2113499	3/13/2006	Archive	RD		Cannot Determine		4/16/2008	Closure Letter - Settlement
2132339	6/6/2006	Archive	RD		Cannot Determine		6/16/2008	Closure Letter - Settlement
2136095	6/9/2006	Archive	RD		Cannot Determine		9/30/2010	Closure Letter - Settlement
2195654	2/7/2007	Archive	RD		Cannot Determine		4/16/2008	Closure Letter - Settlement
2217103	4/4/2007	Adjudication	RD		Cannot Determine		2/11/2011	Closure Letter - Settlement
2226329	4/30/2007	Archive	RD		Cannot Determine		3/13/2008	Closure Letter - Settlement
2128191	5/12/2006	Investigation	NRCS		Accepted	8/8/2006	2/15/2011	Closure Letter - Withdrawal
2139143	7/24/2006	Closed	NRCS		Accepted	8/17/2006	2/23/2011	Closure Letter - Withdrawal
2192226	2/23/2007	Archive	RD		Accepted	4/24/2007	3/3/2008	Closure Letter - Withdrawal
06-0003	12/9/2005	Archive	RD		Accepted	11/13/2007	2/24/2010	Closure Letter - Withdrawal
07-0381	8/2/2007	Archive	RD		Accepted	3/27/2008	9/30/2010	Closure Letter - Withdrawal
09-2089	12/10/2008	Archive	RD		Accepted	1/8/2009	9/29/2010	Closure Letter - Withdrawal
09-2178	1/14/2009	Archive	RD		Accepted	1/27/2009	9/28/2010	Closure Letter - Withdrawal
09-2175	1/12/2009	Archive	RD		Accepted	3/27/2009	9/30/2010	Closure Letter - Withdrawal
09-2361	3/17/2009	Archive	RD		Accepted	4/3/2009	9/30/2010	Closure Letter - Withdrawal
09-2118	12/23/2008	Closed	RD		Accepted	5/11/2009	1/20/2011	Closure Letter - Withdrawal
09-2161	12/23/2008	Closed	FSA		Accepted	5/15/2009	2/15/2011	Closure Letter - Withdrawal
09-2272	2/24/2009	Archive	RD		Accepted	5/21/2009	9/30/2010	Closure Letter - Withdrawal
09-2206	1/29/2009	Closed	RD		Accepted	6/12/2009	2/11/2011	Closure Letter - Withdrawal
09-2464	3/4/2009	Closed	RD		Accepted	6/24/2009	2/25/2010	Closure Letter - Withdrawal
09-2956	8/13/2009	Investigation	RD		Accepted	10/22/2009	2/15/2011	Closure Letter - Withdrawal
09-3027	8/31/2009	Adjudication	FSA		Accepted	10/22/2009	1/13/2011	Closure Letter - Withdrawal
09-2502	4/20/2009	Investigation	RD		Accepted	11/5/2009	2/23/2011	Closure Letter - Withdrawal
10-3338	11/4/2009	Archive	RD		Accepted	12/9/2009	9/30/2010	Closure Letter - Withdrawal
10-3360	11/10/2009	Closed	RD		Accepted	12/11/2009	2/11/2011	Closure Letter - Withdrawal
10-3374	11/10/2009	Closed	RD		Accepted	12/17/2009	2/25/2011	Closure Letter - Withdrawal
10-3342	10/14/2009	Adjudication	RD		Accepted	12/17/2009	1/6/2010	Closure Letter - Withdrawal
10-3449	12/9/2009	Closed	RD		Accepted	1/8/2010	2/23/2011	Closure Letter - Withdrawal
10-3604	1/21/2010	Investigation	RD		Accepted	2/4/2010	2/25/2011	Closure Letter - Withdrawal
10-3592	1/20/2010	Investigation	RD		Accepted	2/18/2010	2/11/2011	Closure Letter - Withdrawal
07-0125	5/24/2007	Archive	RD		Cannot Determine		3/25/2008	Closure Letter - Withdrawal
08-0602	10/3/2007	Archive	RD		Cannot Determine		9/30/2010	Closure Letter - Withdrawal
08-0825	11/8/2007	Archive	RD		Cannot Determine		5/22/2008	Closure Letter - Withdrawal

## PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

08-1165	12/11/2007	Archive	RD		Cannot Determine		6/16/2008	Closure Letter - Withdrawal
1865329	5/11/2004	Archive	RD		Cannot Determine		2/7/2008	Closure Letter - Withdrawal
1965796	6/29/2004	Closed	RD		Cannot Determine		2/11/2011	Closure Letter - Withdrawal
09-2122	1/6/2009	Archive	FNS		Cannot Determine		2/25/2009	Decision Letter Issued to Complainant - Finding
09-2241	2/17/2009	Archive	FNS		Cannot Determine		3/9/2009	Decision Letter Issued to Complainant - Finding
09-3144	1/28/2009	Archive	FNS		Cannot Determine		4/6/2009	Decision Letter Issued to Complainant - Finding
10-3438	12/9/2009	Archive	FNS		Cannot Determine		12/30/2009	Decision Letter Issued to Complainant - Finding
1367872	11/10/2002	Archive	FNS		Cannot Determine		8/21/2008	Decision Letter Issued to Complainant - Finding
09-3139	10/24/2008	Archive	FNS		Accepted	10/24/2008	1/11/2008	Decision Letter Issued to Complainant - No Finding
09-1881	10/1/2008	Archive	FNS		Accepted	11/19/2008	9/24/2009	Decision Letter Issued to Complainant - No Finding
09-3110	9/14/2009	Archive	FNS		Accepted	10/15/2009	10/18/2010	Decision Letter Issued to Complainant - No Finding
10-3259	10/20/2009	Archive	FNS		Accepted	10/20/2009	4/22/2010	Decision Letter Issued to Complainant - No Finding
09-3140	11/12/2008	Archive	FNS		Accepted	11/12/2009	1/12/2009	Decision Letter Issued to Complainant - No Finding
10-3524	1/27/2010	Archive	FNS		Accepted	12/21/2009	4/20/2010	Decision Letter Issued to Complainant - No Finding
10-3676	2/17/2010	Archive	FNS		Accepted	2/17/2010	5/18/2010	Decision Letter Issued to Complainant - No Finding
10-3698	2/24/2010	Archive	FNS		Accepted	3/2/2010	5/26/2010	Decision Letter Issued to Complainant - No Finding
10-3675	2/18/2010	Archive	FNS		Accepted	3/3/2010	6/21/2010	Decision Letter Issued to Complainant - No Finding
10-3803	2/17/2010	Archive	FNS		Accepted	3/3/2010	5/7/2010	Decision Letter Issued to Complainant - No Finding
10-3730	3/4/2010	Archive	FNS		Accepted	3/11/2010	3/25/2010	Decision Letter Issued to Complainant - No Finding

## PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

10-3740	3/4/2010	Archive	FNS		Accepted	3/11/2010	5/20/2010	Decision Letter Issued to Complainant - No Finding
10-3743	3/11/2010	Archive	FNS		Accepted	3/11/2010	3/11/2010	Decision Letter Issued to Complainant - No Finding
10-3870	2/19/2010	Archive	FNS		Accepted	3/12/2010	5/13/2010	Decision Letter Issued to Complainant - No Finding
10-3751	3/12/2010	Archive	FNS		Accepted	3/16/2010	3/17/2010	Decision Letter Issued to Complainant - No Finding
10-3761	3/17/2010	Archive	FNS		Accepted	3/18/2010	3/22/2010	Decision Letter Issued to Complainant - No Finding
10-3765	3/16/2010	Archive	FNS		Accepted	3/19/2010	6/29/2010	Decision Letter Issued to Complainant - No Finding
10-3717	2/22/2010	Archive	FNS		Accepted	3/22/2010	5/19/2010	Decision Letter Issued to Complainant - No Finding
10-3770	3/18/2010	Archive	FNS		Accepted	3/22/2010	3/23/2010	Decision Letter Issued to Complainant - No Finding
10-3794	3/24/2010	Archive	FNS		Accepted	3/30/2010	5/19/2010	Decision Letter Issued to Complainant - No Finding
10-3834	4/2/2010	Archive	FNS		Accepted	4/8/2010	5/18/2010	Decision Letter Issued to Complainant - No Finding
10-3858	4/14/2010	Archive	FNS		Accepted	5/12/2010	9/27/2010	Decision Letter Issued to Complainant - No Finding
10-3981	4/27/2010	Archive	FNS		Accepted	5/20/2010	11/4/2010	Decision Letter Issued to Complainant - No Finding
10-3991	3/12/2010	Archive	FNS		Accepted	5/20/2010	11/12/2010	Decision Letter Issued to Complainant - No Finding
10-3928	5/26/2010	Archive	FNS		Accepted	5/27/2010	10/1/2010	Decision Letter Issued to Complainant - No Finding
10-3967	5/25/2010	Archive	FNS		Accepted	5/29/2010	11/10/2010	Decision Letter Issued to Complainant - No Finding
10-3986	4/27/2010	Closed	FNS		Accepted	6/4/2010	11/22/2010	Decision Letter Issued to Complainant - No Finding
10-4011	6/4/2010	Archive	FNS		Accepted	6/4/2010	9/24/2010	Decision Letter Issued to Complainant - No Finding
10-3974	4/21/2010	Archive	FNS		Accepted	6/16/2010	8/26/2010	Decision Letter Issued to Complainant - No Finding

## PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

10-4002	6/21/2010	Archive	FNS		Accepted	6/22/2010	8/6/2010	Decision Letter Issued to Complainant - No Finding
10-4009	6/22/2010	Archive	FNS		Accepted	6/23/2010	11/1/2010	Decision Letter Issued to Complainant - No Finding
10-3915	4/27/2010	Archive	FNS		Accepted	7/19/2010	11/17/2010	Decision Letter Issued to Complainant - No Finding
10-4061	7/13/2010	Archive	FNS		Accepted	7/19/2010	10/5/2010	Decision Letter Issued to Complainant - No Finding
10-4050	7/12/2010	Archive	FNS		Accepted	8/3/2010	10/6/2010	Decision Letter Issued to Complainant - No Finding
10-3994	6/15/2010	Archive	FNS		Accepted	8/4/2010	8/18/2010	Decision Letter Issued to Complainant - No Finding
10-4110	7/29/2010	Closed	FNS		Accepted	8/6/2010	1/24/2011	Decision Letter Issued to Complainant - No Finding
10-4136	8/12/2010	Archive	FNS		Accepted	8/12/2010	11/2/2010	Decision Letter Issued to Complainant - No Finding
10-4234	8/19/2010	Archive	FNS		Accepted	8/23/2010	11/1/2010	Decision Letter Issued to Complainant - No Finding
10-4233	8/11/2010	Archive	FNS		Accepted	8/25/2010	9/27/2010	Decision Letter Issued to Complainant - No Finding
10-4159	8/18/2010	Archive	FNS		Accepted	9/8/2010	10/26/2010	Decision Letter Issued to Complainant - No Finding
10-4235	9/13/2010	Closed	FNS		Accepted	9/21/2010	2/28/2011	Decision Letter Issued to Complainant - No Finding
10-4238	9/20/2010	Closed	FNS		Accepted	9/23/2010	1/24/2011	Decision Letter Issued to Complainant - No Finding
11-4312	10/21/2010	Closed	FNS		Accepted	10/21/2010	1/26/2011	Decision Letter Issued to Complainant - No Finding
11-4464	11/30/2010	Closed	FNS		Accepted	12/1/2010	2/24/2011	Decision Letter Issued to Complainant - No Finding
11-4476	12/2/2010	Closed	FNS		Accepted	12/2/2010	1/7/2011	Decision Letter Issued to Complainant - No Finding
07-0254	6/18/2007	Archive	FNS		Cannot Determine		1/16/2009	Decision Letter Issued to Complainant - No Finding
07-0267	6/7/2007	Archive	FNS		Cannot Determine		2/20/2009	Decision Letter Issued to Complainant - No Finding

PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

07-0363	6/20/2007	Archive	FNS		Cannot Determine		2/2/2009	Decision Letter Issued to Complainant - No Finding
07-0365	6/14/2007	Archive	FNS		Cannot Determine		1/29/2009	Decision Letter Issued to Complainant - No Finding
07-0384	8/2/2007	Archive	FNS		Cannot Determine		3/6/2008	Decision Letter Issued to Complainant - No Finding
07-0387	8/2/2007	Archive	FNS		Cannot Determine		2/28/2008	Decision Letter Issued to Complainant - No Finding
07-0883	1/16/2007	Archive	FNS		Cannot Determine		4/2/2008	Decision Letter Issued to Complainant - No Finding
08-0553	10/4/2007	Adjudication	FNS		Cannot Determine		5/28/2008	Decision Letter Issued to Complainant - No Finding
08-0709	10/25/2007	Archive	FNS		Cannot Determine		4/1/2008	Decision Letter Issued to Complainant - No Finding
08-0710	11/8/2007	Archive	FNS		Cannot Determine		5/29/2008	Decision Letter Issued to Complainant - No Finding
08-0780	12/6/2007	Archive	FNS		Cannot Determine		4/29/2008	Decision Letter Issued to Complainant - No Finding
08-0810	12/17/2007	Archive	FNS		Cannot Determine		4/18/2008	Decision Letter Issued to Complainant - No Finding
08-0831	12/18/2007	Archive	FNS		Cannot Determine		4/18/2008	Decision Letter Issued to Complainant - No Finding
08-0846	1/8/2008	Archive	FNS		Cannot Determine		5/29/2008	Decision Letter Issued to Complainant - No Finding
08-0898	1/15/2008	Archive	FNS		Cannot Determine		5/7/2008	Decision Letter Issued to Complainant - No Finding
08-0914	1/17/2008	Archive	FNS		Cannot Determine		3/19/2008	Decision Letter Issued to Complainant - No Finding
08-0919	1/24/2008	Archive	FNS		Cannot Determine		5/23/2008	Decision Letter Issued to Complainant - No Finding
08-0932	1/24/2008	Archive	FNS		Cannot Determine		5/29/2008	Decision Letter Issued to Complainant - No Finding
08-0950	12/20/2007	Archive	FNS		Cannot Determine		3/30/2009	Decision Letter Issued to Complainant - No Finding
08-0971	1/29/2008	Archive	FNS		Cannot Determine		4/18/2008	Decision Letter Issued to Complainant - No Finding

PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

08-0972	1/29/2008	Archive	FNS		Cannot Determine		5/6/2008	Decision Letter Issued to Complainant - No Finding
08-1024	2/28/2008	Archive	FNS		Cannot Determine		1/7/2009	Decision Letter Issued to Complainant - No Finding
08-1027	2/27/2008	Archive	FNS		Cannot Determine		1/15/2009	Decision Letter Issued to Complainant - No Finding
08-1034	2/4/2008	Archive	FNS		Cannot Determine		5/21/2008	Decision Letter Issued to Complainant - No Finding
08-1083	2/25/2008	Archive	FNS		Cannot Determine		1/8/2009	Decision Letter Issued to Complainant - No Finding
08-1085	2/25/2008	Archive	FNS		Cannot Determine		9/12/2008	Decision Letter Issued to Complainant - No Finding
08-1087	2/29/2008	Archive	FNS		Cannot Determine		5/13/2008	Decision Letter Issued to Complainant - No Finding
08-1093	3/4/2008	Archive	FNS		Cannot Determine		9/24/2008	Decision Letter Issued to Complainant - No Finding
08-1117	3/7/2008	Archive	FNS		Cannot Determine		1/29/2009	Decision Letter Issued to Complainant - No Finding
08-1131	3/13/2008	Archive	FNS		Cannot Determine		12/19/2008	Decision Letter Issued to Complainant - No Finding
08-1170	2/21/2008	Archive	FNS		Cannot Determine		12/19/2008	Decision Letter Issued to Complainant - No Finding
08-1204	4/2/2008	Archive	FNS		Cannot Determine		1/29/2009	Decision Letter Issued to Complainant - No Finding
08-1208	4/2/2008	Archive	FNS		Cannot Determine		9/9/2008	Decision Letter Issued to Complainant - No Finding
08-1211	4/3/2008	Archive	FNS		Cannot Determine		12/18/2008	Decision Letter Issued to Complainant - No Finding
08-1229	4/9/2008	Archive	FNS		Cannot Determine		1/8/2009	Decision Letter Issued to Complainant - No Finding
08-1270	4/21/2008	Archive	FNS		Cannot Determine		12/17/2008	Decision Letter Issued to Complainant - No Finding
08-1271	4/21/2008	Archive	FNS		Cannot Determine		5/28/2010	Decision Letter Issued to Complainant - No Finding
08-1277	4/3/2008	Archive	FNS		Cannot Determine		1/8/2009	Decision Letter Issued to Complainant - No Finding

PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

08-1288	4/23/2008	Archive	FNS		Cannot Determine		1/8/2009	Decision Letter Issued to Complainant - No Finding
08-1308	4/24/2008	Archive	FNS		Cannot Determine		12/30/2008	Decision Letter Issued to Complainant - No Finding
08-1334	4/28/2008	Archive	FNS		Cannot Determine		12/2/2008	Decision Letter Issued to Complainant - No Finding
08-1372	5/9/2008	Archive	FNS		Cannot Determine		12/11/2008	Decision Letter Issued to Complainant - No Finding
08-1415	5/20/2008	Archive	FNS		Cannot Determine		9/9/2008	Decision Letter Issued to Complainant - No Finding
08-1422	5/23/2008	Archive	FNS		Cannot Determine		3/10/2009	Decision Letter Issued to Complainant - No Finding
08-1440	5/27/2008	Archive	FNS		Cannot Determine		9/23/2008	Decision Letter Issued to Complainant - No Finding
08-1450	5/28/2008	Archive	FNS		Cannot Determine		1/8/2009	Decision Letter Issued to Complainant - No Finding
08-1463	6/3/2008	Archive	FNS		Cannot Determine		9/3/2008	Decision Letter Issued to Complainant - No Finding
08-1488	6/12/2008	Archive	FNS		Cannot Determine		1/14/2009	Decision Letter Issued to Complainant - No Finding
08-1492	6/16/2008	Archive	FNS		Cannot Determine		1/8/2009	Decision Letter Issued to Complainant - No Finding
08-1496	6/16/2008	Archive	FNS		Cannot Determine		1/21/2009	Decision Letter Issued to Complainant - No Finding
08-1503	6/18/2008	Archive	FNS		Cannot Determine		9/23/2008	Decision Letter Issued to Complainant - No Finding
08-1519	6/24/2008	Archive	FNS		Cannot Determine		10/24/2008	Decision Letter Issued to Complainant - No Finding
08-1521	6/20/2008	Archive	FNS		Cannot Determine		1/8/2009	Decision Letter Issued to Complainant - No Finding
08-1535	7/1/2008	Adjudication	FNS		Cannot Determine		6/20/2008	Decision Letter Issued to Complainant - No Finding
08-1546	7/1/2008	Archive	FNS		Cannot Determine		3/13/2009	Decision Letter Issued to Complainant - No Finding
08-1555	7/3/2008	Archive	FNS		Cannot Determine		9/18/2008	Decision Letter Issued to Complainant - No Finding

PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

08-1556	7/8/2008	Archive	FNS		Cannot Determine		12/12/2008	Decision Letter Issued to Complainant - No Finding
08-1582	7/18/2008	Archive	FNS		Cannot Determine		12/11/2008	Decision Letter Issued to Complainant - No Finding
08-1613	7/25/2008	Archive	FNS		Cannot Determine		3/13/2009	Decision Letter Issued to Complainant - No Finding
08-1614	7/23/2008	Archive	FNS		Cannot Determine		2/18/2009	Decision Letter Issued to Complainant - No Finding
08-1616	7/23/2008	Archive	FNS		Cannot Determine		2/26/2009	Decision Letter Issued to Complainant - No Finding
08-1619	7/23/2008	Archive	FNS		Cannot Determine		9/23/2008	Decision Letter Issued to Complainant - No Finding
08-1628	7/29/2008	Archive	FNS		Cannot Determine		3/18/2010	Decision Letter Issued to Complainant - No Finding
08-1637	7/30/2008	Archive	FNS		Cannot Determine		5/1/2009	Decision Letter Issued to Complainant - No Finding
08-1649	8/1/2008	Archive	FNS		Cannot Determine		10/10/2008	Decision Letter Issued to Complainant - No Finding
08-1650	8/1/2008	Archive	FNS		Cannot Determine		1/8/2009	Decision Letter Issued to Complainant - No Finding
08-1680	8/12/2008	Archive	FNS		Cannot Determine		2/20/2009	Decision Letter Issued to Complainant - No Finding
08-1689	8/7/2008	Archive	FNS		Cannot Determine		3/27/2009	Decision Letter Issued to Complainant - No Finding
08-1699	8/12/2008	Archive	FNS		Cannot Determine		10/3/2008	Decision Letter Issued to Complainant - No Finding
08-1707	8/15/2008	Archive	FNS		Cannot Determine		10/8/2008	Decision Letter Issued to Complainant - No Finding
08-1714	8/11/2008	Archive	FNS		Cannot Determine		2/27/2009	Decision Letter Issued to Complainant - No Finding
08-1729	8/25/2008	Archive	FNS		Cannot Determine		3/16/2009	Decision Letter Issued to Complainant - No Finding
08-1731	8/25/2008	Archive	FNS		Cannot Determine		10/8/2008	Decision Letter Issued to Complainant - No Finding
08-1743	8/26/2008	Archive	FNS		Cannot Determine		9/23/2008	Decision Letter Issued to Complainant - No Finding



PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

08-1758	9/3/2008	Archive	FNS		Cannot Determine		8/4/2009	Decision Letter Issued to Complainant - No Finding
08-1775	8/21/2008	Archive	FNS		Cannot Determine		1/8/2009	Decision Letter Issued to Complainant - No Finding
08-1787	9/9/2008	Archive	FNS		Cannot Determine		9/24/2009	Decision Letter Issued to Complainant - No Finding
08-1790	9/10/2008	Archive	FNS		Cannot Determine		10/10/2008	Decision Letter Issued to Complainant - No Finding
08-1797	9/12/2008	Archive	FNS		Cannot Determine		10/20/2008	Decision Letter Issued to Complainant - No Finding
08-1800	9/12/2008	Archive	FNS		Cannot Determine		10/20/2008	Decision Letter Issued to Complainant - No Finding
08-1807	9/15/2008	Archive	FNS		Cannot Determine		10/20/2008	Decision Letter Issued to Complainant - No Finding
08-1819	9/17/2008	Archive	FNS		Cannot Determine		1/16/2009	Decision Letter Issued to Complainant - No Finding
08-1822	9/17/2008	Archive	FNS		Cannot Determine		1/16/2009	Decision Letter Issued to Complainant - No Finding
08-1830	9/19/2008	Archive	FNS		Cannot Determine		1/8/2009	Decision Letter Issued to Complainant - No Finding
08-1832	9/19/2008	Archive	FNS		Cannot Determine		12/3/2008	Decision Letter Issued to Complainant - No Finding
08-1840	9/19/2008	Archive	FNS		Cannot Determine		3/10/2009	Decision Letter Issued to Complainant - No Finding
08-1843	9/19/2008	Archive	FNS		Cannot Determine		12/12/2008	Decision Letter Issued to Complainant - No Finding
08-1849	9/25/2008	Archive	FNS		Cannot Determine		11/21/2008	Decision Letter Issued to Complainant - No Finding
08-1857	9/25/2008	Archive	FNS		Cannot Determine		12/29/2008	Decision Letter Issued to Complainant - No Finding
08-1861	9/30/2008	Archive	FNS		Cannot Determine		1/16/2009	Decision Letter Issued to Complainant - No Finding
08-1867	9/30/2008	Archive	FNS		Cannot Determine		3/13/2009	Decision Letter Issued to Complainant - No Finding
08-1868	9/30/2008	Archive	FNS		Cannot Determine		3/13/2009	Decision Letter Issued to Complainant - No Finding

PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

08-1869	9/29/2008	Archive	FNS		Cannot Determine		12/10/2008	Decision Letter Issued to Complainant - No Finding
08-1874	9/29/2008	Archive	FNS		Cannot Determine		11/21/2008	Decision Letter Issued to Complainant - No Finding
08-1900	9/29/2008	Archive	FNS		Cannot Determine		2/4/2009	Decision Letter Issued to Complainant - No Finding
08-1964	9/25/2008	Archive	FNS		Cannot Determine		12/11/2008	Decision Letter Issued to Complainant - No Finding
08-2120	8/5/2008	Archive	FNS		Cannot Determine		1/16/2009	Decision Letter Issued to Complainant - No Finding
08-2310	9/5/2008	Archive	FNS		Cannot Determine		9/4/2008	Decision Letter Issued to Complainant - No Finding
08-3112	2/21/2008	Archive	FNS		Cannot Determine		4/10/2008	Decision Letter Issued to Complainant - No Finding
08-3117	9/24/2008	Archive	FNS		Cannot Determine		11/25/2008	Decision Letter Issued to Complainant - No Finding
09-1886	10/1/2008	Archive	FNS		Cannot Determine		9/24/2009	Decision Letter Issued to Complainant - No Finding
09-1894	10/2/2008	Archive	FNS		Cannot Determine		11/21/2008	Decision Letter Issued to Complainant - No Finding
09-1912	10/8/2008	Archive	FNS		Cannot Determine		7/27/2009	Decision Letter Issued to Complainant - No Finding
09-1918	10/9/2008	Archive	FNS		Cannot Determine		8/3/2009	Decision Letter Issued to Complainant - No Finding
09-1927	10/17/2008	Archive	FNS		Cannot Determine		5/26/2010	Decision Letter Issued to Complainant - No Finding
09-1928	10/16/2008	Archive	FNS		Cannot Determine		9/22/2009	Decision Letter Issued to Complainant - No Finding
09-1931	10/16/2008	Archive	FNS		Cannot Determine		8/5/2009	Decision Letter Issued to Complainant - No Finding
09-1945	10/20/2008	Archive	FNS		Cannot Determine		8/5/2009	Decision Letter Issued to Complainant - No Finding
09-1947	10/20/2008	Archive	FNS		Cannot Determine		9/14/2009	Decision Letter Issued to Complainant - No Finding
09-1948	10/22/2008	Archive	FNS		Cannot Determine		8/19/2009	Decision Letter Issued to Complainant - No Finding

PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

09-1949	10/21/2008	Archive	FNS		Cannot Determine		9/29/2009	Decision Letter Issued to Complainant - No Finding
09-1952	10/24/2008	Archive	FNS		Cannot Determine		2/27/2009	Decision Letter Issued to Complainant - No Finding
09-1955	10/22/2008	Archive	FNS		Cannot Determine		7/31/2009	Decision Letter Issued to Complainant - No Finding
09-1969	10/27/2008	Archive	FNS		Cannot Determine		7/31/2009	Decision Letter Issued to Complainant - No Finding
09-1977	10/29/2008	Archive	FNS		Cannot Determine		3/9/2009	Decision Letter Issued to Complainant - No Finding
09-1978	10/29/2008	Archive	FNS		Cannot Determine		9/22/2009	Decision Letter Issued to Complainant - No Finding
09-1980	10/29/2008	Archive	FNS		Cannot Determine		11/3/2009	Decision Letter Issued to Complainant - No Finding
09-1981	10/29/2008	Archive	FNS		Cannot Determine		7/24/2009	Decision Letter Issued to Complainant - No Finding
09-1982	10/30/2008	Archive	FNS		Cannot Determine		7/22/2009	Decision Letter Issued to Complainant - No Finding
09-1983	10/29/2008	Archive	FNS		Cannot Determine		10/26/2009	Decision Letter Issued to Complainant - No Finding
09-1986	10/29/2008	Archive	FNS		Cannot Determine		8/4/2009	Decision Letter Issued to Complainant - No Finding
09-1987	10/29/2008	Archive	FNS		Cannot Determine		9/22/2009	Decision Letter Issued to Complainant - No Finding
09-1988	10/31/2008	Archive	FNS		Cannot Determine		8/26/2009	Decision Letter Issued to Complainant - No Finding
09-1991	11/4/2008	Archive	FNS		Cannot Determine		2/26/2009	Decision Letter Issued to Complainant - No Finding
09-1993	11/3/2008	Archive	FNS		Cannot Determine		2/4/2009	Decision Letter Issued to Complainant - No Finding
09-1995	11/3/2008	Archive	FNS		Cannot Determine		8/14/2009	Decision Letter Issued to Complainant - No Finding
09-1997	11/5/2008	Archive	FNS		Cannot Determine		8/19/2009	Decision Letter Issued to Complainant - No Finding
09-1998	11/5/2008	Archive	FNS		Cannot Determine		1/15/2009	Decision Letter Issued to Complainant - No Finding

PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

09-2002	11/5/2008	Archive	FNS		Cannot Determine		8/18/2009	Decision Letter Issued to Complainant - No Finding
09-2004	11/5/2008	Archive	FNS		Cannot Determine		7/22/2009	Decision Letter Issued to Complainant - No Finding
09-2006	11/5/2008	Archive	FNS		Cannot Determine		7/23/2009	Decision Letter Issued to Complainant - No Finding
09-2008	11/5/2008	Archive	FNS		Cannot Determine		8/14/2009	Decision Letter Issued to Complainant - No Finding
09-2012	11/12/2008	Archive	FNS		Cannot Determine		10/30/2009	Decision Letter Issued to Complainant - No Finding
09-2016	11/10/2008	Archive	FNS		Cannot Determine		8/18/2009	Decision Letter Issued to Complainant - No Finding
09-2021	11/10/2008	Archive	FNS		Cannot Determine		8/3/2009	Decision Letter Issued to Complainant - No Finding
09-2022	11/12/2008	Archive	FNS		Cannot Determine		9/24/2009	Decision Letter Issued to Complainant - No Finding
09-2034	11/20/2008	Archive	FNS		Cannot Determine		7/22/2009	Decision Letter Issued to Complainant - No Finding
09-2038	11/19/2008	Archive	FNS		Cannot Determine		8/3/2009	Decision Letter Issued to Complainant - No Finding
09-2043	11/18/2008	Archive	FNS		Cannot Determine		1/29/2009	Decision Letter Issued to Complainant - No Finding
09-2045	11/14/2008	Archive	FNS		Cannot Determine		8/5/2009	Decision Letter Issued to Complainant - No Finding
09-2046	11/24/2008	Archive	FNS		Cannot Determine		8/19/2009	Decision Letter Issued to Complainant - No Finding
09-2047	11/18/2008	Archive	FNS		Cannot Determine		9/22/2009	Decision Letter Issued to Complainant - No Finding
09-2050	12/2/2008	Archive	FNS		Cannot Determine		2/20/2009	Decision Letter Issued to Complainant - No Finding
09-2051	12/2/2008	Archive	FNS		Cannot Determine		2/13/2009	Decision Letter Issued to Complainant - No Finding
09-2054	11/25/2008	Archive	FNS		Cannot Determine		8/19/2009	Decision Letter Issued to Complainant - No Finding
09-2056	11/25/2008	Archive	FNS		Cannot Determine		2/20/2009	Decision Letter Issued to Complainant - No Finding

PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

09-2057	11/25/2008	Archive	FNS		Cannot Determine		8/4/2009	Decision Letter Issued to Complainant - No Finding
09-2058	11/24/2008	Archive	FNS		Cannot Determine		2/20/2009	Decision Letter Issued to Complainant - No Finding
09-2061	11/24/2008	Archive	FNS		Cannot Determine		3/9/2009	Decision Letter Issued to Complainant - No Finding
09-2064	12/1/2008	Archive	FNS		Cannot Determine		3/13/2009	Decision Letter Issued to Complainant - No Finding
09-2068	12/1/2008	Archive	FNS		Cannot Determine		2/26/2009	Decision Letter Issued to Complainant - No Finding
09-2069	12/2/2008	Archive	FNS		Cannot Determine		3/6/2009	Decision Letter Issued to Complainant - No Finding
09-2071	12/2/2008	Archive	FNS		Cannot Determine		3/13/2009	Decision Letter Issued to Complainant - No Finding
09-2073	12/4/2008	Archive	FNS		Cannot Determine		7/22/2009	Decision Letter Issued to Complainant - No Finding
09-2075	11/5/2008	Archive	FNS		Cannot Determine		5/14/2009	Decision Letter Issued to Complainant - No Finding
09-2076	12/4/2008	Archive	FNS		Cannot Determine		2/26/2009	Decision Letter Issued to Complainant - No Finding
09-2079	12/4/2008	Archive	FNS		Cannot Determine		2/26/2009	Decision Letter Issued to Complainant - No Finding
09-2082	12/4/2008	Archive	FNS		Cannot Determine		8/5/2009	Decision Letter Issued to Complainant - No Finding
09-2083	12/10/2008	Archive	FNS		Cannot Determine		4/27/2009	Decision Letter Issued to Complainant - No Finding
09-2088	12/10/2008	Archive	FNS		Cannot Determine		9/22/2009	Decision Letter Issued to Complainant - No Finding
09-2090	12/5/2008	Archive	FNS		Cannot Determine		2/26/2009	Decision Letter Issued to Complainant - No Finding
09-2092	12/10/2008	Archive	FNS		Cannot Determine		2/27/2009	Decision Letter Issued to Complainant - No Finding
09-2096	12/15/2008	Archive	FNS		Cannot Determine		2/26/2009	Decision Letter Issued to Complainant - No Finding
09-2097	12/15/2008	Archive	FNS		Cannot Determine		2/26/2009	Decision Letter Issued to Complainant - No Finding

PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

09-2098	12/15/2008	Archive	FNS		Cannot Determine		2/26/2009	Decision Letter Issued to Complainant - No Finding
09-2110	12/19/2008	Archive	FNS		Cannot Determine		1/7/2009	Decision Letter Issued to Complainant - No Finding
09-2111	12/19/2008	Archive	FNS		Cannot Determine		1/7/2009	Decision Letter Issued to Complainant - No Finding
09-2114	12/18/2008	Archive	FNS		Cannot Determine		2/26/2009	Decision Letter Issued to Complainant - No Finding
09-2115	12/18/2008	Archive	FNS		Cannot Determine		2/13/2009	Decision Letter Issued to Complainant - No Finding
09-2117	12/18/2008	Archive	FNS		Cannot Determine		2/26/2009	Decision Letter Issued to Complainant - No Finding
09-2121	10/27/2008	Archive	FNS		Cannot Determine		3/4/2009	Decision Letter Issued to Complainant - No Finding
09-2136	12/29/2008	Archive	FNS		Cannot Determine		2/26/2009	Decision Letter Issued to Complainant - No Finding
09-2137	12/30/2008	Archive	FNS		Cannot Determine		2/26/2009	Decision Letter Issued to Complainant - No Finding
09-2139	12/30/2008	Archive	FNS		Cannot Determine		5/14/2009	Decision Letter Issued to Complainant - No Finding
09-2143	12/22/2008	Archive	FNS		Cannot Determine		7/27/2009	Decision Letter Issued to Complainant - No Finding
09-2144	12/23/2008	Archive	FNS		Cannot Determine		7/27/2009	Decision Letter Issued to Complainant - No Finding
09-2145	12/23/2008	Archive	FNS		Cannot Determine		8/14/2009	Decision Letter Issued to Complainant - No Finding
09-2146	12/23/2008	Archive	FNS		Cannot Determine		8/3/2009	Decision Letter Issued to Complainant - No Finding
09-2147	1/6/2009	Archive	FNS		Cannot Determine		10/30/2009	Decision Letter Issued to Complainant - No Finding
09-2149	12/30/2008	Archive	FNS		Cannot Determine		7/27/2009	Decision Letter Issued to Complainant - No Finding
09-2151	1/2/2009	Archive	FNS		Cannot Determine		9/22/2009	Decision Letter Issued to Complainant - No Finding
09-2152	12/22/2008	Archive	FNS		Cannot Determine		7/27/2009	Decision Letter Issued to Complainant - No Finding

PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

09-2162	1/6/2009	Archive	FNS		Cannot Determine		3/20/2009	Decision Letter Issued to Complainant - No Finding
09-2163	1/6/2009	Archive	FNS		Cannot Determine		3/20/2009	Decision Letter Issued to Complainant - No Finding
09-2170	1/9/2009	Archive	FNS		Cannot Determine		3/27/2009	Decision Letter Issued to Complainant - No Finding
09-2171	1/9/2009	Archive	FNS		Cannot Determine		4/3/2009	Decision Letter Issued to Complainant - No Finding
09-2172	1/9/2009	Archive	FNS		Cannot Determine		3/27/2009	Decision Letter Issued to Complainant - No Finding
09-2173	1/9/2009	Archive	FNS		Cannot Determine		4/22/2009	Decision Letter Issued to Complainant - No Finding
09-2186	1/16/2009	Archive	FNS		Cannot Determine		4/3/2009	Decision Letter Issued to Complainant - No Finding
09-2190	1/22/2009	Archive	FNS		Cannot Determine		8/31/2009	Decision Letter Issued to Complainant - No Finding
09-2199	1/29/2009	Archive	FNS		Cannot Determine		4/3/2009	Decision Letter Issued to Complainant - No Finding
09-2200	1/29/2009	Archive	FNS		Cannot Determine		3/30/2009	Decision Letter Issued to Complainant - No Finding
09-2201	1/29/2009	Archive	FNS		Cannot Determine		8/4/2009	Decision Letter Issued to Complainant - No Finding
09-2202	1/29/2009	Archive	FNS		Cannot Determine		8/18/2009	Decision Letter Issued to Complainant - No Finding
09-2203	1/29/2009	Archive	FNS		Cannot Determine		11/17/2009	Decision Letter Issued to Complainant - No Finding
09-2204	1/29/2009	Archive	FNS		Cannot Determine		9/24/2009	Decision Letter Issued to Complainant - No Finding
09-2215	1/30/2009	Archive	FNS		Cannot Determine		4/27/2009	Decision Letter Issued to Complainant - No Finding
09-2219	1/30/2009	Archive	FNS		Cannot Determine		8/5/2009	Decision Letter Issued to Complainant - No Finding
09-2221	2/2/2009	Archive	FNS		Cannot Determine		3/18/2009	Decision Letter Issued to Complainant - No Finding
09-2222	1/30/2009	Archive	FNS		Cannot Determine		8/4/2009	Decision Letter Issued to Complainant - No Finding

PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

09-2223	2/2/2009	Archive	FNS		Cannot Determine		8/13/2009	Decision Letter Issued to Complainant - No Finding
09-2224	1/30/2009	Archive	FNS		Cannot Determine		7/22/2009	Decision Letter Issued to Complainant - No Finding
09-2228	2/2/2009	Archive	FNS		Cannot Determine		4/27/2009	Decision Letter Issued to Complainant - No Finding
09-2229	1/30/2009	Archive	FNS		Cannot Determine		2/27/2009	Decision Letter Issued to Complainant - No Finding
09-2231	2/3/2009	Archive	FNS		Cannot Determine		2/27/2009	Decision Letter Issued to Complainant - No Finding
09-2234	2/6/2009	Archive	FNS		Cannot Determine		2/13/2009	Decision Letter Issued to Complainant - No Finding
09-2236	2/10/2009	Archive	FNS		Cannot Determine		3/23/2009	Decision Letter Issued to Complainant - No Finding
09-2239	2/11/2009	Archive	FNS		Cannot Determine		2/20/2009	Decision Letter Issued to Complainant - No Finding
09-2248	2/17/2009	Archive	FNS		Cannot Determine		8/4/2009	Decision Letter Issued to Complainant - No Finding
09-2249	2/17/2009	Archive	FNS		Cannot Determine		8/13/2009	Decision Letter Issued to Complainant - No Finding
09-2250	2/17/2009	Archive	FNS		Cannot Determine		8/4/2009	Decision Letter Issued to Complainant - No Finding
09-2251	2/4/2009	Intake	FNS		Cannot Determine		2/20/2009	Decision Letter Issued to Complainant - No Finding
09-2252	1/29/2009	Archive	FNS		Cannot Determine		2/20/2009	Decision Letter Issued to Complainant - No Finding
09-2253	2/19/2009	Archive	FNS		Cannot Determine		2/27/2009	Decision Letter Issued to Complainant - No Finding
09-2256	2/20/2009	Archive	FNS		Cannot Determine		4/6/2009	Decision Letter Issued to Complainant - No Finding
09-2259	2/20/2009	Archive	FNS		Cannot Determine		7/23/2009	Decision Letter Issued to Complainant - No Finding
09-2261	2/19/2009	Archive	FNS		Cannot Determine		7/24/2009	Decision Letter Issued to Complainant - No Finding
09-2275	2/24/2009	Archive	FNS		Cannot Determine		7/24/2009	Decision Letter Issued to Complainant - No Finding



PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

09-2279	2/24/2009	Archive	FNS	Cannot Determine	7/23/2009	Decision Letter Issued to Complainant - No Finding
09-2280	2/25/2009	Archive	FNS	Cannot Determine	8/5/2009	Decision Letter Issued to Complainant - No Finding
09-2281	2/24/2009	Archive	FNS	Cannot Determine	7/24/2009	Decision Letter Issued to Complainant - No Finding
09-2288	2/26/2009	Archive	FNS	Cannot Determine	5/4/2009	Decision Letter Issued to Complainant - No Finding
09-2292	3/2/2009	Archive	FNS	Cannot Determine	9/24/2009	Decision Letter Issued to Complainant - No Finding
09-2301	3/4/2009	Archive	FNS	Cannot Determine	9/2/2009	Decision Letter Issued to Complainant - No Finding
09-2303	3/4/2009	Archive	FNS	Cannot Determine	3/10/2009	Decision Letter Issued to Complainant - No Finding
09-2306	3/3/2009	Archive	FNS	Cannot Determine	3/27/2009	Decision Letter Issued to Complainant - No Finding
09-2307	2/11/2009	Archive	FNS	Cannot Determine	3/27/2009	Decision Letter Issued to Complainant - No Finding
09-2308	3/4/2009	Archive	FNS	Cannot Determine	3/27/2009	Decision Letter Issued to Complainant - No Finding
09-2315	3/4/2009	Archive	FNS	Cannot Determine	4/22/2009	Decision Letter Issued to Complainant - No Finding
09-2316	3/4/2009	Archive	FNS	Cannot Determine	4/22/2009	Decision Letter Issued to Complainant - No Finding
09-2324	3/6/2009	Archive	FNS	Cannot Determine	7/27/2009	Decision Letter Issued to Complainant - No Finding
09-2325	3/6/2009	Archive	FNS	Cannot Determine	7/27/2009	Decision Letter Issued to Complainant - No Finding
09-2327	3/5/2009	Archive	FNS	Cannot Determine	8/4/2009	Decision Letter Issued to Complainant - No Finding
09-2331	3/6/2009	Archive	FNS	Cannot Determine	9/14/2009	Decision Letter Issued to Complainant - No Finding
09-2334	3/9/2009	Archive	FNS	Cannot Determine	8/14/2009	Decision Letter Issued to Complainant - No Finding
09-2343	3/11/2009	Archive	FNS	Cannot Determine	9/22/2009	Decision Letter Issued to Complainant - No Finding

PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

09-2344	3/11/2009	Archive	FNS		Cannot Determine		5/1/2009	Decision Letter Issued to Complainant - No Finding
09-2349	3/12/2009	Archive	FNS		Cannot Determine		8/13/2009	Decision Letter Issued to Complainant - No Finding
09-2366	3/19/2009	Archive	FNS		Cannot Determine		7/31/2009	Decision Letter Issued to Complainant - No Finding
09-2369	3/19/2009	Archive	FNS		Cannot Determine		8/4/2009	Decision Letter Issued to Complainant - No Finding
09-2372	3/18/2009	Archive	FNS		Cannot Determine		7/27/2009	Decision Letter Issued to Complainant - No Finding
09-2373	3/18/2009	Archive	FNS		Cannot Determine		3/27/2009	Decision Letter Issued to Complainant - No Finding
09-2376	1/30/2009	Archive	FNS		Cannot Determine		3/27/2009	Decision Letter Issued to Complainant - No Finding
09-2381	3/19/2009	Archive	FNS		Cannot Determine		8/14/2009	Decision Letter Issued to Complainant - No Finding
09-2383	3/23/2009	Archive	FNS		Cannot Determine		8/14/2009	Decision Letter Issued to Complainant - No Finding
09-2386	3/23/2009	Archive	FNS		Cannot Determine		7/27/2009	Decision Letter Issued to Complainant - No Finding
09-2387	3/23/2009	Archive	FNS		Cannot Determine		9/24/2009	Decision Letter Issued to Complainant - No Finding
09-2392	3/24/2009	Archive	FNS		Cannot Determine		3/27/2009	Decision Letter Issued to Complainant - No Finding
09-2393	2/26/2009	Archive	FNS		Cannot Determine		3/27/2009	Decision Letter Issued to Complainant - No Finding
09-2394	3/16/2009	Archive	FNS		Cannot Determine		3/27/2009	Decision Letter Issued to Complainant - No Finding
09-2396	3/26/2009	Archive	FNS		Cannot Determine		9/2/2009	Decision Letter Issued to Complainant - No Finding
09-2401	3/20/2009	Archive	FNS		Cannot Determine		3/20/2009	Decision Letter Issued to Complainant - No Finding
09-2403	3/27/2009	Archive	FNS		Cannot Determine		7/23/2009	Decision Letter Issued to Complainant - No Finding
09-2404	3/27/2009	Archive	FNS		Cannot Determine		4/8/2009	Decision Letter Issued to Complainant - No Finding

PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

09-2413	3/18/2009	Archive	FNS		Cannot Determine		5/4/2009	Decision Letter Issued to Complainant - No Finding
09-2414	3/27/2009	Archive	FNS		Cannot Determine		8/7/2009	Decision Letter Issued to Complainant - No Finding
09-2420	4/1/2009	Archive	FNS		Cannot Determine		8/4/2009	Decision Letter Issued to Complainant - No Finding
09-2421	4/1/2009	Archive	FNS		Cannot Determine		8/18/2009	Decision Letter Issued to Complainant - No Finding
09-2422	4/1/2009	Archive	FNS		Cannot Determine		7/23/2009	Decision Letter Issued to Complainant - No Finding
09-2423	4/1/2009	Archive	FNS		Cannot Determine		9/2/2009	Decision Letter Issued to Complainant - No Finding
09-2424	3/30/2009	Archive	FNS		Cannot Determine		5/14/2009	Decision Letter Issued to Complainant - No Finding
09-2430	3/27/2009	Archive	FNS		Cannot Determine		8/19/2009	Decision Letter Issued to Complainant - No Finding
09-2432	4/2/2009	Archive	FNS		Cannot Determine		5/14/2009	Decision Letter Issued to Complainant - No Finding
09-2433	3/31/2009	Archive	FNS		Cannot Determine		9/22/2009	Decision Letter Issued to Complainant - No Finding
09-2434	4/6/2009	Archive	FNS		Cannot Determine		4/7/2009	Decision Letter Issued to Complainant - No Finding
09-2439	3/17/2009	Archive	FNS		Cannot Determine		4/22/2009	Decision Letter Issued to Complainant - No Finding
09-2443	3/27/2009	Archive	FNS		Cannot Determine		5/11/2009	Decision Letter Issued to Complainant - No Finding
09-2448	4/6/2009	Archive	FNS		Cannot Determine		9/22/2009	Decision Letter Issued to Complainant - No Finding
09-2459	4/8/2009	Archive	FNS		Cannot Determine		6/23/2009	Decision Letter Issued to Complainant - No Finding
09-2487	3/26/2009	Archive	FNS		Cannot Determine		5/1/2009	Decision Letter Issued to Complainant - No Finding
09-2488	4/21/2009	Archive	FNS		Cannot Determine		5/20/2009	Decision Letter Issued to Complainant - No Finding
09-2490	4/16/2009	Archive	FNS		Cannot Determine		5/12/2009	Decision Letter Issued to Complainant - No Finding

PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

09-2491	4/17/2009	Archive	FNS		Cannot Determine		5/20/2009	Decision Letter Issued to Complainant - No Finding
09-2493	4/16/2009	Archive	FNS		Cannot Determine		5/20/2009	Decision Letter Issued to Complainant - No Finding
09-2495	4/20/2009	Archive	FNS		Cannot Determine		6/22/2009	Decision Letter Issued to Complainant - No Finding
09-2496	4/20/2009	Archive	FNS		Cannot Determine		5/21/2009	Decision Letter Issued to Complainant - No Finding
09-2497	4/20/2009	Archive	FNS		Cannot Determine		5/14/2009	Decision Letter Issued to Complainant - No Finding
09-2498	4/21/2009	Archive	FNS		Cannot Determine		5/14/2009	Decision Letter Issued to Complainant - No Finding
09-2516	4/24/2009	Archive	FNS		Cannot Determine		3/30/2010	Decision Letter Issued to Complainant - No Finding
09-2518	4/17/2009	Archive	FNS		Cannot Determine		5/1/2009	Decision Letter Issued to Complainant - No Finding
09-2519	4/22/2009	Archive	FNS		Cannot Determine		5/14/2009	Decision Letter Issued to Complainant - No Finding
09-2520	4/22/2009	Archive	FNS		Cannot Determine		5/14/2009	Decision Letter Issued to Complainant - No Finding
09-2521	4/22/2009	Archive	FNS		Cannot Determine		5/14/2009	Decision Letter Issued to Complainant - No Finding
09-2543	4/22/2009	Archive	FNS		Cannot Determine		7/27/2009	Decision Letter Issued to Complainant - No Finding
09-2588	5/6/2009	Archive	FNS		Cannot Determine		5/20/2009	Decision Letter Issued to Complainant - No Finding
09-2591	5/5/2009	Archive	FNS		Cannot Determine		8/5/2009	Decision Letter Issued to Complainant - No Finding
09-2595	3/20/2009	Archive	FNS		Cannot Determine		5/11/2009	Decision Letter Issued to Complainant - No Finding
09-2596	4/13/2009	Archive	FNS		Cannot Determine		7/27/2009	Decision Letter Issued to Complainant - No Finding
09-2598	4/21/2009	Archive	FNS		Cannot Determine		9/29/2009	Decision Letter Issued to Complainant - No Finding
09-2611	5/19/2009	Archive	FNS		Cannot Determine		7/23/2009	Decision Letter Issued to Complainant - No Finding

PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

09-2613	5/18/2009	Archive	FNS		Cannot Determine	8/18/2009	Decision Letter Issued to Complainant - No Finding
09-2615	5/13/2009	Archive	FNS		Cannot Determine	7/27/2009	Decision Letter Issued to Complainant - No Finding
09-2616	5/13/2009	Archive	FNS		Cannot Determine	9/23/2009	Decision Letter Issued to Complainant - No Finding
09-2617	5/14/2009	Archive	FNS		Cannot Determine	5/21/2009	Decision Letter Issued to Complainant - No Finding
09-2618	5/13/2009	Archive	FNS		Cannot Determine	9/24/2009	Decision Letter Issued to Complainant - No Finding
09-2623	5/14/2009	Archive	FNS		Cannot Determine	8/6/2009	Decision Letter Issued to Complainant - No Finding
09-2636	5/20/2009	Archive	FNS		Cannot Determine	9/8/2009	Decision Letter Issued to Complainant - No Finding
09-2653	4/30/2009	Archive	FNS		Cannot Determine	8/4/2009	Decision Letter Issued to Complainant - No Finding
09-2654	5/27/2009	Archive	FNS		Cannot Determine	9/28/2009	Decision Letter Issued to Complainant - No Finding
09-2656	5/28/2009	Archive	FNS		Cannot Determine	9/30/2009	Decision Letter Issued to Complainant - No Finding
09-2662	5/28/2009	Archive	FNS		Cannot Determine	9/24/2009	Decision Letter Issued to Complainant - No Finding
09-2672	6/1/2009	Archive	FNS		Cannot Determine	9/24/2009	Decision Letter Issued to Complainant - No Finding
09-2693	6/12/2009	Archive	FNS		Cannot Determine	8/7/2009	Decision Letter Issued to Complainant - No Finding
09-2698	6/9/2009	Archive	FNS		Cannot Determine	2/23/2010	Decision Letter Issued to Complainant - No Finding
09-2699	6/9/2009	Archive	FNS		Cannot Determine	6/18/2009	Decision Letter Issued to Complainant - No Finding
09-2702	6/12/2009	Archive	FNS		Cannot Determine	7/27/2009	Decision Letter Issued to Complainant - No Finding
09-2704	6/5/2009	Archive	FNS		Cannot Determine	6/18/2009	Decision Letter Issued to Complainant - No Finding
09-2706	6/15/2009	Archive	FNS		Cannot Determine	10/20/2009	Decision Letter Issued to Complainant - No Finding

PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

09-2707	6/15/2009	Archive	FNS		Cannot Determine	10/27/2009	Decision Letter Issued to Complainant - No Finding
09-2711	6/18/2009	Archive	FNS		Cannot Determine	7/13/2009	Decision Letter Issued to Complainant - No Finding
09-2722	4/27/2009	Archive	FNS		Cannot Determine	6/4/2009	Decision Letter Issued to Complainant - No Finding
09-2748	10/22/2008	Archive	FNS		Cannot Determine	12/29/2008	Decision Letter Issued to Complainant - No Finding
09-2749	6/17/2009	Archive	FNS		Cannot Determine	9/24/2009	Decision Letter Issued to Complainant - No Finding
09-2750	6/17/2009	Archive	FNS		Cannot Determine	6/26/2009	Decision Letter Issued to Complainant - No Finding
09-2752	6/17/2009	Archive	FNS		Cannot Determine	6/25/2009	Decision Letter Issued to Complainant - No Finding
09-2753	6/18/2009	Archive	FNS		Cannot Determine	7/7/2009	Decision Letter Issued to Complainant - No Finding
09-2757	6/1/2009	Archive	FNS		Cannot Determine	6/25/2009	Decision Letter Issued to Complainant - No Finding
09-2763	12/29/2008	Archive	FNS		Cannot Determine	3/24/2009	Decision Letter Issued to Complainant - No Finding
09-2765	3/10/2009	Archive	FNS		Cannot Determine	6/5/2009	Decision Letter Issued to Complainant - No Finding
09-2766	6/26/2009	Archive	FNS		Cannot Determine	6/26/2009	Decision Letter Issued to Complainant - No Finding
09-2768	6/26/2009	Archive	FNS		Cannot Determine	6/26/2009	Decision Letter Issued to Complainant - No Finding
09-2769	6/26/2009	Archive	FNS		Cannot Determine	6/26/2009	Decision Letter Issued to Complainant - No Finding
09-2772	5/21/2009	Archive	FNS		Cannot Determine	6/11/2009	Decision Letter Issued to Complainant - No Finding
09-2773	10/10/2008	Archive	FNS		Cannot Determine	9/22/2009	Decision Letter Issued to Complainant - No Finding
09-2774	6/29/2009	Archive	FNS		Cannot Determine	6/29/2009	Decision Letter Issued to Complainant - No Finding
09-2778	6/22/2009	Archive	FNS		Cannot Determine	9/21/2009	Decision Letter Issued to Complainant - No Finding

PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

09-2780	3/30/2009	Archive	FNS		Cannot Determine		1/13/2010	Decision Letter Issued to Complainant - No Finding
09-2790	5/19/2009	Archive	FNS		Cannot Determine		7/21/2009	Decision Letter Issued to Complainant - No Finding
09-2805	6/15/2009	Archive	FNS		Cannot Determine		9/1/2009	Decision Letter Issued to Complainant - No Finding
09-2824	7/7/2009	Archive	FNS		Cannot Determine		7/21/2009	Decision Letter Issued to Complainant - No Finding
09-2825	7/7/2009	Archive	FNS		Cannot Determine		7/13/2009	Decision Letter Issued to Complainant - No Finding
09-2826	7/7/2009	Archive	FNS		Cannot Determine		7/13/2009	Decision Letter Issued to Complainant - No Finding
09-2833	7/8/2009	Archive	FNS		Cannot Determine		7/15/2009	Decision Letter Issued to Complainant - No Finding
09-2835	7/6/2009	Archive	FNS		Cannot Determine		8/13/2009	Decision Letter Issued to Complainant - No Finding
09-2836	6/22/2009	Archive	FNS		Cannot Determine		7/17/2009	Decision Letter Issued to Complainant - No Finding
09-2837	6/22/2009	Archive	FNS		Cannot Determine		7/15/2009	Decision Letter Issued to Complainant - No Finding
09-2839	7/8/2009	Archive	FNS		Cannot Determine		7/17/2009	Decision Letter Issued to Complainant - No Finding
09-2844	7/8/2009	Archive	FNS		Cannot Determine		9/28/2009	Decision Letter Issued to Complainant - No Finding
09-2846	7/16/2009	Archive	FNS		Cannot Determine		10/22/2009	Decision Letter Issued to Complainant - No Finding
09-2853	6/17/2009	Archive	FNS		Cannot Determine		9/18/2009	Decision Letter Issued to Complainant - No Finding
09-2865	7/21/2009	Archive	FNS		Cannot Determine		7/28/2009	Decision Letter Issued to Complainant - No Finding
09-2867	7/20/2009	Archive	FNS		Cannot Determine		7/28/2009	Decision Letter Issued to Complainant - No Finding
09-2868	7/20/2009	Archive	FNS		Cannot Determine		8/7/2009	Decision Letter Issued to Complainant - No Finding
09-2869	7/17/2009	Archive	FNS		Cannot Determine		8/19/2009	Decision Letter Issued to Complainant - No Finding

PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

09-2870	7/17/2009	Archive	FNS		Cannot Determine		8/4/2009	Decision Letter Issued to Complainant - No Finding
09-2874	7/14/2009	Archive	FNS		Cannot Determine		9/21/2009	Decision Letter Issued to Complainant - No Finding
09-2875	7/14/2009	Archive	FNS		Cannot Determine		7/28/2009	Decision Letter Issued to Complainant - No Finding
09-2876	7/14/2009	Archive	FNS		Cannot Determine		7/28/2009	Decision Letter Issued to Complainant - No Finding
09-2877	7/16/2009	Archive	FNS		Cannot Determine		8/4/2009	Decision Letter Issued to Complainant - No Finding
09-2879	7/16/2009	Archive	FNS		Cannot Determine		8/31/2009	Decision Letter Issued to Complainant - No Finding
09-2880	7/10/2009	Archive	FNS		Cannot Determine		2/24/2010	Decision Letter Issued to Complainant - No Finding
09-2881	7/10/2009	Archive	FNS		Cannot Determine		7/28/2009	Decision Letter Issued to Complainant - No Finding
09-2882	7/10/2009	Archive	FNS		Cannot Determine		7/28/2009	Decision Letter Issued to Complainant - No Finding
09-2883	7/10/2009	Archive	FNS		Cannot Determine		7/28/2009	Decision Letter Issued to Complainant - No Finding
09-2884	7/7/2009	Archive	FNS		Cannot Determine		8/4/2009	Decision Letter Issued to Complainant - No Finding
09-2885	7/7/2009	Archive	FNS		Cannot Determine		8/4/2009	Decision Letter Issued to Complainant - No Finding
09-2886	7/23/2009	Archive	FNS		Cannot Determine		8/4/2009	Decision Letter Issued to Complainant - No Finding
09-2889	7/23/2009	Archive	FNS		Cannot Determine		8/4/2009	Decision Letter Issued to Complainant - No Finding
09-2890	6/29/2009	Archive	FNS		Cannot Determine		7/8/2009	Decision Letter Issued to Complainant - No Finding
09-2891	5/7/2009	Archive	FNS		Cannot Determine		7/30/2009	Decision Letter Issued to Complainant - No Finding
09-2892	2/24/2009	Archive	FNS		Cannot Determine		5/7/2009	Decision Letter Issued to Complainant - No Finding
09-2893	7/1/2009	Archive	FNS		Cannot Determine		7/20/2009	Decision Letter Issued to Complainant - No Finding



## PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

09-2901	7/31/2009	Archive	FNS		Cannot Determine		7/31/2009	Decision Letter Issued to Complainant - No Finding
09-2906	7/27/2009	Archive	FNS		Cannot Determine		8/5/2009	Decision Letter Issued to Complainant - No Finding
09-2907	7/24/2009	Archive	FNS		Cannot Determine		8/5/2009	Decision Letter Issued to Complainant - No Finding
09-2908	7/24/2009	Archive	FNS		Cannot Determine		2/23/2010	Decision Letter Issued to Complainant - No Finding
09-2910	7/28/2009	Archive	FNS		Cannot Determine		8/4/2009	Decision Letter Issued to Complainant - No Finding
09-2915	7/15/2009	Archive	FNS		Cannot Determine		10/28/2009	Decision Letter Issued to Complainant - No Finding
09-2921	7/30/2009	Archive	FNS		Cannot Determine		11/12/2009	Decision Letter Issued to Complainant - No Finding
09-2923	7/30/2009	Archive	FNS		Cannot Determine		8/7/2009	Decision Letter Issued to Complainant - No Finding
09-2924	7/31/2009	Archive	FNS		Cannot Determine		8/7/2009	Decision Letter Issued to Complainant - No Finding
09-2925	7/31/2009	Archive	FNS		Cannot Determine		8/19/2009	Decision Letter Issued to Complainant - No Finding
09-2927	8/4/2009	Archive	FNS		Cannot Determine		2/26/2010	Decision Letter Issued to Complainant - No Finding
09-2928	8/11/2009	Archive	FNS		Cannot Determine		3/22/2010	Decision Letter Issued to Complainant - No Finding
09-2929	8/4/2009	Archive	FNS		Cannot Determine		8/28/2009	Decision Letter Issued to Complainant - No Finding
09-2930	8/6/2009	Archive	FNS		Cannot Determine		8/19/2009	Decision Letter Issued to Complainant - No Finding
09-2931	7/29/2009	Archive	FNS		Cannot Determine		1/22/2010	Decision Letter Issued to Complainant - No Finding
09-2932	8/4/2009	Archive	FNS		Cannot Determine		8/13/2009	Decision Letter Issued to Complainant - No Finding
09-2933	8/4/2009	Archive	FNS		Cannot Determine		9/15/2009	Decision Letter Issued to Complainant - No Finding
09-2934	7/29/2009	Archive	FNS		Cannot Determine		8/13/2009	Decision Letter Issued to Complainant - No Finding

PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

09-2935	8/5/2009	Archive	FNS		Cannot Determine	8/18/2009	Decision Letter Issued to Complainant - No Finding
09-2937	8/6/2009	Archive	FNS		Cannot Determine	8/18/2009	Decision Letter Issued to Complainant - No Finding
09-2938	8/5/2009	Archive	FNS		Cannot Determine	8/12/2009	Decision Letter Issued to Complainant - No Finding
09-2940	8/6/2009	Archive	FNS		Cannot Determine	8/12/2009	Decision Letter Issued to Complainant - No Finding
09-2941	8/6/2009	Archive	FNS		Cannot Determine	8/12/2009	Decision Letter Issued to Complainant - No Finding
09-2942	8/6/2009	Archive	FNS		Cannot Determine	8/19/2009	Decision Letter Issued to Complainant - No Finding
09-2943	8/10/2009	Archive	FNS		Cannot Determine	10/28/2009	Decision Letter Issued to Complainant - No Finding
09-2945	4/1/2009	Archive	FNS		Cannot Determine	9/22/2009	Decision Letter Issued to Complainant - No Finding
09-2957	8/24/2009	Archive	FNS		Cannot Determine	8/25/2009	Decision Letter Issued to Complainant - No Finding
09-2958	8/10/2009	Archive	FNS		Cannot Determine	8/28/2009	Decision Letter Issued to Complainant - No Finding
09-2960	8/7/2009	Archive	FNS		Cannot Determine	8/28/2009	Decision Letter Issued to Complainant - No Finding
09-2963	8/11/2009	Archive	FNS		Cannot Determine	8/28/2009	Decision Letter Issued to Complainant - No Finding
09-2965	8/11/2009	Archive	FNS		Cannot Determine	8/28/2009	Decision Letter Issued to Complainant - No Finding
09-2967	8/13/2009	Archive	FNS		Cannot Determine	11/9/2009	Decision Letter Issued to Complainant - No Finding
09-2968	8/14/2009	Archive	FNS		Cannot Determine	8/28/2009	Decision Letter Issued to Complainant - No Finding
09-2969	8/14/2009	Archive	FNS		Cannot Determine	8/31/2009	Decision Letter Issued to Complainant - No Finding
09-2972	8/14/2009	Archive	FNS		Cannot Determine	9/24/2009	Decision Letter Issued to Complainant - No Finding
09-2977	8/18/2009	Archive	FNS		Cannot Determine	9/24/2009	Decision Letter Issued to Complainant - No Finding

PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

09-2981	8/20/2009	Archive	FNS		Cannot Determine		10/26/2009	Decision Letter Issued to Complainant - No Finding
09-2982	8/20/2009	Archive	FNS		Cannot Determine		8/28/2009	Decision Letter Issued to Complainant - No Finding
09-2983	8/20/2009	Archive	FNS		Cannot Determine		10/26/2009	Decision Letter Issued to Complainant - No Finding
09-2984	8/20/2009	Archive	FNS		Cannot Determine		9/29/2009	Decision Letter Issued to Complainant - No Finding
09-2985	8/20/2009	Archive	FNS		Cannot Determine		8/28/2009	Decision Letter Issued to Complainant - No Finding
09-2986	8/20/2009	Archive	FNS		Cannot Determine		8/31/2009	Decision Letter Issued to Complainant - No Finding
09-2987	8/20/2009	Archive	FNS		Cannot Determine		10/26/2009	Decision Letter Issued to Complainant - No Finding
09-2989	2/5/2009	Archive	FNS		Cannot Determine		8/17/2009	Decision Letter Issued to Complainant - No Finding
09-3007	8/26/2009	Archive	FNS		Cannot Determine		12/11/2009	Decision Letter Issued to Complainant - No Finding
09-3009	8/26/2009	Archive	FNS		Cannot Determine		3/25/2010	Decision Letter Issued to Complainant - No Finding
09-3019	8/28/2009	Archive	FNS		Cannot Determine		7/28/2010	Decision Letter Issued to Complainant - No Finding
09-3033	8/27/2009	Archive	FNS		Cannot Determine		9/21/2009	Decision Letter Issued to Complainant - No Finding
09-3044	8/25/2009	Archive	FNS		Cannot Determine		10/27/2009	Decision Letter Issued to Complainant - No Finding
09-3047	9/2/2009	Archive	FNS		Cannot Determine		10/16/2009	Decision Letter Issued to Complainant - No Finding
09-3053	8/24/2009	Archive	FNS		Cannot Determine		1/21/2010	Decision Letter Issued to Complainant - No Finding
09-3055	8/21/2009	Archive	FNS		Cannot Determine		10/20/2009	Decision Letter Issued to Complainant - No Finding
09-3059	9/3/2009	Archive	FNS		Cannot Determine		10/26/2009	Decision Letter Issued to Complainant - No Finding
09-3060	8/18/2009	Archive	FNS		Cannot Determine		10/21/2009	Decision Letter Issued to Complainant - No Finding

PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

09-3065	9/8/2009	Archive	FNS		Cannot Determine		9/14/2009	Decision Letter Issued to Complainant - No Finding
09-3077	10/24/2008	Archive	FNS		Cannot Determine		1/22/2009	Decision Letter Issued to Complainant - No Finding
09-3079	10/10/2008	Archive	FNS		Cannot Determine		11/25/2008	Decision Letter Issued to Complainant - No Finding
09-3101	9/11/2009	Archive	FNS		Cannot Determine		9/24/2009	Decision Letter Issued to Complainant - No Finding
09-3108	9/11/2009	Archive	FNS		Cannot Determine		10/21/2009	Decision Letter Issued to Complainant - No Finding
09-3118	9/16/2009	Archive	FNS		Cannot Determine		10/22/2009	Decision Letter Issued to Complainant - No Finding
09-3119	9/22/2009	Archive	FNS		Cannot Determine		11/9/2009	Decision Letter Issued to Complainant - No Finding
09-3141	1/22/2009	Archive	FNS		Cannot Determine		1/22/2009	Decision Letter Issued to Complainant - No Finding
09-3150	5/7/2009	Archive	FNS		Cannot Determine		5/7/2009	Decision Letter Issued to Complainant - No Finding
09-3151	5/21/2009	Archive	FNS		Cannot Determine		5/20/2010	Decision Letter Issued to Complainant - No Finding
09-3154	9/30/2009	Archive	FNS		Cannot Determine		4/1/2010	Decision Letter Issued to Complainant - No Finding
09-3157	9/15/2009	Archive	FNS		Cannot Determine		11/23/2009	Decision Letter Issued to Complainant - No Finding
09-3158	9/21/2009	Archive	FNS		Cannot Determine		5/13/2010	Decision Letter Issued to Complainant - No Finding
09-3183	8/20/2009	Archive	FNS		Cannot Determine		8/20/2009	Decision Letter Issued to Complainant - No Finding
09-3195	8/31/2009	Archive	FNS		Cannot Determine		10/13/2009	Decision Letter Issued to Complainant - No Finding
09-3196	8/31/2009	Archive	FNS		Cannot Determine		10/14/2009	Decision Letter Issued to Complainant - No Finding
09-3200	9/15/2009	Archive	FNS		Cannot Determine		10/19/2009	Decision Letter Issued to Complainant - No Finding
09-3205	9/18/2009	Archive	FNS		Cannot Determine		3/9/2010	Decision Letter Issued to Complainant - No Finding

PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

09-3208	9/21/2009	Archive	FNS		Cannot Determine		10/19/2009	Decision Letter Issued to Complainant - No Finding
09-3216	9/28/2009	Archive	FNS		Cannot Determine		10/19/2009	Decision Letter Issued to Complainant - No Finding
09-3222	9/30/2009	Archive	FNS		Cannot Determine		10/19/2009	Decision Letter Issued to Complainant - No Finding
09-3224	9/17/2009	Archive	FNS		Cannot Determine		10/19/2009	Decision Letter Issued to Complainant - No Finding
09-3228	9/15/2009	Archive	FNS		Cannot Determine		10/20/2009	Decision Letter Issued to Complainant - No Finding
09-3229	9/15/2009	Archive	FNS		Cannot Determine		10/19/2009	Decision Letter Issued to Complainant - No Finding
09-3230	9/17/2009	Archive	FNS		Cannot Determine		10/16/2009	Decision Letter Issued to Complainant - No Finding
09-3231	9/15/2009	Archive	FNS		Cannot Determine		10/20/2009	Decision Letter Issued to Complainant - No Finding
09-3235	9/30/2009	Archive	FNS		Cannot Determine		10/19/2009	Decision Letter Issued to Complainant - No Finding
09-3250	9/11/2009	Archive	FNS		Cannot Determine		10/26/2009	Decision Letter Issued to Complainant - No Finding
09-3264	9/30/2009	Archive	FNS		Cannot Determine		10/29/2009	Decision Letter Issued to Complainant - No Finding
09-3266	9/22/2009	Archive	FNS		Cannot Determine		11/2/2009	Decision Letter Issued to Complainant - No Finding
09-3274	10/3/2008	Archive	FNS		Cannot Determine		1/28/2009	Decision Letter Issued to Complainant - No Finding
09-3383	6/5/2009	Archive	FNS		Cannot Determine		11/23/2009	Decision Letter Issued to Complainant - No Finding
09-3406	7/24/2009	Archive	FNS		Cannot Determine		7/28/2009	Decision Letter Issued to Complainant - No Finding
09-3466	9/16/2009	Archive	FNS		Cannot Determine		12/11/2009	Decision Letter Issued to Complainant - No Finding
10-3185	10/6/2009	Archive	FNS		Cannot Determine		10/6/2009	Decision Letter Issued to Complainant - No Finding
10-3197	10/13/2009	Archive	FNS		Cannot Determine		11/18/2009	Decision Letter Issued to Complainant - No Finding

PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

10-3201	10/7/2009	Archive	FNS		Cannot Determine	10/19/2009	Decision Letter Issued to Complainant - No Finding
10-3206	10/7/2009	Archive	FNS		Cannot Determine	2/12/2010	Decision Letter Issued to Complainant - No Finding
10-3207	10/6/2009	Archive	FNS		Cannot Determine	10/21/2009	Decision Letter Issued to Complainant - No Finding
10-3210	10/7/2009	Archive	FNS		Cannot Determine	10/19/2009	Decision Letter Issued to Complainant - No Finding
10-3213	10/7/2009	Archive	FNS		Cannot Determine	10/19/2009	Decision Letter Issued to Complainant - No Finding
10-3218	10/7/2009	Archive	FNS		Cannot Determine	10/19/2009	Decision Letter Issued to Complainant - No Finding
10-3220	10/7/2009	Archive	FNS		Cannot Determine	2/4/2010	Decision Letter Issued to Complainant - No Finding
10-3227	10/7/2009	Archive	FNS		Cannot Determine	10/16/2009	Decision Letter Issued to Complainant - No Finding
10-3234	10/7/2009	Archive	FNS		Cannot Determine	5/13/2010	Decision Letter Issued to Complainant - No Finding
10-3253	10/6/2009	Archive	FNS		Cannot Determine	10/26/2009	Decision Letter Issued to Complainant - No Finding
10-3254	10/6/2009	Archive	FNS		Cannot Determine	10/26/2009	Decision Letter Issued to Complainant - No Finding
10-3255	10/7/2009	Archive	FNS		Cannot Determine	10/26/2009	Decision Letter Issued to Complainant - No Finding
10-3263	10/5/2009	Archive	FNS		Cannot Determine	10/29/2009	Decision Letter Issued to Complainant - No Finding
10-3275	10/14/2009	Archive	FNS		Cannot Determine	11/5/2009	Decision Letter Issued to Complainant - No Finding
10-3289	10/13/2009	Archive	FNS		Cannot Determine	2/18/2010	Decision Letter Issued to Complainant - No Finding
10-3298	10/29/2009	Archive	FNS		Cannot Determine	12/3/2009	Decision Letter Issued to Complainant - No Finding
10-3303	10/20/2009	Archive	FNS		Cannot Determine	1/27/2010	Decision Letter Issued to Complainant - No Finding
10-3308	10/27/2009	Archive	FNS		Cannot Determine	1/13/2010	Decision Letter Issued to Complainant - No Finding

PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

10-3317	10/27/2009	Archive	FNS		Cannot Determine	3/18/2010	Decision Letter Issued to Complainant - No Finding
10-3319	10/30/2009	Archive	FNS		Cannot Determine	2/2/2010	Decision Letter Issued to Complainant - No Finding
10-3376	11/17/2009	Archive	FNS		Cannot Determine	12/10/2009	Decision Letter Issued to Complainant - No Finding
10-3393	11/25/2009	Archive	FNS		Cannot Determine	2/1/2010	Decision Letter Issued to Complainant - No Finding
10-3437	12/3/2009	Archive	FNS		Cannot Determine	4/9/2010	Decision Letter Issued to Complainant - No Finding
10-3448	12/9/2009	Archive	FNS		Cannot Determine	2/9/2010	Decision Letter Issued to Complainant - No Finding
10-3464	12/4/2009	Archive	FNS		Cannot Determine	2/26/2010	Decision Letter Issued to Complainant - No Finding
10-3465	12/4/2009	Archive	FNS		Cannot Determine	2/25/2010	Decision Letter Issued to Complainant - No Finding
10-3467	12/21/2009	Archive	FNS		Cannot Determine	2/12/2010	Decision Letter Issued to Complainant - No Finding
10-3503	12/29/2009	Archive	FNS		Cannot Determine	2/24/2010	Decision Letter Issued to Complainant - No Finding
10-3521	1/5/2010	Archive	FNS		Cannot Determine	3/1/2010	Decision Letter Issued to Complainant - No Finding
10-3525	1/4/2010	Archive	FNS		Cannot Determine	2/24/2010	Decision Letter Issued to Complainant - No Finding
10-3554	1/7/2010	Archive	FNS		Cannot Determine	2/24/2010	Decision Letter Issued to Complainant - No Finding
10-3569	1/6/2010	Archive	FNS		Cannot Determine	2/24/2010	Decision Letter Issued to Complainant - No Finding
10-3576	1/7/2010	Archive	FNS		Cannot Determine	2/26/2010	Decision Letter Issued to Complainant - No Finding
10-3583	1/5/2010	Archive	FNS		Cannot Determine	3/1/2010	Decision Letter Issued to Complainant - No Finding
10-3596	1/20/2010	Archive	FNS		Cannot Determine	2/24/2010	Decision Letter Issued to Complainant - No Finding
10-3624	12/1/2009	Archive	FNS		Cannot Determine	7/1/2010	Decision Letter Issued to Complainant - No Finding

## PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

10-3642	2/2/2010	Archive	FNS	Cannot Determine	5/26/2010	Decision Letter Issued to Complainant - No Finding
10-3694	2/22/2010	Archive	FNS	Cannot Determine	3/1/2010	Decision Letter Issued to Complainant - No Finding
10-3846	4/20/2010	Archive	FNS	Cannot Determine	7/1/2010	Decision Letter Issued to Complainant - No Finding
10-3952	6/8/2010	Archive	FNS	Cannot Determine	9/22/2010	Decision Letter Issued to Complainant - No Finding
10-4121	8/6/2010	Archive	FNS	Cannot Determine	9/27/2010	Decision Letter Issued to Complainant - No Finding
10-4271	9/30/2010	Archive	FNS	Cannot Determine	10/7/2010	Decision Letter Issued to Complainant - No Finding
10-4273	9/30/2010	Archive	FNS	Cannot Determine	10/7/2010	Decision Letter Issued to Complainant - No Finding
2021058	11/16/2004	Archive	FNS	Cannot Determine	6/23/2008	Decision Letter Issued to Complainant - No Finding
2158114	10/5/2006	Archive	FNS	Cannot Determine	2/2/2009	Decision Letter Issued to Complainant - No Finding
2191572	2/13/2007	Archive	FNS	Cannot Determine	1/15/2009	Decision Letter Issued to Complainant - No Finding
2192460	1/24/2007	Archive	FNS	Cannot Determine	1/15/2009	Decision Letter Issued to Complainant - No Finding
2205734	3/8/2007	Archive	FNS	Cannot Determine	2/2/2009	Decision Letter Issued to Complainant - No Finding
2213234	3/23/2007	Archive	FNS	Cannot Determine	6/13/2008	Decision Letter Issued to Complainant - No Finding
2217563	4/16/2007	Adjudication	FNS	Cannot Determine	3/8/2010	Decision Letter Issued to Complainant - No Finding
10-3980	6/2/2010	Archive	FNS	Accepted	6/15/2010	Decision Letter Issued to Complainant - Partial Finding
10-4087	7/23/2010	Archive	FNS	Accepted	7/27/2010	Decision Letter Issued to Complainant - Partial Finding
08-1008	2/19/2008	Archive	FNS	Cannot Determine	1/14/2009	Decision Letter Issued to Complainant - Partial Finding
08-1600	7/23/2008	Archive	FNS	Cannot Determine	10/15/2008	Decision Letter Issued to Complainant - Partial Finding



PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

Case Number	Complaint Date	Archive	FNS	Decision	Decision Date	Decision	Decision Date	Decision	Decision Date
09-2258	2/18/2009	Archive	FNS	Cannot Determine				Decision Letter Issued to Complainant - Partial Finding	2/25/2009
09-2770	4/7/2009	Archive	FNS	Cannot Determine				Decision Letter Issued to Complainant - Partial Finding	6/15/2009
07-0270	6/26/2007	Archive	FSA	Accepted	2/27/2008			FAD Issued - Finding *	5/17/2010
08-1416	5/20/2008	Archive	RD	Accepted	7/15/2008			FAD Issued - Finding *	5/5/2010
08-1744	8/27/2008	Archive	FSA	Accepted	10/22/2008			FAD Issued - Finding *	8/19/2010
09-2094	12/15/2008	Adjudication	FSA	Accepted	2/11/2009			FAD Issued - Finding *	12/19/2010
1129472	3/14/2001	Archive	FSA	Accepted	9/26/2001			FAD Issued - No Finding *	6/29/2008
1260720	3/15/2002	Archive	RD	Accepted	5/23/2002			FAD Issued - No Finding *	12/31/2008
1357317	9/26/2002	Archive	FSA	Accepted	12/23/2002			FAD Issued - No Finding *	2/20/2008
1723218	6/26/2003	Archive	RD	Accepted	12/4/2003			FAD Issued - No Finding *	6/19/2008
1725459	2/11/2004	Adjudication	RMA	Accepted	2/26/2004			FAD Issued - No Finding *	11/12/2009
1837782	1/13/2004	Archive	RD	Accepted	3/26/2004			FAD Issued - No Finding *	2/20/2008
1843423	2/4/2004	Archive	RD	Accepted	3/31/2004			FAD Issued - No Finding *	10/16/2008
1842953	3/25/2004	Archive	RD	Accepted	6/30/2004			FAD Issued - No Finding *	12/4/2008
1859592	4/15/2004	Archive	RMA	Accepted	8/9/2004			FAD Issued - No Finding *	10/16/2008
1964928	6/30/2004	Archive	FSA	Accepted	9/15/2004			FAD Issued - No Finding *	4/16/2008
1985430	7/20/2004	Archive	RD	Accepted	9/30/2004			FAD Issued - No Finding *	1/16/2008
2009163	10/12/2004	Archive	RD	Accepted	11/23/2004			FAD Issued - No Finding *	3/6/2008
2037184	1/12/2005	Archive	FSA	Accepted	1/23/2005			FAD Issued - No Finding *	2/25/2008
2033555	1/18/2005	Archive	RD	Accepted	2/24/2005			FAD Issued - No Finding *	3/6/2008
2042204	3/15/2005	Archive	FS	Accepted	6/17/2005			FAD Issued - No Finding *	4/14/2008
2013150	10/29/2004	Archive	RD	Accepted	6/9/2005			FAD Issued - No Finding *	2/8/2008
2011452	10/22/2004	Archive	FS	Accepted	7/17/2005			FAD Issued - No Finding *	3/6/2008
2067409	4/8/2005	Archive	NRCS	Accepted	8/22/2005			FAD Issued - No Finding *	2/26/2008
2082558	9/29/2005	Archive	FSA	Accepted	10/13/2005			FAD Issued - No Finding *	2/26/2008
2084686	10/18/2005	Archive	FS	Accepted	11/4/2005			FAD Issued - No Finding *	4/16/2008
2070845	8/12/2005	Archive	FS	Accepted	11/28/2005			FAD Issued - No Finding *	1/25/2008
2081315	9/15/2005	Archive	FSA	Accepted	1/9/2006			FAD Issued - No Finding *	2/27/2008
2039486	2/23/2005	Archive	FS	Accepted	1/29/2006			FAD Issued - No Finding *	6/20/2008
2021725	1/3/2005	Archive	RD	Accepted	1/23/2006			FAD Issued - No Finding *	2/20/2008
2087404	10/27/2005	Archive	FS	Accepted	2/22/2006			FAD Issued - No Finding *	3/26/2008
2064976	7/16/2005	Archive	FSA	Accepted	2/22/2006			FAD Issued - No Finding *	1/3/2008
2095215	1/5/2006	Archive	FSA	Accepted	3/16/2006			FAD Issued - No Finding *	12/31/2008
2131535	5/25/2006	Archive	FSA	Accepted	8/21/2006			FAD Issued - No Finding *	2/8/2008

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2056341	5/15/2005	Archive	RD	Accepted	8/25/2006	2/20/2008	FAD issued - No Finding *
2150613	9/13/2006	Archive	RD	Accepted	9/29/2006	12/3/2008	FAD issued - No Finding *
2142708	8/3/2006	Archive	FS	Accepted	10/2/2006	12/4/2008	FAD issued - No Finding *
2089132	11/22/2005	Archive	NRCS	Accepted	10/24/2006	9/11/2008	FAD issued - No Finding *
2163362	11/2/2006	Archive	RD	Accepted	11/28/2006	8/15/2008	FAD issued - No Finding *
2116186	3/20/2006	Archive	FSA	Accepted	1/9/2007	3/13/2008	FAD issued - No Finding *
08-1269	4/21/2008	Archive	FSA	Accepted	9/4/2008	6/11/2010	FAD issued - No Finding *
08-1715	8/20/2008	Archive	RD	Accepted	9/30/2008	8/12/2010	FAD issued - No Finding *
08-0734	11/2/2007	Adjudication	RD	Accepted	12/11/2008	1/27/2009	FAD issued - No Finding *
09-2085	12/2/2008	Archive	FSA	Accepted	3/31/2009	6/11/2010	FAD issued - No Finding *
09-2651	5/27/2009	Adjudication	FSA	Accepted	6/9/2009	9/14/2009	FAD issued - No Finding *
09-2233	2/9/2009	Closed	FSA	Accepted	6/25/2009	2/7/2011	FAD issued - No Finding *
09-2164	1/6/2009	Closed	RD	Accepted	6/25/2009	1/20/2011	FAD issued - No Finding *
09-2210	1/29/2009	Closed	FSA	Accepted	7/1/2009	1/6/2011	FAD issued - No Finding *
09-2273	2/24/2009	Closed	FSA	Accepted	7/21/2009	1/10/2011	FAD issued - No Finding *
09-2226	2/2/2009	Closed	RD	Accepted	7/30/2009	12/20/2010	FAD issued - No Finding *
09-2129	1/7/2009	Closed	RD	Accepted	12/3/2009	11/26/2010	FAD issued - No Finding *
09-1973	10/29/2008	Closed	FSA	Accepted	1/15/2010	10/28/2010	FAD issued - No Finding *
08-1097	3/4/2008	Archive	FNS	Cannot Determine		12/10/2008	FAD issued - No Finding *
2189844	1/26/2007	Archive	FNS	Cannot Determine		1/5/2009	FAD issued - No Finding *
2098536	2/7/2006	Archive	FS	Cannot Determine		10/17/2008	FAD issued - No Finding *
2204012	3/7/2007	Archive	FS	Cannot Determine		1/5/2009	FAD issued - No Finding *
1864852	10/21/2003	Archive	FSA	Cannot Determine		2/27/2008	FAD issued - No Finding *
1921282	6/2/2004	Archive	FSA	Cannot Determine		4/14/2008	FAD issued - No Finding *
2068067	7/25/2005	Archive	FSA	Cannot Determine		4/14/2008	FAD issued - No Finding *
2089299	11/21/2005	Archive	FSA	Cannot Determine		8/13/2008	FAD issued - No Finding *
2180715	12/18/2006	Adjudication	FSA	Cannot Determine		11/12/2009	FAD issued - No Finding *
2062122	6/9/2005	Archive	GIPSA	Cannot Determine		1/25/2008	FAD issued - No Finding *
1400896	3/14/2003	Archive	RD	Cannot Determine		1/5/2009	FAD issued - No Finding *
1401191	2/24/2003	Archive	RD	Cannot Determine		2/8/2008	FAD issued - No Finding *
1609271	5/30/2003	Archive	RD	Cannot Determine		1/16/2008	FAD issued - No Finding *
1834148	8/18/2003	Archive	RD	Cannot Determine		2/8/2008	FAD issued - No Finding *
2013237	11/1/2004	Archive	RD	Cannot Determine		1/16/2008	FAD issued - No Finding *
2014783	11/3/2004	Archive	RD	Cannot Determine		1/16/2008	FAD issued - No Finding *
2029327	1/6/2005	Archive	RD	Cannot Determine		5/22/2008	FAD issued - No Finding *

PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

2035327	1/27/2005	Archive	RD	Cannot Determine		9/11/2008	FAD issued - No Finding *
2076649	9/7/2005	Archive	RD	Cannot Determine		2/26/2008	FAD issued - No Finding *
2079598	9/5/2005	Archive	RD	Cannot Determine		2/26/2008	FAD issued - No Finding *
2090412	11/29/2005	Archive	RD	Cannot Determine		3/6/2008	FAD issued - No Finding *
2098255	1/25/2006	Archive	RD	Cannot Determine		3/13/2008	FAD issued - No Finding *
2108646	2/13/2006	Archive	RD	Cannot Determine		2/8/2008	FAD issued - No Finding *
2129165	5/17/2006	Archive	RD	Cannot Determine		1/4/2008	FAD issued - No Finding *
2209806	3/16/2007	Archive	RD	Cannot Determine		5/22/2008	FAD issued - No Finding *
10-3638	1/29/2010	Archive	FNS	Accepted	3/3/2010	3/31/2010	Failure to Pursue
10-3674	2/18/2010	Archive	FNS	Accepted	3/3/2010	4/5/2010	Failure to Pursue
10-3687	2/18/2010	Archive	FNS	Accepted	3/3/2010	3/16/2010	Failure to Pursue
10-3749	3/8/2010	Archive	FNS	Accepted	3/15/2010	4/13/2010	Failure to Pursue
10-3769	3/17/2010	Archive	FNS	Accepted	3/22/2010	4/27/2010	Failure to Pursue
10-3775	3/18/2010	Archive	FNS	Accepted	3/22/2010	5/6/2010	Failure to Pursue
10-3777	3/22/2010	Archive	FNS	Accepted	3/22/2010	5/3/2010	Failure to Pursue
10-3631	1/27/2010	Archive	FNS	Accepted	3/23/2010	4/13/2010	Failure to Pursue
10-3783	3/25/2010	Archive	FNS	Accepted	3/25/2010	4/27/2010	Failure to Pursue
10-3753	3/8/2010	Archive	FNS	Accepted	3/30/2010	4/14/2010	Failure to Pursue
10-3792	3/24/2010	Archive	FNS	Accepted	3/30/2010	5/11/2010	Failure to Pursue
10-3825	4/7/2010	Archive	FNS	Accepted	4/14/2010	6/8/2010	Failure to Pursue
10-3839	4/7/2010	Archive	FNS	Accepted	4/16/2010	5/19/2010	Failure to Pursue
10-3111	10/20/2009	Archive	FNS	Accepted	5/20/2010	5/20/2010	Failure to Pursue
10-3914	5/19/2010	Archive	FNS	Accepted	5/20/2010	6/15/2010	Failure to Pursue
10-3849	4/16/2010	Archive	FNS	Accepted	6/8/2010	9/9/2010	Failure to Pursue
10-4012	6/22/2010	Archive	FNS	Accepted	6/23/2010	8/9/2010	Failure to Pursue
10-4030	6/25/2010	Archive	FNS	Accepted	7/12/2010	8/12/2010	Failure to Pursue
10-4063	7/13/2010	Archive	FNS	Accepted	7/19/2010	8/17/2010	Failure to Pursue
10-4077	7/20/2010	Archive	FNS	Accepted	7/21/2010	8/16/2010	Failure to Pursue
10-4069	7/7/2010	Archive	FNS	Accepted	7/22/2010	8/20/2010	Failure to Pursue
10-4094	7/22/2010	Archive	FNS	Accepted	7/22/2010	9/7/2010	Failure to Pursue
10-4108	7/29/2010	Archive	FNS	Accepted	7/29/2010	9/8/2010	Failure to Pursue
10-4241	8/19/2010	Archive	FNS	Accepted	8/19/2010	1/3/2011	Failure to Pursue
10-4243	8/23/2010	Closed	FNS	Accepted	8/23/2010	1/4/2011	Failure to Pursue
10-4231	8/25/2010	Archive	FNS	Accepted	8/27/2010	1/3/2011	Failure to Pursue
10-4208	8/24/2010	Archive	FNS	Accepted	9/16/2010	11/16/2010	Failure to Pursue

PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

10-4259	9/21/2010	Closed	FNS		Accepted	9/30/2010	10/27/2010	Failure to Pursue
10-4276	9/30/2010	Closed	FNS		Accepted	10/7/2010	11/23/2010	Failure to Pursue
11-4294	10/8/2010	Closed	FNS		Accepted	10/12/2010	11/19/2010	Failure to Pursue
11-4359	11/2/2010	Closed	FNS		Accepted	11/2/2010	12/14/2010	Failure to Pursue
11-4362	11/2/2010	Closed	FNS		Accepted	11/2/2010	12/7/2010	Failure to Pursue
11-4381	10/19/2010	Closed	FNS		Accepted	11/8/2010	12/14/2010	Failure to Pursue
11-4399	11/9/2010	Closed	FNS		Accepted	11/9/2010	12/20/2010	Failure to Pursue
10-4512	9/14/2010	Closed	FNS		Accepted	12/8/2010	2/18/2011	Failure to Pursue
11-4542	12/14/2010	Closed	FNS		Accepted	12/20/2010	1/28/2011	Failure to Pursue
11-4578	1/3/2011	Closed	FNS		Accepted	1/3/2011	2/3/2011	Failure to Pursue
11-4581	1/4/2011	Closed	FNS		Accepted	1/4/2011	2/3/2011	Failure to Pursue
07-1242	8/15/2007	Archive	FNS		Cannot Determine		10/26/2009	Failure to Pursue
08-0915	1/17/2008	Archive	FNS		Cannot Determine		4/4/2008	Failure to Pursue
08-0990	2/21/2008	Archive	FNS		Cannot Determine		4/8/2008	Failure to Pursue
08-1074	2/28/2008	Archive	FNS		Cannot Determine		5/15/2008	Failure to Pursue
08-1140	3/14/2008	Archive	FNS		Cannot Determine		12/30/2008	Failure to Pursue
08-1413	5/21/2008	Archive	FNS		Cannot Determine		3/2/2010	Failure to Pursue
09-1889	10/2/2008	Archive	FNS		Cannot Determine		3/16/2009	Failure to Pursue
09-1904	10/7/2008	Archive	FNS		Cannot Determine		3/11/2010	Failure to Pursue
09-1994	11/3/2008	Archive	FNS		Cannot Determine		10/26/2009	Failure to Pursue
09-2052	12/2/2008	Archive	FNS		Cannot Determine		11/10/2009	Failure to Pursue
09-2084	12/9/2008	Archive	FNS		Cannot Determine		10/6/2009	Failure to Pursue
09-2182	1/15/2009	Archive	FNS		Cannot Determine		5/4/2009	Failure to Pursue
09-2205	1/29/2009	Archive	FNS		Cannot Determine		11/9/2009	Failure to Pursue
09-2220	1/30/2009	Archive	FNS		Cannot Determine		2/22/2010	Failure to Pursue
09-2304	3/4/2009	Archive	FNS		Cannot Determine		5/4/2009	Failure to Pursue
09-2374	3/18/2009	Archive	FNS		Cannot Determine		3/29/2010	Failure to Pursue
09-2389	3/23/2009	Archive	FNS		Cannot Determine		10/26/2009	Failure to Pursue
09-2470	4/14/2009	Archive	FNS		Cannot Determine		6/22/2009	Failure to Pursue
09-2472	4/10/2009	Archive	FNS		Cannot Determine		10/6/2009	Failure to Pursue
09-2517	4/24/2009	Archive	FNS		Cannot Determine		5/28/2009	Failure to Pursue
09-2540	4/28/2009	Archive	FNS		Cannot Determine		6/8/2009	Failure to Pursue
09-2585	5/7/2009	Archive	FNS		Cannot Determine		11/20/2009	Failure to Pursue

PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

09-2594	9/24/2009	Archive	FNS	Cannot Determine	2/17/2010	Failure to Pursue
09-2612	5/19/2009	Archive	FNS	Cannot Determine	9/21/2009	Failure to Pursue
09-2620	5/15/2009	Archive	FNS	Cannot Determine	11/9/2009	Failure to Pursue
09-2627	5/21/2009	Archive	FNS	Cannot Determine	10/6/2009	Failure to Pursue
09-2642	4/30/2009	Archive	FNS	Cannot Determine	11/9/2009	Failure to Pursue
09-2661	5/26/2009	Archive	FNS	Cannot Determine	11/10/2009	Failure to Pursue
09-2696	6/12/2009	Archive	FNS	Cannot Determine	10/27/2009	Failure to Pursue
09-2709	4/10/2009	Archive	FNS	Cannot Determine	6/18/2009	Failure to Pursue
09-2746	1/6/2009	Archive	FNS	Cannot Determine	3/2/2009	Failure to Pursue
09-2771	6/26/2009	Archive	FNS	Cannot Determine	2/1/2010	Failure to Pursue
09-2806	5/7/2009	Archive	FNS	Cannot Determine	7/1/2009	Failure to Pursue
09-2872	6/22/2009	Archive	FNS	Cannot Determine	3/23/2010	Failure to Pursue
09-2873	6/22/2009	Archive	FNS	Cannot Determine	3/23/2010	Failure to Pursue
09-2905	7/28/2009	Archive	FNS	Cannot Determine	3/23/2010	Failure to Pursue
09-2911	7/28/2009	Archive	FNS	Cannot Determine	3/23/2010	Failure to Pursue
09-2974	8/20/2009	Archive	FNS	Cannot Determine	3/23/2010	Failure to Pursue
09-2975	8/20/2009	Archive	FNS	Cannot Determine	12/8/2009	Failure to Pursue
09-2980	8/13/2009	Archive	FNS	Cannot Determine	3/23/2010	Failure to Pursue
09-3034	8/27/2009	Archive	FNS	Cannot Determine	12/9/2009	Failure to Pursue
09-3057	8/25/2009	Archive	FNS	Cannot Determine	11/9/2009	Failure to Pursue
09-3058	9/2/2009	Archive	FNS	Cannot Determine	11/4/2009	Failure to Pursue
09-3092	9/11/2009	Archive	FNS	Cannot Determine	1/12/2010	Failure to Pursue
09-3113	9/23/2009	Archive	FNS	Cannot Determine	1/11/2010	Failure to Pursue
09-3143	12/3/2008	Archive	FNS	Cannot Determine	1/14/2009	Failure to Pursue
09-3148	4/2/2009	Archive	FNS	Cannot Determine	6/5/2009	Failure to Pursue
09-3163	9/17/2009	Archive	FNS	Cannot Determine	1/12/2010	Failure to Pursue
09-3182	9/30/2009	Archive	FNS	Cannot Determine	11/16/2009	Failure to Pursue
09-3211	9/17/2009	Archive	FNS	Cannot Determine	1/20/2010	Failure to Pursue
09-3232	9/15/2009	Archive	FNS	Cannot Determine	1/12/2010	Failure to Pursue
10-3251	10/1/2009	Archive	FNS	Cannot Determine	11/9/2009	Failure to Pursue
10-3278	10/22/2009	Archive	FNS	Cannot Determine	1/12/2010	Failure to Pursue
10-3297	10/5/2009	Archive	FNS	Cannot Determine	1/1/2010	Failure to Pursue
10-3299	10/21/2009	Archive	FNS	Cannot Determine	1/12/2010	Failure to Pursue
10-3316	11/2/2009	Archive	FNS	Cannot Determine	1/12/2010	Failure to Pursue
10-3320	11/2/2009	Archive	FNS	Cannot Determine	3/2/2010	Failure to Pursue

PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

10-3325	11/16/2009	Archive	FNS	Cannot Determine		1/25/2010	Failure to Pursue
10-3339	11/16/2009	Archive	FNS	Cannot Determine		2/3/2010	Failure to Pursue
10-3387	11/9/2009	Archive	FNS	Cannot Determine		2/23/2010	Failure to Pursue
10-3389	11/17/2009	Archive	FNS	Cannot Determine		2/23/2010	Failure to Pursue
10-3392	11/5/2009	Archive	FNS	Cannot Determine		12/2/2009	Failure to Pursue
10-3425	12/2/2009	Archive	FNS	Cannot Determine		3/25/2010	Failure to Pursue
10-3444	12/9/2009	Archive	FNS	Cannot Determine		3/16/2010	Failure to Pursue
10-3454	12/17/2009	Archive	FNS	Cannot Determine		3/11/2010	Failure to Pursue
10-3478	12/15/2009	Archive	FNS	Cannot Determine		2/18/2010	Failure to Pursue
10-3479	12/16/2009	Archive	FNS	Cannot Determine		3/17/2010	Failure to Pursue
10-3480	12/16/2009	Archive	FNS	Cannot Determine		2/18/2010	Failure to Pursue
10-3482	12/15/2009	Archive	FNS	Cannot Determine		2/23/2010	Failure to Pursue
10-3496	12/29/2009	Archive	FNS	Cannot Determine		2/18/2010	Failure to Pursue
10-3498	12/30/2009	Archive	FNS	Cannot Determine		3/31/2010	Failure to Pursue
10-3501	12/28/2009	Archive	FNS	Cannot Determine		3/31/2010	Failure to Pursue
10-3541	12/29/2009	Archive	FNS	Cannot Determine		2/12/2010	Failure to Pursue
10-3594	1/20/2010	Archive	FNS	Cannot Determine		3/23/2010	Failure to Pursue
10-3595	1/20/2010	Archive	FNS	Cannot Determine		3/31/2010	Failure to Pursue
10-3600	1/20/2010	Archive	FNS	Cannot Determine		3/25/2010	Failure to Pursue
10-3663	2/12/2010	Archive	FNS	Cannot Determine		3/31/2010	Failure to Pursue
10-3699	2/24/2010	Archive	FNS	Cannot Determine		3/23/2010	Failure to Pursue
10-3701	2/24/2010	Archive	FNS	Cannot Determine		3/31/2010	Failure to Pursue
10-3908	5/17/2010	Archive	FNS	Cannot Determine		3/31/2010	Failure to Pursue
10-3970	6/9/2010	Archive	FNS	Cannot Determine		7/1/2010	Failure to Pursue
10-4013	5/19/2010	Archive	FNS	Cannot Determine		8/24/2010	Failure to Pursue
10-4058	7/6/2010	Archive	FNS	Cannot Determine		7/15/2010	Failure to Pursue
10-4059	7/6/2010	Archive	FNS	Cannot Determine		8/18/2010	Failure to Pursue
10-4064	7/13/2010	Archive	FNS	Cannot Determine		8/10/2010	Failure to Pursue
10-4143	8/16/2010	Archive	FNS	Cannot Determine		8/26/2010	Failure to Pursue
10-4179	7/12/2010	Archive	FNS	Cannot Determine		10/19/2010	Failure to Pursue
10-4185	9/2/2010	Archive	FNS	Cannot Determine		10/27/2010	Failure to Pursue
10-4296	9/29/2010	Closed	FNS	Cannot Determine		10/7/2010	Failure to Pursue
11-4549	12/17/2010	Closed	FNS	Cannot Determine		12/16/2010	Failure to Pursue
11-4570	12/27/2010	Closed	FNS	Cannot Determine		12/22/2010	Failure to Pursue
						2/3/2011	Failure to Pursue

PROGRAM COMPLAINT DATA FOR CONGRESSWOMAN STABENOW

11-4627	1/18/2011	Closed	FNS	Cannot Determine		2/9/2011	Failure to Pursue
2224930	4/13/2007	Archive	FNS	Cannot Determine		2/2/2009	Failure to Pursue
10-4051	7/12/2010	Archive	FNS	Accepted	7/13/2010	7/21/2010	Withdrawal
10-4076	7/19/2010	Archive	FNS	Accepted	7/22/2010	7/26/2010	Withdrawal
11-4577	1/3/2011	Closed	FNS	Accepted	1/3/2011	2/18/2011	Withdrawal
09-1975	10/29/2008	Archive	FNS	Cannot Determine		1/21/2010	Withdrawal
09-2563	4/29/2009	Archive	FNS	Cannot Determine		6/15/2009	Withdrawal
09-2785	6/5/2009	Archive	FNS	Cannot Determine		7/16/2009	Withdrawal
09-2920	7/30/2009	Archive	FNS	Cannot Determine		2/1/2010	Withdrawal
10-3295	10/30/2009	Archive	FNS	Cannot Determine		11/20/2009	Withdrawal
10-4070	7/13/2010	Archive	FNS	Cannot Determine		7/29/2010	Withdrawal
10-4206	8/27/2010	Archive	FNS	Cannot Determine		10/8/2010	Withdrawal
11-4601	1/7/2011	Closed	FNS	Cannot Determine		1/25/2011	Withdrawal

## Equal Employment Opportunity Data (Response to Congresswoman Stabenow)

## FY'10 USDA CLOSURES

Agency	Total	Final Agency Decisions	Settlement	Withdrawals	Other
AMS	17	10	6	0	1
APHIS	61	39	21	1	0
ARS-	13	9	3	1	0
CRSD	16	5	10	1	0
FAS-	13	5	5	2	1
FNCS	8	4	4	0	0
FS	127	70	53	4	0
FSA-	43	19	10	3	11
FSIS	85	35	38	12	0
GIPSA	10	7	2	1	0
NASS	3	0	3	0	0
NRCS	45	30	14	1	0
OCFO-	35	20	14	1	0
OIG-	6	1	4	1	0
RD-	74	50	18	5	1
USDA- CR	1	1	0	0	0
RMA	6	1	4	1	0

Case#	Formal Closure Type	Total Cost
AMS-2009-00136	601. Final Agency Decision - Merits	\$3777
AMS-2009-00067	601. Final Agency Decision - Merits	\$3364
AMS-2009-01147	601. Final Agency Decision - Merits	\$3600
AMS-2010-00054	601. Final Agency Decision - Merits	\$4504
AMS-2009-00089	602a. Final Agency Order - Fully Implement AJ Dec.	\$3298
AMS-2009-00018	603. Final Agency Order - AJ Dismissal	\$3533
AMS-2009-00078	604. Final Agency Decision - Procedural Dismissal	\$0
AMS-2009-00082	604. Final Agency Decision - Procedural	\$0



	Dismissal	
AMS-2009-01281	604. Final Agency Decision- Procedural Dismissal	\$0
AMS-2010-00283	604. Final Agency Decision- Procedural Dismissal	\$0
AMS-1999-00041	605. Settlement Agreement (Effective Date)	\$28000
AMS-2009-00028	605. Settlement Agreement (Effective Date)	\$4500
AMS-2009-00081	605. Settlement Agreement (Effective Date)	\$9364
AMS-2009-01188	605. Settlement Agreement (Effective Date)	\$0
AMS-2009-01233	605. Settlement Agreement (Effective Date)	\$0
AMS-2009-000340	605. Settlement Agreement (Effective Date)	\$0
AMS-2007-200608	609. Closure (Other)	\$1500
APHIS-2008-00062	601. Final Agency Decision - Merits	\$4825
APHIS-2009-00050	601. Final Agency Decision - Merits	\$3300
APHIS-2009-00009	601. Final Agency Decision - Merits	\$3850
APHIS-2009-00037	601. Final Agency Decision - Merits	\$3300
APHIS-2009-00180	601. Final Agency Decision - Merits	\$3047
APHIS-2009-00263	601. Final Agency Decision - Merits	\$3047
APHIS-2009-00208	601. Final Agency Decision - Merits	\$2860
APHIS-2009-00358	601. Final Agency Decision - Merits	\$3300
APHIS-2009-00422	601. Final Agency Decision - Merits	\$2835
APHIS-2009-00448	601. Final Agency Decision - Merits	\$3023
APHIS-2009-00517	601. Final Agency Decision - Merits	\$4210
APHIS-2009-00567	601. Final Agency Decision - Merits	\$4400
APHIS-2009-00200	601. Final Agency Decision - Merits	\$2000
APHIS-2009-01004	601. Final Agency Decision - Merits	\$2000
APHIS-2009-00163	602a. Final Agency Order - Fully Implemt AJ Dec.	\$2948
APHIS-2004-00264	602a. Final Agency Order - Fully Implemt AJ Dec.	\$0
APHIS-2007-00017	602a. Final Agency Order - Fully Implemt AJ Dec.	\$3738

APHS-2000-08912	602a. Final Agency Order - Fully Implemt AJ Dec.	\$3400
APHS-2000-08927	602a. Final Agency Order - Fully Implemt AJ Dec.	\$4600
APHS-2000-08958	602a. Final Agency Order - Fully Implemt AJ Dec.	\$2958
APHS-2000-08983	602a. Final Agency Order - Fully Implemt AJ Dec.	\$3505
APHS-2000-09003	602a. Final Agency Order - Fully Implemt AJ Dec.	\$3217
APHS-2000-09027	602a. Final Agency Order - Fully Implemt AJ Dec.	\$3300
APHS-2000-09046	602a. Final Agency Order - Fully Implemt AJ Dec.	\$3600
APHS-2000-09058	602a. Final Agency Order - Fully Implemt AJ Dec.	\$3005
APHS-2000-09072	602a. Final Agency Order - Fully Implemt AJ Dec.	\$3215
APHS-2000-09087	603. Final Agency Order- AJ Dismissal	\$2917
APHS-2000-09084	603. Final Agency Order- AJ Dismissal	\$3122
APHS-2000-09107	604. Final Agency Decision- Procedural Dismissal	\$0
APHS-2000-09102	604. Final Agency Decision- Procedural Dismissal	\$0
APHS-2000-09102	604. Final Agency Decision- Procedural Dismissal	\$0
APHS-2000-09107	604. Final Agency Decision- Procedural Dismissal	\$0
APHS-2000-09115	604. Final Agency Decision- Procedural Dismissal	\$0
APHS-2000-09102	604. Final Agency Decision- Procedural Dismissal	\$0
APHS-2000-09111	604. Final Agency Decision- Procedural Dismissal	\$0
APHS-2000-09100	604. Final Agency Decision- Procedural Dismissal	\$0
APHS-2000-09103	604. Final Agency Decision- Procedural Dismissal	\$0
APHS-2000-09103	604. Final Agency Decision- Procedural Dismissal	\$0

	Decision- Procedural Dismissal	
APHIS-2010-00257	604. Final Agency Decision- Procedural Dismissal	\$0
APHIS-2010-00417	604. Final Agency Decision- Procedural Dismissal	\$0
APHIS-1998-01422	605. Settlement Agreement (Effective Date)	\$500
APHIS-2006-02751	605. Settlement Agreement (Effective Date)	\$2832
APHIS-2007-00085	605. Settlement Agreement (Effective Date)	\$3200
APHIS-2008-00259	605. Settlement Agreement (Effective Date)	\$308100
APHIS-2008-00031	605. Settlement Agreement (Effective Date)	\$55505
APHIS-2008-00067	605. Settlement Agreement (Effective Date)	\$182490
APHIS-2009-00294	605. Settlement Agreement (Effective Date)	\$50387
APHIS-2008-00835	605. Settlement Agreement (Effective Date)	\$13505
APHIS-2008-00884	605. Settlement Agreement (Effective Date)	\$23800
APHIS-2009-00273	605. Settlement Agreement (Effective Date)	\$3047
APHIS-2009-00248	605. Settlement Agreement (Effective Date)	\$48710
APHIS-2009-00479	605. Settlement Agreement (Effective Date)	\$73300
APHIS-2009-00200	605. Settlement Agreement (Effective Date)	\$0
APHIS-2009-00111	605. Settlement Agreement (Effective Date)	\$0
APHIS-2009-00027	605. Settlement Agreement (Effective Date)	\$7000
APHIS-2009-00032	605. Settlement Agreement (Effective Date)	\$2835
APHIS-2009-00028	605. Settlement Agreement (Effective Date)	\$0
APHIS-2009-00756	605. Settlement Agreement (Effective Date)	\$2750
APHIS-2009-00781	605. Settlement Agreement (Effective Date)	\$3800
APHIS-2009-01119	605. Settlement Agreement (Effective Date)	\$0
APHIS-2010-00080	605. Settlement Agreement (Effective Date)	\$4175
APHIS-2009-00065	606. Withdrawal by Complainant	\$0
ARS-2008-00675	601. Final Agency Decision - Merits	\$3421
ARS-2008-00717	601. Final Agency Decision - Merits	\$3781
ARS-2008-00945	601. Final	\$3188

	Agency Decision - Merits	
ARS-2009-00267	601. Final Agency Decision - Merits	\$3188
ARS-2009-00281	601. Final Agency Decision - Merits	\$3170
ARS-2009-00307	601. Final Agency Decision - Merits	\$3270
ARS-2009-00335	603. Final Agency Order - AJ Dismissal	\$3270
ARS-2009-01378	604. Final Agency Decision - Procedural Dismissal	\$0
ARS-2010-01292	604. Final Agency Decision - Procedural Dismissal	\$0
ARS-1099-00067	605. Settlement Agreement (Effective Date)	\$1000
ARS-2001-01063	605. Settlement Agreement (Effective Date)	\$12500
ARS-2008-00542	605. Settlement Agreement (Effective Date)	\$28595
ARS-2008-00647	605. Settlement Agreement (Effective Date)	\$64420
ARS-2008-00696	605. Settlement Agreement (Effective Date)	\$99854
ARS-2008-00716	605. Settlement Agreement (Effective Date)	\$12750
ARS-2008-01020	605. Settlement Agreement (Effective Date)	\$68731.4
ARS-2009-00758	605. Settlement Agreement (Effective Date)	\$30878
ARS-2009-00883	605. Settlement Agreement (Effective Date)	\$4552
ARS-2009-00936	605. Settlement Agreement (Effective Date)	\$6688
ARS-2009-00974	605. Settlement Agreement (Effective Date)	\$4470
ARS-2009-01278	605. Settlement Agreement (Effective Date)	\$0
ARS-2009-01205	605. Settlement Agreement (Effective Date)	\$7500
ARS-2009-01115	606. Withdrawal by Complainant	\$3188
CRSD-2006-00182	601. Final Agency Decision - Merits	\$3440
CRSD-2007-00140	601. Final Agency Decision - Merits	\$0
CRSD-2005-00648	602a. Final Agency Order - Fully Implement AJ Dec.	\$3221
CRSD-2007-00827	602a. Final Agency Order - Fully Implement AJ Dec.	\$1634
CRSD-2009-00197	604. Final Agency Decision - Procedural Dismissal	\$0
CRSD-2008-01136	605. Settlement Agreement	\$142726

	(Effective Date)	
CRSD-2006-03535	605. Settlement Agreement (Effective Date)	\$66547
CRSD-2006-03479	605. Settlement Agreement (Effective Date)	\$66949
CRSD-2007-00631	605. Settlement Agreement (Effective Date)	\$34489
CRSD-2008-00707	605. Settlement Agreement (Effective Date)	\$17005
CRSD-2008-03295	605. Settlement Agreement (Effective Date)	\$37500
CRSD-2009-00323	605. Settlement Agreement (Effective Date)	\$49065.9
CRSD-2009-00566	605. Settlement Agreement (Effective Date)	\$7071
CRSD-2009-00608	605. Settlement Agreement (Effective Date)	\$4000
CRSD-FY-2009-00711	605. Settlement Agreement (Effective Date)	\$0
CRSD-2009-00207	606. Withdrawal by Complainant	\$3658
EAS-2007-00013	601. Final Agency Decision - Merits	\$3500
EAS-2008-00284	602a. Final Agency Order - Fully Implement AJ Dec.	\$4100
EAS-2004-01618	604. Final Agency Decision- Procedural Dismissal	\$0
EAS-2005-00810	604. Final Agency Decision- Procedural Dismissal	\$0
EAS-2006-00570	604. Final Agency Decision- Procedural Dismissal	\$0
EAS-2002-00110	605. Settlement Agreement (Effective Date)	\$3754
EAS-2005-00149	605. Settlement Agreement (Effective Date)	\$7500
EAS-2007-00015	605. Settlement Agreement (Effective Date)	\$3700
EAS-2008-00471	605. Settlement Agreement (Effective Date)	\$37350
EAS-2009-00024	605. Settlement Agreement (Effective Date)	\$118000
EAS-2008-00197	606. Withdrawal by Complainant	\$3999
EAS-2009-00004	606. Withdrawal by Complainant	\$0
EAS-2003-01537	609. Closure (Other)	\$0
FNCS-2005-00551	601. Final Agency Decision - Merits	\$3800
FNCS-2006-00043	601. Final Agency Decision - Merits	\$2500
FNCS-CF-2008-02814	602a. Final Agency Order - Fully Implement AJ Dec.	\$0
FNCS-2009-00386	604. Final Agency	\$0

	Decision- Procedural Dismissal	
FNCS-2008-00626	605. Settlement Agreement (Effective Date)	\$2500
FNCS-2006-00051	605. Settlement Agreement (Effective Date)	\$8390.1
FNCS-2008-00019	605. Settlement Agreement (Effective Date)	\$2500
FNCS-2005-00714	605. Settlement Agreement (Effective Date)	\$109643
FS-1999-00030	601. Final Agency Decision - Merits	\$3000
FS-1999-00060	601. Final Agency Decision - Merits	\$3000
FS-2004-00058	601. Final Agency Decision - Merits	\$0
FS-2002-01336	601. Final Agency Decision - Merits	\$0
FS-2003-01702	601. Final Agency Decision - Merits	\$3500
FS-2004-00731	601. Final Agency Decision - Merits	\$4188
FS-2004-00581	601. Final Agency Decision - Merits	\$0
FS-2004-00232	601. Final Agency Decision - Merits	\$0
FS-2004-00333	601. Final Agency Decision - Merits	\$3610
FS-2005-00365	601. Final Agency Decision - Merits	\$0
FS-2005-00655	601. Final Agency Decision - Merits	\$5058
FS-2006-00063	601. Final Agency Decision - Merits	\$3318
FS-2007-00065	601. Final Agency Decision - Merits	\$170325
FS-2007-00465	601. Final Agency Decision - Merits	\$5161
FS-2007-00973	601. Final Agency Decision - Merits	\$4184
FS-2008-00619	601. Final Agency Decision - Merits	\$3318
FS-2008-00659	601. Final Agency Decision - Merits	\$5189
FS-2008-00718	601. Final Agency Decision - Merits	\$3781
FS-2008-00771	601. Final Agency Decision - Merits	\$3150
FS-2008-00066	601. Final Agency Decision - Merits	\$3654
FS-2008-00987	601. Final Agency Decision - Merits	\$3902
FS-2008-01020	601. Final Agency Decision - Merits	\$3276
FS-2008-01067	601. Final Agency Decision - Merits	\$8150
FS-2008-01086	601. Final	\$3902

	Agency Decision - Merits	
FS-2009-00977	601. Final Agency Decision - Merits	\$3902
FS-2009-00614	601. Final Agency Decision - Merits	\$3188
FS-2009-00655	601. Final Agency Decision - Merits	\$18687
FS-2009-00316	601. Final Agency Decision - Merits	\$4379
FS-2009-00181	601. Final Agency Decision - Merits	\$5001
FS-2009-00262	601. Final Agency Decision - Merits	\$4110
FS-2009-00331	601. Final Agency Decision - Merits	\$3711
FS-2009-00413	601. Final Agency Decision - Merits	\$3421
FS-2009-00497	601. Final Agency Decision - Merits	\$3533
FS-2009-00505	601. Final Agency Decision - Merits	\$3533
FS-2009-00385	601. Final Agency Decision - Merits	\$5229
FS-2009-00586	601. Final Agency Decision - Merits	\$3525
FS-2009-01335	601. Final Agency Decision - Merits	\$2970
FS-1998-00064	602a. Final Agency Order - Fully Implem AJ Dec.	\$4000
FS-1999-00138	602a. Final Agency Order - Fully Implem AJ Dec.	\$0
FS-2000-00079	602a. Final Agency Order - Fully Implem AJ Dec.	\$0
FS-2002-00063	602a. Final Agency Order - Fully Implem AJ Dec.	\$0
FS-2003-00060	602a. Final Agency Order - Fully Implem AJ Dec.	\$3318
FS-2004-00549	602a. Final Agency Order - Fully Implem AJ Dec.	\$4600
FS-2004-00062	602a. Final Agency Order - Fully Implem AJ Dec.	\$0
FS-2006-01055	602a. Final Agency Order - Fully Implem AJ Dec.	\$5159.51
FS-2006-02591	602a. Final Agency Order - Fully Implem AJ Dec.	\$4305
FS-2007-00093	602a. Final Agency Order - Fully Implem AJ Dec.	\$5332
FS-2007-00694	602a. Final Agency Order - Fully Implem AJ Dec.	\$4000
FS-2007-00070	602a. Final Agency Order -	\$3974

	Fully Implemt AJ Dec.	
FS-2007-01024	602a. Final Agency Order - Fully Implemt AJ Dec.	\$4839
FS-2008-00401	602a. Final Agency Order - Fully Implemt AJ Dec.	\$5404
FS-2008-00612	602a. Final Agency Order - Fully Implemt AJ Dec.	\$3000
FS-2008-00755	602a. Final Agency Order - Fully Implemt AJ Dec.	\$4687
FS-2008-00770	602a. Final Agency Order - Fully Implemt AJ Dec.	\$3318
FS-2008-00881	602a. Final Agency Order - Fully Implemt AJ Dec.	\$3732
FS-2008-00980	602a. Final Agency Order - Fully Implemt AJ Dec.	\$3902
FS-2008-01071	603. Final Agency Order - AJ Dismissal	\$118400
FS-2007-00229	604. Final Agency Decision - Procedural Dismissal	\$5422
FS-2007-00570	604. Final Agency Decision - Procedural Dismissal	\$5422
FS-2008-00952	604. Final Agency Decision - Procedural Dismissal	\$0
FS-2009-00056	604. Final Agency Decision - Procedural Dismissal	\$0
FS-2009-00170	604. Final Agency Decision - Procedural Dismissal	\$0
FS-2009-00145	604. Final Agency Decision - Procedural Dismissal	\$3674
FS-2009-01127	604. Final Agency Decision - Procedural Dismissal	\$0
FS-2009-01112	604. Final Agency Decision - Procedural Dismissal	\$0
FS-2009-01158	604. Final Agency Decision - Procedural Dismissal	\$0
FS-2010-00176	604. Final Agency Decision - Procedural Dismissal	\$0
FS-2010-00227	604. Final Agency Decision - Procedural Dismissal	\$0
FS-2010-00186	604. Final	\$0



	Agency Decision- Procedural Dismissal	
FS-2018-00739	604. Final Agency Decision- Procedural Dismissal	\$2970
FS-2019-00926	605. Settlement Agreement (Effective Date)	\$24725
FS-2003-00172	605. Settlement Agreement (Effective Date)	\$7500
FS-2007-00471	605. Settlement Agreement (Effective Date)	\$24732
FS-2007-00496	605. Settlement Agreement (Effective Date)	\$5129
FS-2007-00562	605. Settlement Agreement (Effective Date)	\$5400
FS-2007-00654	605. Settlement Agreement (Effective Date)	\$13460.4
FS-2007-00879	605. Settlement Agreement (Effective Date)	\$16500
FS-2007-01039	605. Settlement Agreement (Effective Date)	\$54999
FS-2007-01079	605. Settlement Agreement (Effective Date)	\$89743.1
FS-2007-01117	605. Settlement Agreement (Effective Date)	\$33654
FS-2008-00957	605. Settlement Agreement (Effective Date)	\$21318
FS-2008-00977	605. Settlement Agreement (Effective Date)	\$4259
FS-2008-00998	605. Settlement Agreement (Effective Date)	\$22294
FS-2008-00479	605. Settlement Agreement (Effective Date)	\$109168
FS-2008-00522	605. Settlement Agreement (Effective Date)	\$72351
FS-2008-00537	605. Settlement Agreement (Effective Date)	\$18400
FS-2008-00611	605. Settlement Agreement (Effective Date)	\$11646
FS-2008-00638	605. Settlement Agreement (Effective Date)	\$100818
FS-2008-00734	605. Settlement Agreement (Effective Date)	\$3845
FS-2008-00756	605. Settlement Agreement (Effective Date)	\$31711
FS-2008-00876	605. Settlement Agreement (Effective Date)	\$6318
FS-2008-00851	605. Settlement Agreement (Effective Date)	\$7598
FS-2008-00861	605. Settlement Agreement (Effective Date)	\$9400
FS-2008-00877	605. Settlement Agreement (Effective Date)	\$82362
FS-2008-00887	605. Settlement Agreement (Effective Date)	\$3887
FS-2008-00892	605. Settlement	\$19085

	Agreement (Effective Date)	
FS-2008-00971	605, Settlement Agreement (Effective Date)	\$6550
FS-2008-00975	605, Settlement Agreement (Effective Date)	\$28533
FS-2008-01044	605, Settlement Agreement (Effective Date)	\$5745.5
FS-2008-01081	605, Settlement Agreement (Effective Date)	\$45241.1
FS-2009-00010	605, Settlement Agreement (Effective Date)	\$42970
FS-2009-00032	605, Settlement Agreement (Effective Date)	\$18416
FS-2009-00078	605, Settlement Agreement (Effective Date)	\$22457
FS-2009-00220	605, Settlement Agreement (Effective Date)	\$13379
FS-2009-00250	605, Settlement Agreement (Effective Date)	\$23318
FS-2009-00260	605, Settlement Agreement (Effective Date)	\$0
FS-2009-00320	605, Settlement Agreement (Effective Date)	\$6375
FS-2009-00308	605, Settlement Agreement (Effective Date)	\$4683
FS-2009-00487	605, Settlement Agreement (Effective Date)	\$4001
FS-2009-00550	605, Settlement Agreement (Effective Date)	\$9000
FS-2009-00617	605, Settlement Agreement (Effective Date)	\$33904
FS-2009-00647	605, Settlement Agreement (Effective Date)	\$11591
FS-2009-00671	605, Settlement Agreement (Effective Date)	\$8672
FS-2009-01118	605, Settlement Agreement (Effective Date)	\$0
FS-2009-01167	605, Settlement Agreement (Effective Date)	\$5000
FS-2009-01184	605, Settlement Agreement (Effective Date)	\$4300
FS-2009-01260	605, Settlement Agreement (Effective Date)	\$0
FS-2009-01387	605, Settlement Agreement (Effective Date)	\$1500
FS-2010-00005	605, Settlement Agreement (Effective Date)	\$12513
FS-2010-00063	605, Settlement Agreement (Effective Date)	\$0
FS-2010-00121	605, Settlement Agreement (Effective Date)	\$0
FS-2010-00141	605, Settlement Agreement (Effective Date)	\$0
FS-2010-00177	605, Settlement Agreement (Effective Date)	\$103000
FS-2008-00978	605, Withdrawal by Complainant	\$4224

FSA-2008-00983	606. Withdrawal by Complainant	\$3687
FSA-2009-00587	606. Withdrawal by Complainant	\$2970
FSA-2009-01160	606. Withdrawal by Complainant	\$0
FSA-2004-00136	601. Final Agency Decision - Merits	\$1500
FSA-2005-00123	601. Final Agency Decision - Merits	\$3163
FSA-2007-00433	601. Final Agency Decision - Merits	\$5000
FSA-2008-00258	601. Final Agency Decision - Merits	\$3855
FSA-2008-00811	601. Final Agency Decision - Merits	\$4449
FSA-2009-00189	601. Final Agency Decision - Merits	\$4549
FSA-2009-00929	601. Final Agency Decision - Merits	\$5000
FSA-2009-00930	601. Final Agency Decision - Merits	\$5882
FSA-2005-00929	602a. Final Agency Order - Fully Implemt AJ Dec.	\$17477.2
FSA-2005-00203	602a. Final Agency Order - Fully Implemt AJ Dec.	\$20476.2
FSA-2008-00141	602a. Final Agency Order - Fully Implemt AJ Dec.	\$5622
FSA-2008-00139	602a. Final Agency Order - Fully Implemt AJ Dec.	\$5545
FSA-2008-00723	602a. Final Agency Order - Fully Implemt AJ Dec.	\$3087
FSA-2009-00208	602a. Final Agency Order - Fully Implemt AJ Dec.	\$0
FSA-2008-00241	604. Final Agency Decision- Procedural Dismissal	\$1500
FSA-2009-00416	604. Final Agency Decision- Procedural Dismissal	\$0
FSA-2009-00153	604. Final Agency Decision- Procedural Dismissal	\$0
FSA-2009-00587	604. Final Agency Decision- Procedural Dismissal	\$0
FSA-2010-00091	604. Final Agency Decision- Procedural Dismissal	\$0
FSA-2007-00527	605. Settlement Agreement (Effective Date)	\$10264
FSA-2007-00859	605. Settlement Agreement (Effective Date)	\$146500
FSA-2007-00993	605. Settlement Agreement	\$12000

	(Effective Date)	
FSA-2008-00216	605. Settlement Agreement (Effective Date)	\$16428
FSA-2009-00452	605. Settlement Agreement (Effective Date)	\$6000
FSA-2010-00209	605. Settlement Agreement (Effective Date)	\$4000
FSA-2010-00608	605. Settlement Agreement (Effective Date)	\$0
FSA-CT-2007-00552	605. Settlement Agreement (Effective Date)	\$20000
FSA-CT-2007-00685	605. Settlement Agreement (Effective Date)	\$20000
FSA-CT-2008-00128	605. Settlement Agreement (Effective Date)	\$20000
FSA-2008-00409	606. Withdrawal by Complainant	\$1780
FSA-2009-00545	606. Withdrawal by Complainant	\$0
FSA-2009-00588	606. Withdrawal by Complainant	\$0
FSA-1009-00096	609. Closure (Other)	\$0
FSA-2006-00003	609. Closure (Other)	\$0
FSA-2002-00008	609. Closure (Other)	\$0
FSA-2003-01551	609. Closure (Other)	\$0
FSA-2004-00022	609. Closure (Other)	\$0
FSA-2004-00631	609. Closure (Other)	\$0
FSA-2004-00042	609. Closure (Other)	\$0
FSA-2005-00083	609. Closure (Other)	\$0
FSA-2007-01030	609. Closure (Other)	\$4157
FSA-2007-01007	609. Closure (Other)	\$4155
FSA-2008-00711	609. Closure (Other)	\$4155
FSIS-2007-00552	601. Final Agency Decision - Merits	\$3080
FSIS-2007-00859	601. Final Agency Decision - Merits	\$4064
FSIS-2007-00925	601. Final Agency Decision - Merits	\$2737
FSIS-2007-01015	601. Final Agency Decision - Merits	\$4050
FSIS-2007-01006	601. Final Agency Decision - Merits	\$3800
FSIS-2008-00701	601. Final Agency Decision - Merits	\$3800
FSIS-2008-00601	601. Final Agency Decision - Merits	\$3058
FSIS-2008-00825	601. Final Agency Decision - Merits	\$4374
FSIS-2009-00108	601. Final Agency Decision - Merits	\$3300
FSIS-2009-00257	601. Final Agency Decision - Merits	\$2953
FSIS-2009-00309	601. Final Agency Decision	\$3172

	- Merits	
FSIS-2009-00309	601. Final Agency Decision - Merits	\$3690
FSIS-2009-00408	601. Final Agency Decision - Merits	\$2500
FSIS-2007-00303	601. Final Agency Decision - Merits	\$3058
FSIS-2009-00541	601. Final Agency Decision - Merits	\$2700
FSIS-2009-00719	601. Final Agency Decision - Merits	\$3500
FSIS-2009-01107	601. Final Agency Decision - Merits	\$2500
FSIS-2009-01153	601. Final Agency Decision - Merits	\$3000
FSIS-2002-01509	601. Final Agency Decision - Merits	\$4230
FSIS-2010-00101	601. Final Agency Decision - Merits	\$3000
FSIS-CE-2009-00321	601. Final Agency Decision - Merits	\$0
FSIS-2007-00923	602a. Final Agency Order - Fully Implemt AJ Dec.	\$5032
FSIS-2008-00479	602a. Final Agency Order - Fully Implemt AJ Dec.	\$2596
FSIS-2008-00734	602a. Final Agency Order - Fully Implemt AJ Dec.	\$6770
FSIS-2008-00791	602a. Final Agency Order - Fully Implemt AJ Dec.	\$3080
FSIS-2008-00908	602a. Final Agency Order - Fully Implemt AJ Dec.	\$3106
FSIS-2008-01038	602a. Final Agency Order - Fully Implemt AJ Dec.	\$34270.6
FSIS-2009-00153	604. Final Agency Decision- Procedural Dismissal	\$0
FSIS-2009-00250	604. Final Agency Decision- Procedural Dismissal	\$0
FSIS-2009-01311	604. Final Agency Decision- Procedural Dismissal	\$0
FSIS-2010-00011	604. Final Agency Decision- Procedural Dismissal	\$0
FSIS-2010-00210	604. Final Agency Decision- Procedural Dismissal	\$0
FSIS-2010-00284	604. Final Agency Decision- Procedural Dismissal	\$3206
FSIS-2010-00473	604. Final Agency Decision-	\$0

	Procedural Dismissal	
FSIS-2010-09653	604, Final Agency Decision- Procedural Dismissal	\$0
FSIS-2005-00771	605, Settlement Agreement (Effective Date)	\$73223
FSIS-2005-03319	605, Settlement Agreement (Effective Date)	\$73953
FSIS-2006-00108	605, Settlement Agreement (Effective Date)	\$30124.6
FSIS-2007-09831	605, Settlement Agreement (Effective Date)	\$5672
FSIS-2007-00722	605, Settlement Agreement (Effective Date)	\$7198
FSIS-2007-00966	605, Settlement Agreement (Effective Date)	\$7865
FSIS-2008-00021	605, Settlement Agreement (Effective Date)	\$39687
FSIS-2008-00347	605, Settlement Agreement (Effective Date)	\$4332
FSIS-2008-00101	605, Settlement Agreement (Effective Date)	\$12180
FSIS-2008-00200	605, Settlement Agreement (Effective Date)	\$7900
FSIS-2008-00544	605, Settlement Agreement (Effective Date)	\$3298
FSIS-2008-00579	605, Settlement Agreement (Effective Date)	\$8045
FSIS-2008-00634	605, Settlement Agreement (Effective Date)	\$10190
FSIS-2008-01016	605, Settlement Agreement (Effective Date)	\$21863.6
FSIS-2008-01011	605, Settlement Agreement (Effective Date)	\$10625
FSIS-2008-01074	605, Settlement Agreement (Effective Date)	\$6940
FSIS-2008-01078	605, Settlement Agreement (Effective Date)	\$6650
FSIS-2009-00007	605, Settlement Agreement (Effective Date)	\$3273
FSIS-2009-00066	605, Settlement Agreement (Effective Date)	\$5225.28
FSIS-2009-00183	605, Settlement Agreement (Effective Date)	\$9410
FSIS-2009-00176	605, Settlement Agreement (Effective Date)	\$4300
FSIS-2009-00721	605, Settlement Agreement (Effective Date)	\$0
FSIS-2009-00322	605, Settlement Agreement (Effective Date)	\$3150
FSIS-2009-00174	605, Settlement Agreement (Effective Date)	\$2500
FSIS-2009-00522	605, Settlement Agreement (Effective Date)	\$3150
FSIS-2009-00150	605, Settlement Agreement (Effective Date)	\$5702.5

FSIS-2009-01571	605. Settlement Agreement (Effective Date)	\$0
FSIS-2009-01571	605. Settlement Agreement (Effective Date)	\$9513
FSIS-2009-01593	605. Settlement Agreement (Effective Date)	\$3090
FSIS-2009-01621	605. Settlement Agreement (Effective Date)	\$3375
FSIS-2009-01158	605. Settlement Agreement (Effective Date)	\$0
FSIS-2009-01255	605. Settlement Agreement (Effective Date)	\$2500
FSIS-2009-01263	605. Settlement Agreement (Effective Date)	\$3875
FSIS-2010-01038	605. Settlement Agreement (Effective Date)	\$5000
FSIS-2010-01070	605. Settlement Agreement (Effective Date)	\$3750
FSIS-2010-00249	605. Settlement Agreement (Effective Date)	\$0
FSIS-2010-00239	605. Settlement Agreement (Effective Date)	\$0
FSIS-CT-2009-01139	605. Settlement Agreement (Effective Date)	\$740
FSIS-2008-01074	606. Withdrawal by Complainant	\$2500
FSIS-2009-00071	606. Withdrawal by Complainant	\$0
FSIS-2009-00403	606. Withdrawal by Complainant	\$2500
FSIS-2009-00427	606. Withdrawal by Complainant	\$3050
FSIS-2009-00623	606. Withdrawal by Complainant	\$0
FSIS-2009-00623	606. Withdrawal by Complainant	\$3420
FSIS-2009-01103	606. Withdrawal by Complainant	\$0
FSIS-2009-01541	606. Withdrawal by Complainant	\$0
FSIS-2010-01072	606. Withdrawal by Complainant	\$0
FSIS-2010-01061	606. Withdrawal by Complainant	\$3325
FSIS-2010-01026	606. Withdrawal by Complainant	\$1039
FSIS-CT-2009-01214	606. Withdrawal by Complainant	\$3800
GIPSA-2009-00448	601. Final Agency Decision - Merits	\$0
GIPSA-2009-00470	601. Final Agency Decision - Merits	\$0
GIPSA-2009-01186	601. Final Agency Decision - Merits	\$3430
GIPSA-2009-00004	602a. Final Agency Order - Fully Implem AJ Dec.	\$0
GIPSA-2006-02222	602a. Final Agency Order - Fully Implem AJ Dec.	\$2917
GIPSA-2007-00763	602a. Final Agency Order - Fully Implem AJ Dec.	\$3782
GIPSA-2006-00288	602a. Final Agency Order - Fully Implem AJ Dec.	\$2917

	Dec.	
GDPSA-2008-00016	605. Settlement Agreement (Effective Date)	\$3505
GDPSA-2008-00437	605. Settlement Agreement (Effective Date)	\$13302
GDPSA-2008-00078	606. Withdrawal by Complainant	\$0
NASS-2008-00748	605. Settlement Agreement (Effective Date)	\$4875
NASS-2009-00005	605. Settlement Agreement (Effective Date)	\$3533
NASS-2010-00078	605. Settlement Agreement (Effective Date)	\$9000
NRCS-2008-00072	601. Final Agency Decision - Merits	\$0388
NRCS-2008-00482	601. Final Agency Decision - Merits	\$3400
NRCS-2008-00029	601. Final Agency Decision - Merits	\$4646
NRCS-2008-00869	601. Final Agency Decision - Merits	\$2600
NRCS-2008-00913	601. Final Agency Decision - Merits	\$3190
NRCS-2008-00861	601. Final Agency Decision - Merits	\$3533
NRCS-2009-00009	601. Final Agency Decision - Merits	\$2900
NRCS-2009-00412	601. Final Agency Decision - Merits	\$2600
NRCS-2009-00058	601. Final Agency Decision - Merits	\$3080
NRCS-2009-00203	601. Final Agency Decision - Merits	\$2900
NRCS-2009-00210	601. Final Agency Decision - Merits	\$3215
NRCS-2009-00412	601. Final Agency Decision - Merits	\$3421
NRCS-2009-00473	601. Final Agency Decision - Merits	\$3393
NRCS-2009-00483	601. Final Agency Decision - Merits	\$2890
NRCS-2009-00019	601. Final Agency Decision - Merits	\$2900
NRCS-2009-00003	601. Final Agency Decision - Merits	\$2700
NRCS-2009-00710	601. Final Agency Decision - Merits	\$2500
NRCS-CF-2009-01080	601. Final Agency Decision - Merits	\$2800
NRCS-2009-00087	602a. Final Agency Order - Fully Implement AJ Dec.	\$4750
NRCS-2009-00212	602a. Final Agency Order - Fully Implement AJ Dec.	\$0
NRCS-2009-00017	602a. Final Agency Order - Fully Implement AJ Dec.	\$0
NRCS-2007-	602a. Final	\$3107



NRCS-2007-02516	Agency Order - Fully Implement AJ Dec.	
NRCS-2007-02516	602a. Final Agency Order - Fully Implement AJ Dec.	\$0
NRCS-2007-02712	602a. Final Agency Order - Fully Implement AJ Dec.	\$0
NRCS-CF-2008-00302	603. Final Agency Order- AJ Dismissal	\$5229
NRCS-2009-08109	604. Final Agency Decision- Procedural Dismissal	\$0
NRCS-2009-00209	604. Final Agency Decision- Procedural Dismissal	\$0
NRCS-2009-09642	604. Final Agency Decision- Procedural Dismissal	\$0
NRCS-2009-09651	604. Final Agency Decision- Procedural Dismissal	\$0
NRCS-2009-01351	604. Final Agency Decision- Procedural Dismissal	\$1751
NRCS-2007-00761	605. Settlement Agreement (Effective Date)	\$188000
NRCS-2008-00189	605. Settlement Agreement (Effective Date)	\$188000
NRCS-2008-00628	605. Settlement Agreement (Effective Date)	\$19355
NRCS-2008-00844	605. Settlement Agreement (Effective Date)	\$20873.8
NRCS-2009-00074	605. Settlement Agreement (Effective Date)	\$5793
NRCS-2009-08000	605. Settlement Agreement (Effective Date)	\$6974
NRCS-2009-00090	605. Settlement Agreement (Effective Date)	\$10200
NRCS-2009-00342	605. Settlement Agreement (Effective Date)	\$19600
NRCS-2009-00340	605. Settlement Agreement (Effective Date)	\$19600
NRCS-2009-00668	605. Settlement Agreement (Effective Date)	\$40000
NRCS-2009-01266	605. Settlement Agreement (Effective Date)	\$0
NRCS-2010-00080	605. Settlement Agreement (Effective Date)	\$21500
NRCS-CF-2008-00058	605. Settlement Agreement (Effective Date)	\$38500
NRCS-CF-2008-00751	605. Settlement Agreement (Effective Date)	\$10300
NRCS-2010-00063	606. Withdrawal by Complainant	\$0
OCCO-2005-01114	601. Final Agency Decision - Merits	\$2719
OCCO-2005-	601. Final	\$4865

00281	Agency Decision - Merits	
OCFO-2008-00797	601. Final Agency Decision - Merits	\$5001
OCFO-2008-00830	601. Final Agency Decision - Merits	\$2729
OCFO-2008-00904	602a. Final Agency Order - Fully Implemt AJ Dec.	\$4265.7
OCFO-2008-00942	602a. Final Agency Order - Fully Implemt AJ Dec.	\$4487.44
OCFO-2008-00944	602a. Final Agency Order - Fully Implemt AJ Dec.	\$3845
OCFO-2008-00980	602a. Final Agency Order - Fully Implemt AJ Dec.	\$4085
OCFO-2008-00987	602a. Final Agency Order - Fully Implemt AJ Dec.	\$3960
OCFO-2008-00997	602a. Final Agency Order - Fully Implemt AJ Dec.	\$1717.48
OCFO-2008-00998	602a. Final Agency Order - Fully Implemt AJ Dec.	\$1717.48
OCFO-2008-00999	602a. Final Agency Order - Fully Implemt AJ Dec.	\$1717.48
OCFO-2008-00999	602a. Final Agency Order - Fully Implemt AJ Dec.	\$1717.48
OCFO-2009-00115	602a. Final Agency Order - Fully Implemt AJ Dec.	\$3462
OCFO-2009-00205	604. Final Agency Decision- Procedural Dismissal	\$0
OCFO-2009-00281	604. Final Agency Decision- Procedural Dismissal	\$0
OCFO-2009-00291	604. Final Agency Decision- Procedural Dismissal	\$0
OCFO-2009-00308	604. Final Agency Decision- Procedural Dismissal	\$0
OCFO-2009-00324	604. Final Agency Decision- Procedural Dismissal	\$0
OCFO-2009-01147	604. Final Agency Decision- Procedural Dismissal	\$0
OCFO-2009-00387	605. Settlement Agreement (Effective Date)	\$3479.35
OCFO-2009-00754	605. Settlement Agreement (Effective Date)	\$5500
OCFO-2009-00840	605. Settlement Agreement (Effective Date)	\$2500
OCFO-2009-00940	605. Settlement	\$3747

	Agreement (Effective Date)	
OCFO-2009-00165	605. Settlement Agreement (Effective Date)	\$4470
OCFO-2009-00286	605. Settlement Agreement (Effective Date)	\$2970
OCFO-2009-00287	605. Settlement Agreement (Effective Date)	\$2500
OCFO-2009-00494	605. Settlement Agreement (Effective Date)	\$31960
OCFO-2009-00641	605. Settlement Agreement (Effective Date)	\$8374
OCFO-2009-00702	605. Settlement Agreement (Effective Date)	\$100000
OCFO-2009-00740	605. Settlement Agreement (Effective Date)	\$253820
OCFO-2010-00117	605. Settlement Agreement (Effective Date)	\$600
OCFO-2010-00209	605. Settlement Agreement (Effective Date)	\$0
OCFO-2010-00278	605. Settlement Agreement (Effective Date)	\$600
OCFO-2009-01204	606. Withdrawal by Complainant	\$0
OIG-2007-011892	602a. Final Agency Order - Fully Implement AJ Dec.	\$7185.33
OIG-2008-00215	605. Settlement Agreement (Effective Date)	\$10691.4
OIG-2008-00704	605. Settlement Agreement (Effective Date)	\$3610
OIG-2009-00323	605. Settlement Agreement (Effective Date)	\$9031.36
OIG-2010-00960	605. Settlement Agreement (Effective Date)	\$5641.36
OIG-2008-01162	606. Withdrawal by Complainant	\$0
RD-2001-01681	601. Final Agency Decision - Merits	\$0
RD-2001-01682	601. Final Agency Decision - Merits	\$0
RD-2003-01150	601. Final Agency Decision - Merits	\$0
RD-2003-01284	601. Final Agency Decision - Merits	\$0
RD-2003-00102	601. Final Agency Decision - Merits	\$4000
RD-2003-00240	601. Final Agency Decision - Merits	\$2000
RD-2003-00367	601. Final Agency Decision - Merits	\$0
RD-2003-00607	601. Final Agency Decision - Merits	\$2500
RD-2003-01154	601. Final Agency Decision - Merits	\$2470
RD-2006-011957	601. Final Agency Decision - Merits	\$0
RD-2006-02015	601. Final Agency Decision - Merits	\$0

RD-2006-00072	601. Final Agency Decision - Merits	\$2000
RD-2006-00090	601. Final Agency Decision - Merits	\$2100
RD-2007-00340	601. Final Agency Decision - Merits	\$2400
RD-2007-00724	601. Final Agency Decision - Merits	\$2400
RD-2007-02089	601. Final Agency Decision - Merits	\$2000
RD-2008-00003	601. Final Agency Decision - Merits	\$2500
RD-2008-00070	601. Final Agency Decision - Merits	\$2499
RD-2008-00148	601. Final Agency Decision - Merits	\$2275
RD-2008-00180	601. Final Agency Decision - Merits	\$2500
RD-2008-00072	601. Final Agency Decision - Merits	\$2500
RD-2008-01084	601. Final Agency Decision - Merits	\$2700
RD-2009-00008	601. Final Agency Decision - Merits	\$0
RD-2009-00104	601. Final Agency Decision - Merits	\$2367
RD-2009-00149	601. Final Agency Decision - Merits	\$2367
RD-2009-00225	601. Final Agency Decision - Merits	\$2367
RD-2009-00227	601. Final Agency Decision - Merits	\$2500
RD-2009-00463	601. Final Agency Decision - Merits	\$2375
RD-2009-00491	601. Final Agency Decision - Merits	\$2500
RD-2009-00506	601. Final Agency Decision - Merits	\$2375
RD-2009-00773	601. Final Agency Decision - Merits	\$2500
PLS-2006-00150	601. Final Agency Decision - Merits	\$2500
RD-2005-01015	602a. Final Agency Order - Fully Implement AJ Dec.	\$2000
RD-2006-01184	602a. Final Agency Order - Fully Implement AJ Dec.	\$21526
RD-2006-00175	602a. Final Agency Order - Fully Implement AJ Dec.	\$2000
RD-2007-00114	602a. Final Agency Order - Fully Implement AJ Dec.	\$2000
RD-2007-00313	602a. Final Agency Order - Fully Implement AJ Dec.	\$2500
RD-2007-00485	602a. Final Agency Order - Fully Implement AJ Dec.	\$2499

	Dec.	
RD-2007-00021	602a. Final Agency Order - Fully Implemt AJ Dec.	\$2500
RD-2007-00648	602a. Final Agency Order - Fully Implemt AJ Dec.	\$2690
RD-2007-00952	602a. Final Agency Order - Fully Implemt AJ Dec.	\$2150
RD-2008-00260	602a. Final Agency Order - Fully Implemt AJ Dec.	\$2200
RD-2008-00980	602a. Final Agency Order - Fully Implemt AJ Dec.	\$2680
RD-2008-00360	602a. Final Agency Order - Fully Implemt AJ Dec.	\$3000
RD-2008-00856	602a. Final Agency Order - Fully Implemt AJ Dec.	\$2500
RD-2008-00360	604. Final Agency Decision- Procedural Dismissal	\$0
RD-2009-00056	604. Final Agency Decision- Procedural Dismissal	\$0
RD-2009-00760	604. Final Agency Decision- Procedural Dismissal	\$0
RD-2009-00780	604. Final Agency Decision- Procedural Dismissal	\$0
RD-2009-00476	604. Final Agency Decision- Procedural Dismissal	\$0
RD-2015-00784	605. Settlement Agreement (Effective Date)	\$12000
RD-2005-00090	605. Settlement Agreement (Effective Date)	\$0
RD-2006-07112	605. Settlement Agreement (Effective Date)	\$8500
RD-2007-00823	605. Settlement Agreement (Effective Date)	\$7861.34
RD-2007-00887	605. Settlement Agreement (Effective Date)	\$2300
RD-2008-00084	605. Settlement Agreement (Effective Date)	\$2000
RD-2008-00532	605. Settlement Agreement (Effective Date)	\$0
RD-2008-00690	605. Settlement Agreement (Effective Date)	\$1000
RD-2009-00084	605. Settlement Agreement (Effective Date)	\$22100
RD-2009-00143	605. Settlement Agreement (Effective Date)	\$12400
RD-2009-00520	605. Settlement Agreement (Effective Date)	\$2375

RD-2009-00189	605 Settlement Agreement (Effective Date)	\$140000
RD-2010-01178	605 Settlement Agreement (Effective Date)	\$0
RD-2010-00318	605 Settlement Agreement (Effective Date)	\$0
RD-2010-00363	605 Settlement Agreement (Effective Date)	\$3000
RD-2010-00610	605 Settlement Agreement (Effective Date)	\$2500
RD-2010-00612	605 Settlement Agreement (Effective Date)	\$2500
RD-ACF-2008-00861	605 Settlement Agreement (Effective Date)	\$4000
RD-2008-01031	606 Withdrawal by Complainant	\$0
RD-2009-00174	606 Withdrawal by Complainant	\$0
RD-2009-00152	606 Withdrawal by Complainant	\$0
RD-2009-00620	606 Withdrawal by Complainant	\$0
RD-2010-00127	606 Withdrawal by Complainant	\$0
RD-2007-00606	Issued Notice of Right to File	\$2200
RMA-2007-00447	601 Final Agency Decision - Merits	\$2975
RMA-2008-03067	605 Settlement Agreement (Effective Date)	\$3000
RMA-2007-00300	605 Settlement Agreement (Effective Date)	\$16061.3
RMA-2007-00009	605 Settlement Agreement (Effective Date)	\$3500
RMA-2006-00087	605 Settlement Agreement (Effective Date)	\$2850
RMA-2009-00327	606 Withdrawal by Complainant	\$0
USDACR02010	601 Final Agency Decision - Merits	\$0

Senate Committee on Agriculture, Nutrition & Forestry  
Farm Bill Accountability: The Importance of Measuring Performance, While Eliminating  
Duplication and Waste  
Questions for the record  
Ms. Masouda Omar  
June 23, 2011

Senator Max Baucus

- 1) Your written testimony discussed how the Colorado Housing and Finance Authority has successfully used the Rural Development B&I Loan Guarantee Program. I have introduced the Rural Access to Credit Act that would foster parity between USDA and Small Business Administration (SBA) loan guarantee programs, modernize regulations, improve the access to credit in rural areas and boost job creation. Specifically, the bill would make such changes to the B&I program as:
  - a. Allow commercial lending standards instead of tangible equity requirements;
  - b. Increase the number of loans that can be guaranteed at 90 percent;
  - c. Guarantee lines of credit;
  - d. Allow loans to be used for refinancing;
  - e. Waive audit requirements (GAAP accounting standards) for loans of less than \$1 million; and
  - f. Align USDA's calculation of loan delinquency rates with the SBA's.

Do you think that these changes would make the B&I Program easier to for lenders such as yourself to use?

Response from Ms. Omar

Senator Baucus, thank you for sharing information about your introduced legislation, the Rural Access to Credit Act. I am pleased to see the changes proposed, and agree that they would be beneficial to the B&I program. In particular, standardizing B&I's tangible equity requirements, guarantee lines of credit, and calculation method of loan delinquency rates with SBA's would make it much easier for lenders working with both programs. I also agree that increasing the number of loans that could be guaranteed at 90 percent would provide strong value to rural communities, particularly during these difficult economic times.

Senator John Thune

- 1) What do you consider the greatest challenge in coordinating with Rural Development in utilizing its programs for your clients?

Response from Ms. Omar

Senator Thune, the greatest challenge in utilizing Rural Development's program is the volume of paperwork and complexity of the process that borrowers must undergo. Our team at CHFA is very familiar with Rural Development's process, so we are accustomed to the requirements and try to prepare and

coach borrowers for the time involved. As mentioned in my testimony, by in-large Rural Development's local offices provide excellent support when we do have questions or need more information. However, additional technological support and ease of process would be beneficial to both participating lenders and the borrowers we serve.

Additionally, I would encourage changes made to the program that would allow Rural Development's programs to be leveraged with New Markets Tax Credits. Many CDE's responsible for allocating New Markets Tax Credits across the nation, are having difficulty allocating credits to rural areas. By allowing NMTC to be leveraged with Rural Development's loan guarantee programs, Congress would be creating greater opportunity for community banks in rural areas to participate in NMTC by virtue of being able to use a USDA guarantee for the loan portion of the transaction.



Senate Committee on Agriculture, Nutrition & Forestry  
Farm Bill Accountability: The Importance of Measuring Performance, While Eliminating  
Duplication and Waste  
Questions for the record  
Hon. Michael Scuse  
June 23, 2011

Senator Debbie Stabenow

- (1) OIG released reports on the Biomass Crop Assistance Program (BCAP) raising concerns about FSA's operation of the program stating that it found "wide-ranging problems" with the program's administration. In their report, OIG lists only three cases where they found that program participants may have failed to comply with the rules. Please provide a detailed update on those three cases and where matters stand with program participants. Also, please provide a response on what the Agency has done to address the concerns raised by OIG.

**Response:** The Farm Service Agency (FSA) invited the Office of Inspector General (OIG), at the beginning of Notice of Funding Availability (NOFA) activities, to join with FSA in monitoring BCAP expenditures, to focus on identifying questionable actions among program participants, and to provide recommendations to FSA in advance of issuing the final BCAP regulation. FSA appreciated the responsiveness of OIG to FSA's request.

The Presidential Directive required the BCAP NOFA to be implemented on an expedited basis. In 2009, FSA issued the BCAP NOFA. Recognizing BCAP was a new program, and anticipating that identifying controls to detect practices not yet in existence would be a challenge that could result in limited program guidance to staff, FSA determined new types of controls may be necessary, and that OIG review and recommendations should be sought to provide valuable input when formalizing applicable safeguards for the full program.

FSA has instituted almost all of the OIG recommendations in the circumstances outlined in the initial report, and will have expanded upon those recommendations to concur with the issuance of the final OIG report.

For example, the OIG review in Maine and California identified three possible cases of non-compliance. The State and County offices in these States are closely examining the circumstances of each case to determine if the actions of these BCAP participants constitute a scheme or device.

The OIG reports recommended the following:

- Develop a program handbook setting forth policies and procedures governing program administration;
- Develop forms specifically tailored to facilitate day-to-day administration and capture relevant program data; and
- Develop a data system with applied edit checks and a designed structure to facilitate data validation, management reporting, and data analysis.

FSA responded to these recommendations and provided the following adjustments to the program for FY 2011:

- Release of the 1-BCAP Handbook with a second amendment in May 2011;
- Development of the forms BCAP-10 and BCAP-11 which track the tracts and fields where harvest and collection occurs and conservation, forest stewardship or equivalent plans are required via technical service agreements with NRCS and a developing agreement with USFS and State Foresters; and
- A web based system was designed to automate the new forms, moving away from the previously used System 36 or Conservation, Reporting, and Evaluation System (CRES).

In addition, the final rule for BCAP explicitly prohibits a number of practices described in the OIG report as potential schemes or devices and these practices are specifically defined as program violations. As recommended, these changes are incorporated in the terms of the facility agreement and will be further detailed in program policy documents. For example, in the facility agreement, new terms have been added to the qualified biomass conversion facility elements so that the facility agrees to: (1) purchase eligible material at a fair market price that is consistent for similar products regardless of whether the seller participates in BCAP or if the seller and purchaser are related entities; (2) issue no settlement sheets for the purchase of eligible material that is commingled with ineligible materials; and (3) receive no payments or reimbursements from eligible material owners that are related to the eligible material matching payment, including any requirement that the eligible material owner re-pay a portion of the BCAP matching payment as a kickback, value-share, or similar payment, or charge the eligible material owner any administrative or similar fee. Each provision above addresses an area of concern in the report, particularly those regarding tiered pricing structures and a variety of kickback schemes.

- (2) USDA recently announced project areas for the Biomass Crop Assistance Program (BCAP) indicating that thousands of jobs could be created in Ohio, Missouri and Arkansas. Please provide a full update on the Department's progress in approving project areas under BCAP, specifically: how many have been submitted; how many approved; for those submitted but not approved, please explain why they were not approved; estimated number of jobs that could be created from approved project areas; and any

estimate of the total jobs-creating potential of BCAP.

**Response:** For the project area component of BCAP, the proposals submission opportunity began soon after the October 27, 2010, release of the final rule. With the enactment of funding limitations on April 14, 2011, FSA announced on April 20, 2011, that project proposals could be submitted no later than by May 27, 2011, to be considered for FY 2011 funding. We received 41 project area proposals by the deadline. The proposals outline projects that would support the establishment and production of 1.5 million acres of dedicated energy crops at a cost estimate of over \$1 billion. The cost estimates are based on contract lengths that would range from five to 15 years. The range of feedstock proposed includes camelina, algae, short rotation woody crops, grasses, energy cane, and sweet sorghum.

More than half of the 41 applicants were notified that their proposal requires the completion of an Environmental Assessment (EA) prior to further consideration, in accordance with the National Environmental Policy Act. This notification was issued if the feedstocks proposed to be established by the applicant were not analyzed in the BCAP Environmental Impact Statement (EIS), if an environmental evaluation was completed by FSA where the potential environmental impacts of the feedstocks were unclear or uncertain, or if the proposed feedstock can be considered controversial in nature.

On July 26, 2011, USDA announced the creation of four Biomass Crop Assistance Program (BCAP) project areas in six states to expand the availability of non-food crops to be used in the manufacturing of liquid biofuels. The four project areas set aside acres in California, Kansas, Montana, Oklahoma, Oregon and Washington for the production of renewable energy crops. According to industry estimates, these projects will create more than 3,400 jobs in the biorefinery, agriculture and supporting sectors, and provide the feedstocks to produce more than 2 million gallons of biofuels annually when full production levels are achieved. These are in addition to five BCAP project areas announced earlier this year where energy crops will be grown on up to 250,000 acres in 66 counties in Arkansas, Kansas, Missouri, Pennsylvania and Ohio. These crops, such as switchgrass and giant miscanthus, are the first-ever national investments in expanding U.S. biomass resources to meet domestic energy security.

- (3) The OIG investigation focused on operation of the collection, harvest, transportation and storage components of BCAP. FSA operated this aspect of BCAP under a Notice of Funds Availability (NOFA) from June 2009 through February 2010 when the proposed rule for the entire BCAP program was published. During that time, FSA paid out over \$240 million in matching payments. The final rule for BCAP was published in October 2010. The Farm Bill containing BCAP became law in June of 2008.
  - a. What were the major hurdles to getting the final rule published and the program fully operational, including those within the process for writing and clearing regulations, such as statutes (e.g., Administrative Procedures Act; NEPA) and procedural requirements?

**Response:** As a novel program, BCAP has required a range of original processes to be implemented, which includes new training, software, and controls to be instituted, resulting in a period of delays greater than initially anticipated. Although many of these early hurdles to initial implementation have been cleared, USDA continues to identify what works and anticipate what can be improved in order to reduce programmatic delays for participants.

- b. Were there additional burdens or impediments for a new program such as BCAP that the Committee should review and consider as it works on the 2012 Farm Bill?

**Response:** USDA is prepared to work closely with the Senate Agriculture Committee to provide guidance and recommendations based on the implementation of BCAP.

- c. What was the involvement of the Office of Management and Budget and the Environmental Protection Agency in the effort to write the proposed and final regulation for BCAP?

**Response:** OMB coordinates interagency review of significant regulations as required by Executive Order 12866. As part of this process, the Environmental Protection Agency provided comments and questions through OMB on the proposed and final rules. FSA responded to all the comments and questions.

- d. BCAP was included in the energy title of the 2008 Farm Bill, and is housed within the Farm Service Agency; the remaining energy title programs reside within Rural Development. Because BCAP incorporates ideas and input from various other agencies within USDA (e.g. NRCS and RD), what were the hurdles, setbacks and successes faced with working across agencies?

**Response:** BCAP is jump-starting the development of new biomass markets for energy purposes where they do not currently exist, which requires both a level of additional learning and a wide variety of expertise to develop and deliver a program with such diversity. FSA will continue its work with other agencies of the USDA, as was done in the development of the final regulations, to ensure successful results in program implementation.

Contributing agencies include the NRCS, US Forest Service (USFS) and State Foresters, Rural Development (RD), Agricultural Research Service (ARS), Animal and Plant Health Inspection Service (APHIS), National Agricultural Statistics Service (NASS), National Institute of Food and Agriculture (NIFA), and Foreign Agricultural Service.

APHIS and NRCS provide research and insight about the crop invasiveness and management policy and implementation; NASS provides the necessary soil survey data for the basis of land rental rates; ARS provided expertise on crops and current USDA energy and measurement analysis tools and research; and RD provides

clarification concerning conversion facility processes and business models. FSA was able to assemble a national review team for project area proposal review including several of these USDA agencies and other Federal Agencies. This review team, in accordance with Privacy Act policies, is reviewing proposals for all aspects related to bioenergy production.

This collaboration has resulted in a greater understanding across agencies of the synergies that can result for the program participant: for example, when the farming risk of a producer is reduced, the energy conversion facility has a greater opportunity to secure supply commitments and demonstrate that security to lenders. Reducing risk is essential to the start-up and continued operation of this nascent biofuels industry.

- e. Additionally, the NOFA process used to operate part of BCAP for almost eight months received significant criticism, including from OIG. The NOFA was terminated by the proposed rule. What impact did that length of time have on the expenditures under the NOFA?

**Response:** The length of time was not a significant factor. The NOFA generated important information that helped to shape the final BCAP regulation and provided an extensive opportunity for public input on how BCAP incentives can be successful, when they may not be, and where such incentives require additional policy clarifications. FSA has worked to implement the recommendations based on the experiences of the NOFA so that long-term markets for energy biomass in rural American can be expanded. Expenditures for matching payments under the NOFA totaled about \$245 million. Since termination of the NOFA and publication of the FINH rule only about \$2.5 million in additional matching payments have been made.

- (4) Producers often raise concerns or frustrations with acreage reporting and the duplication of work between FSA, RMA and crop insurance. Please provide a detailed update of the effort to combine the acreage reporting and data storage so that farmers only need to report once. Can you please provide an update on this effort and when you expect it to be completed? Other than acreage reporting, what are some other areas of streamlining and gaining efficiencies are you undertaking in your mission area?

**Response:** Currently FSA, RMA and crop insurance companies have access to the Comprehensive Information Management System (CIMS). The system contains 5 years of RMA and Farm Service Agency (FSA) information, including producer reported data such as acreage reports. CIMS has hosted over 60,000 web sessions for FSA State and County, RMA, OIG and other USDA agency employees. These services are providing efficient and timely information for the administration of crop insurance, and FSA programs such as the Average Crop Revenue Election program. The system has also processed over 32 million Approved Insurance Providers (AIP) data requests. These data requests reduce FSA resources and costs to provide hard copy information used to administer crop insurance policies. In 2010, companies reported almost a third of their acreage by the Common Land Unit. The Common Land Unit will enhance reconciliation

efforts for acreage reporting and other applications for administering programs for prevented planting and cause of loss verification.

RMA, FSA, NRCS and NASS are participating in the USDA Acreage Crop Reporting Streamlining Initiative (ACRSI), to establish a common framework for producer commodity reporting in support of USDA programs. ACRSI will benefit producers by simplifying and reducing acreage and the production reporting requirements to all the USDA agencies. Currently, the various agencies within USDA use different terms and conditions for the same thing, which hinders the ability for producers to report their acreage and other information a single time for all agencies to use. ACRSI has been redesigning business processes and definitions to allow for common program participation information, such as business entity types, acreage reporting dates, commodities, types, practices and production measurements, to be reported once and redistributed across USDA. These changes will enable USDA Agencies to efficiently share data in the administration of their programs, help eliminate duplication of information collection, and reduce the need for data reconciliation. The approved standards will be published to allow the commercial agricultural industry the opportunity to incorporate them into their information services used by producers. By developing collaborative processes with the commercial agricultural industry, USDA procedures, processes and standards can be developed to allow producers to use information from their Farm Management Information Systems for reporting production, planted and harvested acreage, and other key information needed to participate in USDA programs.

Once the ACRSI initiative is complete, USDA can build upon the success and services of CIMS, by providing services that will allow producers to report commodity information once and all the applicable agencies within USDA, and their contractors, would have access to the information. The proposed combined system will enable producers to enter information through a secure web application or be able to submit a data file from the producer's Farm Management Information Systems. By streamlining and automating reporting, ACRSI would reduce the burden on the producer to participate in USDA programs while simultaneously improving program integrity through consistent reporting and data across all USDA agencies and programs.

The ACRSI program announcement appeared in the July 19, 2011 Federal Register. The data standard recommendations are being implemented beginning with the 2012 program year.

The ACRSI pilot will develop processes to allow common data to be reported directly or collected once, then distributed to those USDA programs the producer is participating. Producers in the pilot areas will be able to access a secured USDA website to enter their information at their convenience, reducing the amount of time required to complete their annual acreage report, starting this spring season during March through May of the 2012 crop year, as producers begin to report crop acreage information. The pilot will also allow those producers who have a Farm Management Information System that incorporates precision farming or who have a Farm Management Service, to submit an electronic file containing their common information to USDA. These processes will not

collect and obtain more information than what is collected under current reporting methods and producers continue to have the same responsibilities for administering their programs under the current legislative authority when using the common information.

Once CIMS has been modified to accept the new data standards, it will be made available to all agencies, and their contractors, who need access to the information.

- (5) For RMA, the 2008 Farm Bill provided \$4 million annually for data mining technology to reduce fraud and abuse in the crop insurance program. How much has that investment saved (in terms of cost to taxpayers as well as costs avoided in the program) and how effective would you say it has been? Please provide an update on cooperation between RMA and FSA in spot checking producers who are identified in this initiative. What other key investments has RMA made to reduce fraud and abuse and what should the Committee consider to further improve program delivery and integrity?

**Response:** The 2008 Farm Bill provided that up to \$4 million annually could be used from the crop insurance fund to support data mining activities.

Data mining activities are used to detect and deter fraud, waste and abuse in the crop insurance program. Federal crop insurance is a data intensive program with complex rules, and is an environment in which data mining works well. Annually, CAE produces a spot-check list of producers whose data suggests may be receiving indemnities to which they are not entitled, which is provided to FSA for further investigation. With the assistance of FSA offices, RMA and the AIPs conduct growing season spot checks to ensure that claims for losses are legitimate.

These efforts have been highly successful as the cumulative cost avoidance from data mining and related activities from 2001 through 2010 is estimated to be almost \$840 million, based on our analysis of the changes in loss experience for those people placed on the spot-check list. In light of the success of the spot-check program, the new SRA broadens the use of data mining to help direct AIP efforts at detecting and investigating suspect behaviors. We believe the targeted AIP reviews enabled by data mining will be more effective and efficient than the random review process of previous years. RMA, FSA and the AIP have preempted tens of millions of dollars of improper payments through quality controls, data mining, and other measures, and RMA is constantly identifying ways to make our products less susceptible to fraud while seeking to provide responsive, useful risk protection to farmers.

- (6) Since implementation of direct attribution from the 2008 Farm Bill, what is the amount and percent of payments for each Farm Bill commodity program, including loan deficiency payments, counter-cyclical payments, direct payments, ACRE, and SURE, that can be attributed to individuals whose permanent residence is in the same state as the farm that was the basis for the payment.

**Response:** The Farm Service Agency does not require producers to provide information on their permanent residence. Producers do provide a mailing address and banking

information to receive program information, notifications and/or payments. FSA reviewed their files of active producers and determined the majority of producers' mailing addresses match the state where their farming operation is located. Some producers have operations in multiple states and FSA found about 1 percent of these producers have at least one operation outside the state of their mailing address. FSA also found less than 1 percent of active producers have a mailing address in a state other than their farming operation.

- (7) A producer's average production history (APH) is a critical factor in determining cost and coverage of most crop insurance products, including the new COMBO revenue protection policy. What efforts is RMA currently undertaking to improve the accuracy and integrity of the APH calculation to ensure that it is an accurate representation of a producer's expected yield?

**Response:** RMA is evaluating options to better refine the determination of a producer's average production history (APH), including measures that address areas of potential program abuse or waste. It is hoped that the use of automatic downloads of production information from the producer's Farm Management Information Systems will improve the quality of the data reported. In addition, the Federal Crop Insurance Corporation Board of Directors has recently considered a confidential submission under section 508(h) of the Act that will seek to establish yield guarantees taking into consideration any potential upward trends in production stemming from technology and other crop improvement methods and strategies. Changing the APH program requirements must be done in a manner that is cognizant to offer the best coverage but at the most appropriate price in order to maintain actuarial soundness of the program. RMA plans in the near future to offer potential options for consideration by the agricultural community in efforts to move forward with APH program improvements.

- (8) Are there significant discrepancies between base acres and what is reported to FSA as planted to the individual program crops? Please provide the most recently available summary of the difference between base acreage and actual reported planted acreage by state and commodity.

**Response:** Please see attached table

- (9) Please provide a breakdown of payments made under the 2008 Farm Bill's commodity title programs that were made to individuals who were eligible for payments pursuant to the actively engaged requirements based on being landowners, compared with those who qualified because they provided management to the farm and those who qualified because they provided labor to the farm. In other words, how many individuals qualified for payments because of the landowner exemption, compared with those who qualified because of management and those who qualified based on having provided labor to the farm operation?

**Response:** The Farm Service Agency makes actively engaged determinations for each individual or entity participating in the Direct and Counter-cyclical Payment (DCP)



program. However, the basis for the actively engaged determination is not tracked through the program eligibility software. We have determined that approximately 440,000 producers who received 2009 DCP payments and 420,000 producers who received 2010 DCP payments are listed as owners on the farm. In order to receive a DCP payment, these owners were determined to have met the actively engaged requirements through a contribution of land, personal labor or management, or capital or some combination. Since making changes to the actively engaged rules, direct payments have been reduced by \$65 million to producers who were determined not to be actively engaged in farming.

Senator Sherrod Brown

- 1) I worked closely with Senator Klobuchar and many others during the 2008 Farm Bill debate to limit farm payments to only those farmers who need them. While the 2008 Farm Bill did not go as far as I would have wished, it did make a significant change to ensure that farmers who make over \$500 thousand dollars a year from non-farm activities are prohibited from receiving farm program payments. However, I've seen reports that have raised concerns that the Department has not been effectively implementing this Adjusted Gross Income (AGI) payment limit and ensuring that rich farmers don't get payments.

What is the Department's response to concerns about the effectiveness of the AGI provision? Can you tell us how many participants have been denied eligibility for farm programs due to the AGI provisions? How much money has this saved American taxpayers?

**Response:** The Farm Service Agency (FSA) and the Internal Revenue Service (IRS) formed a partnership to ensure that only those participants who comply with the average Adjusted Gross Revenue (AGI) requirement receive farm program benefits. With the written consent of the participant, the IRS uses certain line items on tax returns filed for specific years; performs a series of calculations to determine the average AGI values; and compares these values with the AGI limits. IRS then provides to FSA a report that indicates whether or not the participant appears to meet or exceeds each of the average AGI limitations. FSA currently has AGI compliance data for the 2009, 2010 and 2011 payment eligibility purposes. A statistical sampling was completed and the actual review of participant information to verify their AGI compliance was recently initiated. A sufficient number of AGI compliance reviews have not been finalized to the point that conclusions can be made of participant ineligibility. All of the individuals and legal entities included in this verification process previously certified as being fully compliant with the average AGI limitations.

Senator Richard Lugar

- 1) On June 22, 2011, the Government Accountability Office published a study titled, “International Food Assistance: Funding Development Projects through the Purchase, Shipment, and Sale of U.S. Commodities is Inefficient and Can Cause Adverse Market Impacts.”
- a. According to the report, USAID had an average cost recovery of 76 percent, while USDA had an average cost recovery of 58 percent, including lower cost recoveries in countries where both agencies were monetizing. The combined reported difference for both USAID and USDA between proceeds generated through monetization to fund development programs and the cost the U.S. government incurred to procure and ship commodities to recipient countries for monetization was \$219 million. How do you plan to reconcile the differences in cost recovery between USAID and USDA? Does USDA have goals or benchmarks to reach a certain percentage level of cost recovery, possibly on a project or annual basis? What actions can USDA take to ensure the highest possible cost recovery and prevent losses of this magnitude to U.S. taxpayers?

**Response:** GAO used different 3-year sample periods to compare USAID and USDA monetizations (fiscal year (FY) 2007 - FY2009 compared to FY 2008 - FY 2010). Second, USAID and USDA food aid programs have different authorized objectives. For aggregate cost recovery comparisons, the General Accounting Office (GAO) report compared aggregate USAID monetizations, which occur primarily in Africa and Central America with aggregate USDA monetizations, which are spread more broadly throughout Africa, Latin America, Asia and Europe. USDA suggests that using comparable samples would result in a more accurate comparison of cost recovery rates between the two agencies.

A major factor influencing USDA’s lower cost recovery rate is cargo preference. Because USDA must implement cargo preference on a country (rather than regional) basis, a higher percentage of USDA food aid cargo is shipped on U.S. flag vessels typically at higher freight rates. The higher rates result in an overall lower cost recovery per transaction. The reason USDA must implement cargo preference on a country basis because of the Farrell case. USDA settled that suit by agreeing to calculate cargo preference compliance on a country-by-country basis. This settlement remains in effect until MARAD issues new regulations for cargo preference. USAID was not a party to the suit, so the settlement does not apply to them. They calculate cargo preference on regions.

USDA is coordinating with USAID to develop improved benchmarks for reasonable local market prices and to ensure that coordinated monetization objectives are achieved. USDA will also work with USAID to explore options for market impact evaluations. Currently, USDA requires all participants to describe in detail the outcomes of their monetization transactions in twice-a-year mandatory reporting. Further, USDA revised its regulations in 2008 to require participants to submit mid-term and final evaluations of their activities under food aid grant agreements.

- b. The report's data shows that more than one-third of monetization transactions examined fell short of import price parity, which is a quantifiable measurement of reasonable market price. What research is performed in order to determine the legally required "reasonable market price" at which to monetize? Also, please give a short synopsis of the process involved in monetization, including the average time period that elapses during and between each step of the process.

**Response:** Before approving individual Food for Progress proposals, USDA requires applicants to research the market, explain how private sector buyers will be encouraged to participate in monetization of the commodity, and describe any constraints that may hinder or aid in the sales process. Applicants must also outline planned measures to guard against an unfair disadvantage based on limited potential buyers, and describe how monetization will develop long term commercial markets within the country.

Setting ranges for reasonable local market prices is challenging given the lack of market information in many recipient countries. Under current practices, participants regularly survey the market and establish price ranges. The use of public tenders and establishment of floor prices provide safeguards to limit disruptions to local production and markets. USDA normally estimates 90 to 120 days for procurement and delivery of commodities to the recipient country. Regarding the monetization process, USDA requires sales contracts and financing arrangements to be in place before the commodity can be purchased in the United States. While program participants sometimes encounter delays in completing arrangements, ideally USDA would receive a request to call forward the commodities within a few weeks after agreement signing. Once the commodities are purchased, delivery to U.S. ports usually occurs within 45 to 60 days and shipping times to recipient countries would range from 15 to 60 days.

- c. According to the report, "The volume of commodity programmed for monetization has at times exceeded the recommended limits set by the agencies. The purpose of setting these limits is to help ensure that these transactions do not cause adverse market impacts. However, the limits have been exceeded by the very agencies that set them." USDA has exceeded the recommended limits of monetized commodities set by UMRs (and USAID's BESTs) in several cases. Please describe the process by which UMRs are created, as well as why these recommended limits were exceeded. What can USDA do to ensure that these limits aren't exceeded in the future? Is it your view that there is value in having two separate analysis systems, the UMRs and USAID's BESTs? If so, what are the benefits of each, and how can USDA work with USAID to coordinate and streamline the UMR and BEST analyses? If not, which system is more effective, and why? How is USDA monitoring and evaluating the effect that monetization has on markets in beneficiary countries post-monetization?

**Response:** The Usual Marketing Requirement (UMR) represents a 5-year average of a country's commercial imports for a particular commodity. Recommended food aid

programming levels are determined by the country's import requirement minus the UMR. USDA avoids programming any food assistance above the recommended limit and conducts a written disincentive analysis for each food aid agreement as part of the required Bellmon Determination. USDA is increasing its effort to work with USAID to ensure that coordinated monetization objectives are achieved. USDA believes that the quality and overall depth of analysis provided by the Bellmon Estimation for Title II (BEST) project is excellent and will continue to encourage USDA program participants to review the BEST studies where applicable

Regarding GAO's assertion that FAS exceeded UMR's on five occasions, FAS disagrees with this conclusion. On one occasion GAO did not account for multi-year shipments in calculating the UMR. They appear to use fiscal year data for the grant agreements instead of actual shipments. GAO credited a multi-year shipment to a specific year, which led to the conclusion that FAS had exceeded the UMR. In the other monetizations cited by GAO, USDA provided specific justifications for exceeding the UMR. These justifications were based on market analysis provided by attaches and Washington-based commodity analysts.

Regarding the use of BEST analyses, USDA cannot mandate their use since they are available only for only nine of the 22 USDA priority countries. UMR's will continue to provide USDA with a basic analysis of programming opportunities. USDA will also supplement the UMR and BEST studies with analysis of its own, performed by attaches and Washington-based analysts. Further, USDA would also like to consider an independent 3<sup>rd</sup> party evaluation of monetizations, provided that funding is available.

- d. The report shows several major costs that caused a disparity in the cost efficiency of the monetization process. Are there any particular costs that USDA incurs that significantly increase the cost of monetization? How does U.S. flag ship availability and higher costs factor into USDA's ability to monetize effectively and efficiently? Does USDA coordinate with the U.S. Department of Transportation's Maritime Administration (MARAD) regarding the use and costs of U.S. flag ships? If so, please describe this working relationship. How does the entity carrying out the monetization interact with MARAD?

**Response:** USDA must implement cargo preference on a country basis is due to the fact that USDA was sued several years ago – it was called the Farrell case. USDA settled that suit by agreeing to calculate cargo preference compliance on a country-by-country basis. This settlement remains in effect until MARAD issues new regulations for cargo preference. USAID was not a party to the suit, so the settlement does not apply to them. They calculate cargo preference on regions.

Because USDA must implement cargo preference on a country (rather than regional) basis, a higher percentage of USDA food aid cargo is shipped on U.S. flag vessels, typically at higher freight rates, compared to USAID food aid cargo. The higher rates result in an overall lower cost recovery per transaction. USAID implements cargo

preference on a regional basis and more often has multiple food aid shipments per country. Thus, USAID is shipping larger amounts of food aid on lower-priced foreign flag vessels, leading to higher cost recovery rates.

The U.S.-flag fleet is diminishing and there are only three major U.S. carriers that typically participate in regions where food aid programs exist, which limit competition. When competition is limited, performance is affected. USDA is working with MARAD and other shipping agencies to achieve greater clarity in the application of cargo preference to allow for more efficient and effective delivery of food aid shipments.

- d. Is it your recommendation that the monetization process be reformed and continued? Or is there an opportunity to save U.S. taxpayers money by eliminating monetization?

**Response:**

There are important benefits from preserving the option of commodity monetization within the food aid programs. FAS asserts that the full value of the Food for Progress program is not measured only by a comparison of costs to proceeds generated in the monetization. Such an approach assumes that the shipment of the U.S product has no real economic value. GAO did not analyze the benefits of the commodity shipments that include: 1) the development of private sector institutions to support importing, processing, and distribution of agricultural commodities 2) the development of markets for U.S. commodities for follow-on commercial sales, (3) the commodity benefit, whereby the monetization provides additional supply. Each of these benefits is an established objective of the legislation.

First of all, unlike cash grants and food aid distributions, monetization is a market-based transaction, encouraging the development of private sector institutions, thereby stimulating the emergence of a competitive food distribution channel. USDA is aware of many instances when the monetization of a U.S. product helped developing country traders enter new markets and use more sophisticated trading instruments, like letters of credit, credit insurance, and other risk management tools. Further, successful monetization programs can be scaled-up, leading to lower per unit costs and higher incomes and investments. Monetization can also develop commercial markets for agricultural products and enhance the sophistication of participants in the market. During the Food for Progress Program's history, many countries in the former Soviet Union and Africa received this capacity building benefit as they were taking steps toward private enterprise.

An example of the capacity building benefit was in Afghanistan where soybean oil was provided through a 2006 government-to-government agreement. Afghan buyers of U.S. soybean oil participated in an open auction managed by a professional monetization agency. The auctions exposed the Afghan traders to a competitive bidding process, a process with which that they had no previous experience. This ancillary benefit, while difficult to quantify, was not captured in the GAO report.

Second, monetization has helped develop commercial sales of U.S commodities, consistent with the intent of the legislation. In Kenya, a U.S.-based private voluntary organization monetized wheat in 2005 that provided funds for an agricultural development project. Follow-on commercial sales of wheat were recorded in both 2010 and 2011. Millers in Kenya reported that they became familiar with the quality of imported wheat through food aid monetizations and grew to understand its milling qualities.

Finally, monetization also has an impact on available commodity supplies for processing and distribution in underserved developing markets. Monetization of U.S commodities, particularly in times of high prices can provide additional supply to a market that could have otherwise not supported such sales. In this regard, monetization can support efforts to alleviate food security.

Senator Charles Grassley

- (1) GAO has identified the lack of a measurable standard for management in the “actively engaged in farming” test as a key cause of abuse in the farm program. In the past, I have requested that the department set a measurable standard for management through the rule-making process. People who are not truly actively engaged are receiving farm payments because they claim they are providing management for the farm operation, when they really aren't. Why hasn't the department set a measurable standard for management in the actively engaged in farming test?

**Response:** A measurable standard in hours for active personal management was first proposed with implementation of the 1987 amendments to the 1985 Act, and the proposal failed. It was believed that time was not an appropriate measure of the significance of a contribution of active personal management to a farming operation. From that point forward, a significant contribution of active personal management was defined as activities that are critical to the profitability of the farming operation, taking into consideration the person's or legal entity's commensurate share in the profits or losses of the farming operation.

During the debate of the 2008 farm bill, a proposal was made that the total contribution of personal labor and active management be at least equal to the lesser of 1,000 hours or a fifty percent commensurate share of the total number of hours required to conduct the farming operation. This requirement was not included in the 2008 Act as a required change to the actively engaged in farming provisions.

Through discretionary rulemaking in implementing the 2008 Act, CCC/FSA enacted stricter requirements to prevent passive investors from receiving program payments. As

specified in the final rule, all shareholders of a legal entity must make a contribution of active personal labor and/or active personal management to the farming operation that is performed on a regular basis; identifiable and documentable; and separate and distinct from such contributions of any other shareholder. If any shareholder fails to meet this requirement, payments to the legal entity's farming operation are reduced by the share held by the non-performing shareholder. An exception was made for smaller farming operations if the total payments to the farming operation and all its members were equal to or less than the amount of one payment limitation.

Senator John Thune

- 1) Approximately what has been the cost to USDA to team up with the Treasury Department/IRS on your data sharing project to determine compliance with Adjusted Gross Income (AGI)?

**Response:** Under the terms of the Memorandum of Agreement (MOA) between the Farm Service Agency (FSA)/ Credit Commodity Corporation (CCC) and the IRS, for fiscal year (FY) 2011, the estimated cost that FSA/CCC agreed to pay the IRS for specific services was \$2,531,534. This is for the verification of the average AGI certifications submitted by participants in 2009, 2010 and 2011 programs that are subject to the AGI limitations. The Natural Resources Conservation Service (NRCS) under a separate Memorandum of Understanding (MOU) with FSA, agreed to reimburse FSA at least 1/3 of the cost paid to IRS annually for the AGI verification. Also for FY 2011, the estimated cost for FSA personnel and IT support is \$848,540. The total estimated cost to FSA for FY2011 for AGI compliance activities is \$3,380,074.

- 2) Do you believe this is an effective method and use of resources to determine AGI compliance?

**Response:** In October 2008, the Government Accountability Office (GAO) completed a study of the Farm Service Agency's implementation of the \$2.5 million AGI limitation. GAO projected that based on findings of the study, and in consideration of the new, more restrictive AGI limitations under the 2008 Act, as many as 23,500 individuals receiving farm program payments would be ineligible for up to \$90 million in program payments. Therefore, we believe that the expenditure of \$3.38 million annually for the AGI verification process is cost effective in order to provide controls to prevent improper payments of this magnitude as projected by GAO.

## Planted Acreage and Enrolled Base Acreage for Covered Commodities and Peanuts, 2005-2010

Item	Unit	2005	2006	2007	2008	2009	2010 1/
<b>Planted Acreage</b>							
Corn	million acres	81.779	78.327	93.527	85.982	86.382	88.192
Grain Sorghum	million acres	6.454	6.522	7.712	8.284	6.633	5.404
Barley	million acres	3.875	3.452	4.018	4.246	3.567	2.872
Oats	million acres	4.246	4.168	3.763	3.247	3.404	3.138
Wheat	million acres	57.214	57.334	60.46	63.193	59.168	53.603
Soybeans	million acres	72.032	75.522	64.741	75.718	77.451	77.404
Upland Cotton	million acres	13.975	14.948	10.535	9.297	9.008	10.769
Rice	million acres	3.384	2.838	2.761	2.995	3.135	3.636
Peanuts	million acres	1.657	1.243	1.230	1.534	1.116	1.288
Sunflower Seed	million acres	2.709	1.950	2.070	2.517	2.030	1.952
Canola	million acres	1.159	1.044	1.176	1.011	0.827	1.449
Flaxseed	million acres	0.983	0.813	0.354	0.354	0.317	0.421
Safflower	million acres	0.169	0.189	0.180	0.202	0.175	0.175
Rapeseed	million acres	0.002	0.001	0.002	0.000	0.001	0.002
Mustard Seed	million acres	0.049	0.041	0.060	0.080	0.052	0.051
Crambe	million acres	0.000	0.000	0.000	0.001	0.000	0.000
Sesame	million acres	0.009	0.006	0.007	0.016	0.058	0.058
Large Chickpeas	million acres	0.079	0.119	0.114	0.072	0.074	0.106
Small Chickpeas	million acres	0.011	0.017	0.011	0.012	0.023	0.023
Lentils	million acres	0.450	0.429	0.303	0.271	0.415	0.658
Dry Peas	million acres	0.851	0.972	0.877	0.900	0.863	0.756
Total	million acres	251.067	249.935	253.900	259.931	254.698	251.956
<b>Enrolled Base Acreage</b>							
Corn	million acres	87.147	86.761	85.989	84.371	85.146	84.098
Grain Sorghum	million acres	11.923	11.818	11.711	11.490	11.634	11.640
Barley	million acres	8.675	8.583	8.504	8.344	8.538	8.414
Oats	million acres	3.085	3.048	3.006	2.948	3.011	2.992
Wheat	million acres	75.354	74.804	74.128	72.745	73.900	73.041
Soybeans	million acres	52.505	52.011	51.423	50.596	50.822	50.129
Upland Cotton	million acres	18.504	18.398	18.289	17.835	18.129	18.097
Rice	million acres	4.492	4.483	4.459	4.346	4.436	4.393
Peanuts	million acres	1.516	1.514	1.507	1.477	1.497	1.476
Sunflower Seed	million acres	1.837	1.830	1.821	1.794	1.810	1.772
Canola	million acres	0.720	0.717	0.716	0.701	0.709	0.696
Flaxseed	million acres	0.184	0.183	0.182	0.179	0.180	0.177
Safflower	million acres	0.102	0.101	0.099	0.098	0.099	0.096
Rapeseed	million acres	0.002	0.002	0.002	0.002	0.002	0.002
Mustard Seed	million acres	0.031	0.030	0.030	0.029	0.029	0.029
Crambe	million acres	0.019	0.019	0.019	0.019	0.019	0.018
Sesame	million acres	0.001	0.001	0.001	0.001	0.001	0.001
Large Chickpeas	million acres	N.A.	N.A.	N.A.	N.A.	0.047	0.045
Small Chickpeas	million acres	N.A.	N.A.	N.A.	N.A.	0.006	0.006
Lentils	million acres	N.A.	N.A.	N.A.	N.A.	0.128	0.126
Dry Peas	million acres	N.A.	N.A.	N.A.	N.A.	0.167	0.162
Total	million acres	266.097	264.302	261.886	256.976	260.308	257.412

1/ As of April 27, 2011

N.A.= Not applicable



Senate Committee on Agriculture, Nutrition & Forestry  
Farm Bill Accountability: The Importance of Measuring Performance, While Eliminating  
Duplication and Waste  
Questions for the record  
Hon. Harris Sherman  
June 23, 2011

Senator Debbie Stabenow

- (1) NRCS has undertaken a streamlining initiative that would focus limited resources on the core mission of NRCS. Using this example, can you elaborate on how an initiative like this enhances USDA's overall ability to cut through red tape, prevents unnecessary work, improves overall organizational structure, and makes programs and staff easier to manage? And, do you see a need or value to consolidating programs to help with streamlining and focusing efforts on technical assistance?

Response:

Through the Conservation Delivery Streamlining Initiative (CDSI), NRCS is redesigning its business processes and IT infrastructure to be more efficient and effective for clients and NRCS staff. We have worked with our IT, programs, and financial management staffs to standardize and streamline our financial assistance business processes, eliminating unnecessary steps and standardizing more efficient processes in the next generation conservation delivery systems. The goal is that these steps will speed up the timeliness of program delivery, reduce the number of staff reviews needed, and be more flexible for customers – overall reducing what customers see currently as “red tape” and repetitive and complex processes. Some of these key steps may include:

- Implementing new technologies. Technologies such as digital signatures will enable program participants and NRCS staff to efficiently approve conservation plans, contracts, and payments. Improved conservation planning and contracting tools will reduce redundant data entry, remove unnecessary work for field staff, and more closely link our technical planning and financial assistance programs.
- Increasing accessibility for clients. An integrated web site for clients (called Client Gateway) will allow clients to request NRCS assistance and apply for financial assistance programs on-line. This will reduce redundant data entry for clients and NRCS staff. When a client requests assistance electronically, they will enter their information one

time in a database that will enable that information to be reused throughout the business processes.

- Standardizing financial assistance (FA) business processes. Standard processes will help reduce confusion for clients and staff, increasing accuracy and enabling an organizational structure with dedicated, centralized administrative staff. This will remove administrative duties from field conservationists, permitting them to spend more time directly with clients and focusing on providing the technical assistance needed for planning and implementing conservation measures.

These steps will improve our business processes and speed assistance to customers. Yet, the number and diversity of NRCS programs increases the complexity of providing the technical and contracting software tools required to implement these programs. It is a challenge for our field conservationists to keep up with the different program rules, eligibility requirements, and processes. Surveys and listening sessions indicate that our clients may be daunted by our array of programs. Additional effort will be needed to address these issues, and further streamline NRCS' business processes and simplify program delivery for clients and NRCS.

- (2) Rural Energy for America Program (REAP) and the Environmental Quality Incentives Program (EQIP) both allow producers to receive a grant or cost-share to complete energy audits on their farms. What are the main differences in the energy audit functions between these two programs? How many energy audits have been completed under each program and which program is more cost effective? Is there cross-collaboration between Rural Development and NRCS staff?

Response:

The Rural Energy for America Program (REAP) and the Environmental Quality Incentives Program (EQIP) energy audit effort differ in several ways, including who receives funding, the focus of the programs in the rural community, and the scope of the audits. EQIP energy audits are only available to agricultural producers while REAP provides assistance to both rural small businesses and agricultural producers. EQIP provides financial assistance directly to agricultural producers to pay for energy audits, while REAP provides grants to entities to develop a program to provide energy audits to businesses and individuals, and to cover a share of the cost of the audit. Only a portion of REAP grant recipients will provide on-farm energy audits to agricultural producers and a few of the grant recipients are only planning to provide energy audits to small rural businesses. The Natural Resources Conservation Service (NRCS) and Rural Development (RD) have coordinated to require similar levels of technical competency of the individuals that perform energy audits.

Under EQIP, administered by NRCS, financial assistance is provided directly to producers who wish to have an energy audit performed on their farm. Producers enter contract agreements with NRCS to implement the on-farm energy audit through an “Agricultural Energy Management Plan (AgEMP) Conservation Activity Plan (CAP).” There is an AgEMP focused on the “headquarters” (e.g., poultry, dairy, greenhouse, beef, etc.) and one on the “landscape” (e.g., cropping, pasture, forest systems, etc.), the latter being unique to the EQIP energy audit. Once a producer signs a contract with NRCS for an on-farm energy audit they must select an NRCS certified Technical Service Provider (TSP). The TSP performs the on-farm energy audit and produces an AgEMP that meets the criteria specified by NRCS. When the final plan is completed, the producer pays the TSP. The producer receives payment from NRCS after the technical quality of the completed plan is verified by the NRCS field office.

Under REAP, administered by RD, development grants are awarded to state, tribal, or local government; land-grant colleges or universities; rural electric cooperatives; or public power entities. The grant award is for development of a program and subsequent performance to provide energy audits for rural small businesses and agricultural producers. A single applicant may receive up to \$100,000 for the year, and the grant recipient has two years to develop a program that offers energy audits to small businesses and agricultural producers. The grants cover the cost of the grantee to establish the program and cover 75 percent of the costs of the energy audits subsequently conducted. REAP funds are not directly awarded to small businesses and agricultural producers.

As of July 15, 2011, NRCS has completed contracts for 154 AgEMP Headquarters CAPs. In fiscal years 2009 and 2010, RD made 49 REAP awards, however, the progress regarding the status of individual completed energy audits is not tracked at the national level.

These programs have different approaches to supporting energy audits, making it difficult to compare cost-effectiveness. EQIP energy audits result from a direct provision of financial assistance to an agricultural producer to pay for the technical services for on-farm energy audits (headquarters and landscape). This approach offers timeliness, technical verification, and focuses on agricultural producers, while helping to build a rural TSP sector. REAP energy audits result from grant awards to a specific set of applicants (e.g., state, tribal, or local government; land-grant colleges or universities; rural electric cooperatives; or public power entities) that then work directly with small rural business owners and agricultural producers. This approach offers an incentive for a specific set of applicants (mostly rural electric cooperatives, land grant universities, and state governments) to move into the market of providing energy audits.

There is close cross-collaboration between RD and NRCS in delivering these energy audit programs. A Memorandum of Understanding (MOU) between RD and NRCS (signed November 6, 2009) was established to ensure that Rural Development and NRCS offer interchangeable

farm headquarters energy audits through REAP and EQIP. The MOU also minimizes risk of duplication of efforts in the two programs by cross-checking the locations/recipients of energy audits related to both agencies. This cross-checking system has not yet been implemented on a national level. This is expected in FY2012, when REAP energy audits will start showing up in the cross-checking system.

NRCS and RD have also been working on a broader cross-checking spreadsheet-based system to make sure that producers do not receive funding from both Agencies for the same conservation practice. The cross-checking effort compares all RD energy efficiency grant applications and grant awards with all EQIP contracts planned with funds obligated and completed with funds paid. Implementation guidance for State NRCS and RD offices is under development and will be issued by each agency. This will require close collaboration between NRCS and RD state level offices. All overlaps will be investigated and each agency already has mechanisms in place to recover improper payments.

- (3) With the catastrophic flooding on the Mississippi and Missouri rivers we are experiencing this year, are there any lessons learned from the Midwest floods in the 1990s or 2008 that will help us as a Nation better manage floodplains for conservation, agricultural production and flood control?

Response:

From the Midwest floods of the 1990s and 2008 to the flooding in many parts of the Mississippi basin today, we are seeing the enormous value of the watershed approach in our efforts to manage water resources. This scale of conservation planning looks across the landscape to accommodate flood prevention and mitigation needs. We have learned that successful efforts to reduce the impacts of flood events are not limited to the floodplain. If we take landscape-oriented approaches we can minimize future maintenance costs by installing the right measures in the most effective locations. Combinations of management measures are needed, including land treatment, structural measures, and easements. For example, we need to store water higher in the watershed through a variety of management mechanisms from wetland restoration and impoundments to carefully designed and appropriately placed drainage systems, and we need to enable floodplains to fulfill their landscape function, which provides multiple benefits including mitigating flood damage.

The recent floods also reinforce the importance of watershed-wide planning and federal/state interagency coordination. A cooperative and inter-disciplinary approach across federal, state, and local resource agencies is needed in order to fully and adequately address this national concern. Federal policy regarding use and development of the nation's floodplains must be aligned.

We have also learned that prevention and preparedness are essential, and that these activities require a continuing commitment to long-range planning and implementation. Science plays a key role in our ability to manage water resources and reduce flood impacts. We can identify where the landscape naturally stores water and target resources accordingly. Prevention tends to be more economical as compared to the expense of recovery from a flood. For example, the nearly 188,000 acres enrolled in NRCS Emergency Watershed Protection Program floodplain easements not only serve to mitigate flood impacts, but these acres also no longer need crop insurance payments, disaster payments, or other USDA payments. Additionally, other conservation practices like the over 2.2 million acres of wetlands and associated buffers, and over 2 million acres of riparian and grass buffers under FSA's Conservation Reserve Program (CRP) provide significant floodplain protection by reducing the amount and speed of runoff that reaches our nation's waterways.

- (4) Many of the restoration opportunities that exist along the Gulf of Mexico involve private lands. How are FSA, NRCS and the FS being included in this process with NOAA and the FWS to benefit wetlands, water quality and other natural resources traditionally under the scope of work of USDA?

Response:

USDA has worked alongside a wide array of partners in the Gulf of Mexico region for over 75 years to provide assistance to farmers and rancher. These partners include soil and water conservation districts, state agencies, private conservation organizations, agricultural associations, and other federal agencies including the Farm Service Agency, the U.S. Forest Service, and the U.S. Fish and Wildlife Service.

USDA's primary role in the Gulf of Mexico region is to provide voluntary technical and financial assistance to private landowners and agricultural producers to help them address resource concerns on their operations. Through USDA's suite of programs and using the agency's conservation planning capabilities, we are helping producers and landowners install conservation practices that improve water quality, restore wetlands, conserve energy, and enhance wildlife habitat, among other benefits. And the size of USDA's investments is significant – with the financial resources provided by Congress, NRCS obligated over \$752 million in financial and technical assistance in the five states of the Gulf (Alabama, Florida, Louisiana, Mississippi, and Texas) in FY 2010 alone. Between FYs 2005 through 2010, NRCS has obligated over \$3.4 billion in the five Gulf States to plan and install conservation. In these same states, FSA has this year alone allocated over \$30 million under the Emergency Conservation Program (ECP) and \$10 million under the Emergency Forest Restoration Program (EFRP). Importantly, these conservation dollars are investments in agricultural infrastructure

and management techniques to help producers sustain and enhance their productivity while also protecting vital natural resources.

Beyond providing direct assistance to producers, NRCS has also served as a key partner in implementing the 1990 Coastal Wetlands Planning Protection and Restoration Act (CWPPRA), which focuses on marsh creation, restoration, protection, and enhancement as well as barrier island restoration along the Louisiana coast. The program is the oldest and largest federally funded restoration program in Louisiana and currently provides approximately \$80 million of federal assistance for coastal restoration projects. The State of Louisiana cosponsors the program at a 15 percent cost share rate.

Since the inception of the program, NRCS has been involved in 75 of the 179 projects authorized by CWPPRA. Collectively, these projects are affecting 1,001,472 acres of coastal wetlands. Sixty-three of these projects are federally sponsored by NRCS, and 12 are U.S. Fish and Wildlife Service sponsored projects in which NRCS has provided design and construction assistance. The 63 NRCS-sponsored projects cover 547,224 acres of valuable coastal wetlands, or almost 55 percent of the total CWPPRA acres. To date, NRCS has completed construction on 35 projects affecting 435,637 acres of coastal wetlands.

USDA is also participating in the newly constituted Gulf Coast Ecosystem Restoration Task Force. This task force was created by President Obama in October 2010 based on recommendations from Secretary of the Navy Ray Mabus' report on how to accelerate the long-term recovery of the Gulf in the wake of the Deepwater Horizon oil spill. NRCS is the lead agency for the Department in supporting the task force as it prepares a strategic plan outlining how the federal and state governments can better coordinate and align their assistance to help private landowners, public land managers, and communities restore and protect the ecosystems of the Gulf of Mexico region.

In addition, agencies within the USDA, along with DOD and the U.S. Fish and Service are working under a Memorandum of Understanding to coordinate efforts to restore the longleaf pine ecosystem that includes the Gulf Coast Region. The Federal agencies are working with over 30 state agencies and NGO's who have signed Declaration of Partnerships. The partnership is working to implement the goals of the Range-wide Longleaf Pine Conservation Plan, released in March 2009, under the banner of America's Longleaf Restoration Initiative. A major restoration goal is restore 4.6 million acres of longleaf pine over the next 15 years, with over 80 percent occurring on private lands. The USDA Forest Service is a lead agency in this effort and since 2010 has provided grant funding to state forestry agencies estimated at \$11.2 million thru cooperative forestry, fire protection, and forest health protection aimed at longleaf restoration. The funding provides technical assistance to private landowners and also to improve and maintain fire-adapted longleaf pine. In addition, ARRA grants to states provided around \$9

million that has resulted in 15,213 acres of longleaf pine establishment and 39,410 acres of improvements to existing longleaf pine on both state and private lands. State nurseries increased longleaf seedling capacity by 7.9 million seedlings and native understory plants by 600,000 plant sets. In the past 15 years, the Farm Service Agency has enrolled an estimated 342,000 of longleaf pine in the Conservation Reserve Program (CRP). Since 2007, approximately 104,000 acres longleaf pine acres have been enrolled in CRP through CP36. NRCS programs targeted an additional \$5.8 million in FY2010 that resulted in 39,000 acres of longleaf improvements and \$17.1 million in FY2011. Collectively, the federal agencies have expended around \$60 million for longleaf restoration since the Plan's release, with much of it strategically directed to priority landscapes.

- (5) Does USDA track the local impact (e.g., county, state) of conservation dollars, such as the impact on local economies, the number of times the dollar "turns over" in the economy or how much of conservation funding goes to local vendors, contractors or businesses? If so, please provide an estimate of this impact for the conservation programs.

Response:

NRCS does not track the local impact (e.g. county, state) of conservation dollars. However, the Agency has recently completed several State analyses and one specific analysis in California to estimate the local impact of the programs in fiscal year 2010, using IMPLAN models. IMPLAN is a regional economic analysis system that models economic impacts of a project, in this case the economic impacts of conservation program expenditures. The following summarizes findings from several of these State analyses:

In California, NRCS expended about \$42.7 million in conservation cost-share payments that leveraged another \$38.4 million in expenditures by local farmers' and resulted in total Farm Machinery Sales of approximately \$81 million. Using only the impact of the Federal Costs, the model shows that this produced \$58.9 million of additional economic output (sales) in California and supported 216 person-years of employment. (Person-year of employment = one job for one year). According to IMPLAN, The Total Value Added Impact was \$21.3 million in additional wages, profits, rental income and local taxes collected.

In Louisiana, \$155 million Federal dollars were expended by NRCS through various conservation programs in FY 2010, including financial and technical assistance through the Environmental Quality Incentives Program (EQIP), Wildlife Habitat Incentive Program (WHIP), Conservation Reserve Program (TA), Conservation Stewardship Program (CSP), Wetlands Reserve Program (WRP), American Recovery and Reinvestment Act, and CWPPRA. This generated \$237 million in total sales, resulting in \$137 million of economic activity (value-added) and supporting 2,074 full or part time jobs.

In Missouri, the Migratory Bird Habitat Initiative (MBHI) was implemented to improve habitat condition and food sources for migratory birds likely to be impacted by the Deepwater Horizon oil spill in the Gulf of Mexico. The focus of MBHI in Missouri has been to use EQIP, WHIP, and WRP easement lands to provide seasonal wetland habitat for migrating water birds. By the end of Fiscal Year 2011, a total of \$5.3 million will have been distributed through EQIP, WHIP and WRP to MBHI participants within Missouri's 18 eligible counties. IMPLAN results show that this will result in a stimulus to the state's economy by creating \$12 million in additional sales and supporting employment equivalent to 79 jobs.

These few examples reflect that conservation investments generate significantly more local benefits over and above the on-site natural resource benefits. In addition, each conservation dollar expended through cost-share programs also leverages participant investment. As these examples illustrate, conservation funds are invested in local economies through equipment, materials, and service purchases, which deliver benefits to participants and their communities.

- (6) Technical Assistance is critical for successful program delivery. Aside from providing more funding for Technical Assistance, what should be considered to improve its availability and effectiveness? How do we make technical assistance more cost effective using science and technology?

Response:

NRCS' streamlining efforts are aimed at making the Agency's technical and financial assistance programs operate as efficiently as possible, allowing NRCS to direct as much of staff time as possible into time spent with clients planning in the field. The development of highly integrated conservation planning tools and systems will reduce redundant data entry for field office technical staff and should help make technical assistance more cost effective. NRCS is integrating environmental models developed and used in national CEAP efforts into its new planning tools with clients, allowing both NRCS and customers to see the effects of their decisions. The effectiveness of financial assistance expenditures is directly related to the quality of the technical conservation plan. Spending more time directly with clients and discussing conservation issues face-to-face will ultimately make NRCS more effective in delivering both technical and financial assistance.

- (7) What portion of Farm Bill Technical Assistance is spent on administrative tasks such as contract management versus providing conservation benefits such as conservation planning, installation, and assessment of conservation practices once installed? Can you describe the extent of conservation practices and activities applied due to solely technical assistance



versus both technical assistance and financial assistance? If possible, please provide a cost benefit analysis of those two approaches.

Response:

NRCS does not track technical assistance costs by activity. However, in 2010 the Agency conducted a workload survey. Based on time estimates from NRCS' 2010 workload assessment, approximately 662 staff years can be attributed to contract or easement management-related tasks that could be described as administrative. (*For purpose of this cost analysis, a staff year is equal to an FTE.*) This work involves developing participant notifications and correspondence, processing payments, determining landowner eligibility, managing the contract/agreement obligations oversight process and establishing the case file. Using 2010 average staff year cost of \$91,000, the technical assistance investment would be about \$60M. This is 11 percent of total Farm Bill technical assistance. The remaining Farm Bill technical assistance funds are applied to activities such as eligibility and ranking, contract development, easement acquisition, easement enforcement, status reviews, development of payment rate schedules and ranking criteria, program specific training as well as conservation practice implementation. These activities are the vehicle for getting conservation on the ground and they take place once the conservation planning has been done.

In contrast to the administrative portion Farm Bill technical assistance workload, approximately 849 staff years were attributed to the development of conservation plans, including comprehensive nutrient management plans. This conservation planning activity is charged to the Conservation Technical Assistance Program.

As mentioned previously, NRCS does not track time and costs by activity. However, NRCS does track practice progress by program. Filtering all practices implemented in 2010 by the Conservation Technical Assistance Program provides an estimate of which types and amounts of practices are applied with no Federal cost share (however, state or local program cost share may be used by participants). Using the workload data that were collected for a subset of the most frequently implemented and high priority practices, we can generate a cost comparison. Based on the combination of practice amounts, the hourly estimates for each job and an average staff year cost, approximately 38 percent of the technical assistance costs associated with practice implementation was attributable to those practices implemented with Federal conservation technical assistance. Therefore, a majority of the most frequently implemented practices are implemented with financial assistance. Note that whether or not a practice is implemented with NRCS financial assistance varies by practice because of factors such as practice cost, program requirements and other sources of cost share.

At this time, NRCS has not conducted a benefit cost analysis that compares programs using only technical assistance versus both technical assistance and financial assistance. Such a comparison of costs and benefits of the two approaches would need to take into consideration the impact on those who would bear the burden of implementing the practices. For example, part of the statutory purpose of EQIP is to assist producers in implementing practices that meet regulatory requirements (such as the Clean Water Act). If financial assistance was not available for the implementation of these practices, certain agricultural sectors (such as the livestock sector) would bear considerably more burden in meeting the requirements than other sectors. The analysis would also need to recognize that practices implemented with financial assistance also include the additional investment of the program participant.

(8) What is the estimated or actual taxpayer's return on investment in NRCS conservation programs?

Response:

The Agency's Benefit Cost Analyses (BCAs) conducted for Farm Bill Programs consider the taxpayer returns on investment of NRCS programs. We evaluate the public costs and benefits in one segment of these analyses. Costs are quantified using the total technical and financial assistance outlined in the Congressional Budget Office scoring of the Farm Bill program.

Private costs – out of pocket costs paid by producers based on average cost share rates – are also considered in these analyses. The quantifiable benefits are a subset of the environmental benefits that accrue to the types of practices implemented by an Agency program. These estimated benefits and costs differ for each program.

Please note that taxpayer benefits in the Agency BCAs are based on an assumption that listed practices are implemented. Also, Agency BCAs assume level funding. Reductions in the amount of funding would also decrease the level of benefits.

As an example, the BCA for the Environmental Quality Incentives Program (EQIP) presents the following benefits and costs in the Executive Summary (<http://www.nrcs.usda.gov/programs/farbill/2008/pdfs/eqip1-15-09.pdf>):

- “Public costs quantified in this analysis are the total TA and FA assistance funds outlined in the Congressional Budget Office's (CBO) scoring of the 2008 Act. Private costs are out-of-pocket costs paid voluntarily by participants.”

- "...the quantifiable benefits are a subset of the environmental benefits that accrue to the types of practices implemented through EQIP. Available data and literature support benefits in the following benefit categories: Animal waste management (leading to improved water quality through better management)<sup>1</sup> 1/ 1; Sheet and rill water erosion (reducing soil erosion); Grazing land productivity (increasing yields) 1/; Irrigation water use (reducing quantity used); Air quality (through reduced wind erosion); Fertilizer use (reduced fertilizer expense through nutrient management not associated with animal waste) 1/; Wildlife habitat (enhanced wildlife viewing and hunting); Energy use (reduced energy consumption associated with conservation tillage practices); and, Carbon sequestration (higher soil carbon levels associated with conservation tillage and grassland practices)."
- "The summary table below shows the estimated values of each benefit category and the estimated costs associated with EQIP for the "current" (2007-base) and "new" (with increased funding) scenario. Under the assumption that the current program continues at level funding, the expected present value of benefits over the period of FY 2007 to FY 2012 is estimated at \$7.1 billion, with \$0.5 billion coming from improved animal waste management and \$6.6 billion from improved land treatment. Expected net benefits are estimated at \$39 million above total costs, including producer costs, other non-federal costs, and federal (EQIP) costs.

With expanded funding, the estimated present value of benefits over the period of FY 2007 to FY 2012 was \$10.4 billion with \$0.8 billion coming from improved animal waste management and \$9.6 billion from land treatment. Estimated net benefits were \$57 million above total costs. This provides \$18 million in additional net benefits due to the expansion of EQIP funds in the 2008 Farm Bill over the roughly \$1.0 billion annual baseline funding."

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<sup>1</sup> The "1/" above signifies that this benefit category could be construed as having elements of both environmental and private benefit impacts. More information on these distinctions is provided in the document.

TABLE 1—SUMMARY OF CUMULATIVE 5-YEAR EQIP BENEFITS AND COSTS OVER FY 2008–FY 2012, USING A SEVEN PERCENT DISCOUNT RATE  
[§ million of 2007 dollars]

Benefit Category	To not implement EQIP	2007 EQIP with \$1 billion/ year FY 2008–FY 2012	2008 Act benefits & costs	Increase with the 2008 Act	2007 EQIP with \$1 billion/ year (acres or animal units)	2008 Act (acres or animal units)	Unit
Animal waste management*	\$0	\$554	\$816	\$262	2,724,000	4,081,000	Animal Units
Sheet and till water erosion	0	1,949	2,869	920	8,019,000	11,955,000	Acres
Grazing land productivity	0	3,111	4,580	1,470	95,586,000	59,057,000	Acres
Irrigation water use	0	231	341	109	4,014,000	5,985,000	Acres
Air quality .....	0	181	266	85	8,029,000	11,965,000	Acres
Fertilizer use .....	0	601	885	284	11,370,000	16,953,000	Acres
Wildlife habitat ...	0	172	254	81	5,660,000	8,439,000	Acres
Energy use .....	0	210	309	99	7,446,000	11,102,000	Acres
Carbon sequestration	0	82	121	39	41,525,000	61,911,000	Acres
Grand Total Benefits	0	7,091	10,441	3,350			
Costs:							
Total costs**	0	7,053	10,384	3,332			
Net Benefits:							
Net benefits .....	0	39	57	18			

\* Environmental benefits from improved animal waste management attributed to EQIP are 42 percent below the total CAFO-related benefits to account for environmental benefits captured by EPA regulatory requirements on large CAFOs. Likewise, costs associated with large CAFOs represent about 23 percent of NRCS costs related to CAFOs of all sizes. These costs were deducted from the analysis as well.

\*\* Total costs include all federal costs plus private and other non-federal costs which have historically matched federal EQIP FA funding at an overall 50 percent cost-share rate discounted at seven percent. Costs associated with large CAFOs (roughly 23 percent) were deducted from the analysis.

- (9) The 1985 Farm Bill contained a provision called "Farm Debt Restructure and Set-Aside," or Debt For Nature as it is commonly called. It has no authority to provide financial assistance to landowners to establish conservation practices. How can this program be streamlined or modified so that producers restructure their debt, utilize conservation programs they are already familiar with and restore their land to help meet conservation needs?

Response:

The Consolidated Farm and Rural Development Act, as amended, authorizes the Secretary to enter into a conservation contract with certain USDA borrowers in exchange for forgiving or reducing the borrower's debt. The Debt Cancellation Conservation Contract Program, often referred to as the Debt for Nature (DFN) program, is a program administered by the Farm Service Agency (FSA) that protects important natural resources and other sensitive areas while providing a debt management tool.

The DFN program is available to persons with FSA direct loans secured by real estate. These individuals may qualify for cancellation of a portion of their FSA indebtedness in exchange for a conservation contract with a term of 50, 30, or 10 years. The DFN conservation contract is a voluntary legal agreement that restricts the type and amount of development that may take place on portions of the landowner's property. DFN conservation contracts may be established on

marginal cropland and other environmentally sensitive lands for conservation, recreation, and wildlife purposes.

The DFN conservation contract requires the landowner to implement a conservation plan that identifies the vegetative or water cover to be established by the landowner on the contract land, “along with any other practices required for the establishment or maintenance of the cover on the contract land.” The program does not provide technical assistance funds through NRCS or otherwise, or financial assistance for the implementation of conservation practices other than the debt relief provided by the DFN conservation contract.

Producers who have land subject to a DFN conservation contract are eligible to participate in NRCS conservation programs. However, a producer is not eligible to receive a payment under an NRCS conservation program, such as the Environmental Quality Incentives Program or Wildlife Habitat Incentive Program, for the implementation of a conservation practice if the producer is receiving a payment or other benefit for the same practice on the same land under any other conservation program administered by USDA. Therefore, if a producer is receiving debt relief for the implementation of a particular conservation practice identified in the DFN Conservation Contract conservation plan, the producer would not be eligible for a separate NRCS conservation program payment for that particular conservation practice. This limitation ensures that USDA is not duplicating assistance for the same activity.

Senator Saxby Chambliss

- (1) Under Secretary Sherman, while many improvements have been made by the 2008 Farm Bill, farmers still have to make multiple visits to a USDA office to sign up for conservation programs. I think one application period or form could be developed so that producers can make one visit to sign up for all conservation programs. This would improve the time efficiency of USDA and the producer. What effort is USDA making to streamline the process? When will my producers in Georgia be able to get in and out of a USDA office in a reasonable amount of time, and not have to make multiple visits?

Response:

NRCS has already taken steps to develop one single financial assistance program application for all conservation programs. Currently a producer can sign up for all NRCS Farm Bill financial assistance using the same application form, including financial assistance – restoration agreements – under easement programs. However applications for easements themselves require different forms because they are realty transactions.

NRCS is working to further streamline this process and reduce trips to the office for producers as well as provide greater access to producers to manage their applications and information. This year, NRCS is pilot testing a web-based Client Gateway in six states that will provide the ability for clients to apply for technical assistance and programs on-line, as well as check eligibility, view plans and contracts, check on payments and much more. The Client Gateway also will provide simple way to communicate with NRCS technical and financial staff for other things like practice certification, or contract modification request. This web application will help significantly reduce the number of trips a client will have to make to a USDA office to conduct business with NRCS. In addition, NRCS will be implementing electronic signature capabilities that will enable clients with internet access to digitally sign conservation plans, contracts and other documents. This means that a producer can approve a plan or contract from their office and route them electronically to NRCS. These improvements are going to result in fewer trips to the office and save producers time and energy.

(2) Under Secretary Sherman, EQIP and Comprehensive Nutrient Management Plans NRCS has completed 43,071 comprehensive nutrient management plans (CNMPs) since 2002, using funding provided by the Environmental Quality Incentives Program. Approximately 3,088 of these CNMPs were completed in fiscal year 2010. The target number of CNMPs to be completed in fiscal year 2011 is 2,850. When the Environmental Protection Agency (EPA) embarked on its effort to address livestock operations in 1998, it estimated that there were about 14,000 to 16,000 operations that would need to obtain a Clean Water Act permit. While the CNMPs aren't permits as required by EPA, they are the basis for them, and in many cases go beyond the minimum required by a permit. The fact that NRCS has helped producers complete more than 43,000 CNMPs is great news. It shows that livestock producers will step up to protect the environment and can meet reasonable regulatory requirements.

But why does EPA continually push to create new regulations for the livestock industry? (I am not talking about addressing the problems caused by bad actors.) Does EPA recognize the good work USDA and producers have done? What is the problem EPA is now trying to address? Are we wasting taxpayer dollars by taking this too far? I understand that you can't speak for EPA but why hasn't USDA approached EPA to eliminate or reduce this waste of time, effort, and taxpayer dollars? Why has there not been better coordination among the agencies?

Response:

USDA has a long history of working in partnership with EPA on livestock issues. In February 1998, the Administration released a Clean Water Action Plan (CWAP) calling for the development of a joint USDA-EPA unified national strategy for animal feeding operations that would address the related environmental concerns. That strategy led to USDA's development of

the Comprehensive Nutrient Management Plan (CNMP), which has been a focal point in USDA assistance to owners and operators of animal feeding operations. In 1999, Congress directed EPA to work with USDA to conduct a cost and capability assessment of that Strategy (<http://www.nrcs.usda.gov/technical/afo/natstrategy.html>), further encouraging collaboration. In June 2001, the EPA Office of Water and USDA Natural Resources and Environment mission area established an interagency workgroup to facilitate collaboration between the agencies on the proposed revision to the rule governing concentrated animal feeding operations (CAFO) under the Clean Water Act. Since that time USDA and EPA have collaborated on additional rule development, program activities and technology development. Following are a few examples:

- USDA is engaged with EPA on a number of activities related to air quality and GHG mitigation. The Agricultural Air Quality Task Force (AAQTF), which is chaired by the Chief of NRCS, has consistently provided an opportunity for routine interaction between the agency and EPA. Currently, the agency is reviewing technical documents developed by EPA including a draft prescribed fire policy and the Exceptional Events Rule, both of which could significantly impact agriculture.
- USDA collaborated with EPA during the development of the Spill Prevention, Countermeasures and Control (SPCC) rule. A key issue in the rule was the definition of a “farm” and storage thresholds that require a farmer to engage a professional engineer to certify compliance. USDA was able to gain favorable consideration with respect to how farmers can aggregate storage tanks for the purpose of meeting these storage thresholds, helping minimize costs to farmers. USDA was also able to gain an exemption for milk tanks provided they met other regulatory requirements. In addition, NRCS initiated a pilot program in 2010 to provide cost-share funding to producers who are required to obtain and implement a SPCC plan.
- USDA and EPA have jointly cooperated with Purdue University to enhance the Manure Management Planner software used to develop Comprehensive Nutrient Management Plans. The enhanced software automatically connects to USDA’s Revised Universal Soil Loss Equation (RUSLE2) software and Phosphorous Index software, speeding the production of CNMPs and improving the accuracy of manure application rate calculations. Manure Management Planner and CNMPs generally are explicitly referenced in EPA’s CAFO Rule as acceptable tools for the development of National Pollution Discharge Elimination System (NPDES) permits, No Discharge Certifications, and Agricultural Stormwater Exemptions. By working with EPA to ensure that the CNMP was deemed equivalent to the NPDES required nutrient management plan, USDA streamlined the process for producers and helped make available technical and financial resources that has led to the completion of more than 40,000 CNMPs since 2002.

USDA firmly believes that a voluntary approach to agricultural conservation works, but we recognize the importance of the regulatory role. In our interactions with EPA, we consistently advocate for common sense solutions that account for and accommodate the unique needs of farmers and the realities of the circumstances they face. We believe that this advocacy has resulted in positive outcomes for agriculture.

- (3) Under Secretary Sherman, earlier this year, USDA provided information to Congress regarding the number of new conservation practices that were installed under the Conservation Security Program (CSP1). The number was shocking. For the \$1.355 billion spent on 14,694 CSP1 contracts from 2002 to 2008, only 1,010 new conservation practices were installed. For comparison, there were 563,949 new conservation practices installed through the Environmental Quality Incentives Program (EQIP) in fiscal years 2008, 2009 and 2010. Total EQIP funding for these years was \$2.765 billion. I recognize that there were more than 900,000 "enhancements" installed under CSP1. However, many of these enhancements included activities, such as putting a plank in a water tank so wildlife could get in and out or recycling used engine oil. These can hardly be called conservation practices. These are things taxpayers and the Federal Government should not be paying for. I know that CSP1 was modified in the 2008 farm bill to become the Conservation Stewardship Program (CSP2), but what did we get for the money we invested in CSP1? It makes me wonder about CSP2. We don't seem to be getting new conservation, which tells me these aren't really conservation programs.

Response:

Both the Conservation Stewardship Program and the Environmental Quality Incentives Program (EQIP) are conservation programs for working lands, yet the two are very different. EQIP establishes the conservation footing and helps the customer construct a conservation performance level to a minimum standard. EQIP is a practice-based program aimed at addressing natural resource problems. The Conservation Stewardship Program, on the other hand, is an enhancement-based program that builds upon the minimum standard and takes conservation to higher performance levels.

The return on investment from the 2002 Conservation Security Program was largely based on maintaining existing levels of conservation already accomplished by a customer, either through a national program or through their own initiative. The conservation performance level being maintained was higher than an established standard, and in turn provided sustained environmental benefit to the public. The program also provided an avenue for customers to increase performance through adopting enhancements, as well as conservation opportunities for those customers that may not have the conservation problems that would lead them to participate in programs like EQIP.



The 2008 Farm Bill made significant changes to the concept of the Conservation Security Program and established the Conservation Stewardship Program. Where the Conservation Security Program focused on existing performance levels, the Conservation Stewardship Program focuses on installing additional activities while improving and maintaining existing activities. While the Conservation Security Program did not require field verification in advance of contracting, contract obligation and payment timing requires field verification prior to contract obligation under the Conservation Stewardship Program (i.e., Screen – Rank – Verify – Obligate – Pay). The scope of the program has changed as well and the Conservation Stewardship Program is available nationwide through continuous sign-up while the Conservation Security Program was watershed-based. Lastly, the Conservation Stewardship Program adds nonindustrial private forest land as eligible land, while the Conservation Security Program only included incidental forest land. These changes have made the Conservation Stewardship Program more accountable and more broadly available, while delivering greater additionality in conservation benefits.

In the Conservation Stewardship Program, program payments are based on performance points from selected enhancements scheduled for implementation during the contract life (i.e., additionality), all while maintaining the existing performance level as established at the time of application. The Conservation Stewardship Program made the transition from rewarding existing performance to focusing on implementation of additional conservation activities. As a result, an estimated 60 percent of Conservation Stewardship Program funds went to pay for additional conservation activities.

- (4) Under Secretary Sherman, The Wetlands Reserve Program (WRP) has done good things to reverse the decline of wetlands in the United States. It also has provided habitat for threatened or endangered species. To date, there are about 2.3 million acres enrolled in WRP. Most of the acres enrolled in the program are permanent easements. As part of the 2008 farm bill, Congress asked USDA to consider the long-term management challenges associated with permanent easements. In far too many cases, the land enrolled in the program is not taken care of as required; some landowners seem to believe USDA is solely responsible for the land. As we prepare for the next farm bill, I believe we need to give serious consideration to the costs, benefits and value of each conservation program. While WRP has provided great benefits, do we need to rethink the costs associated with permanent easements? Is there a better way to help producers stay on the land and improve the management of their land? Have we reached a point where we need to pause for a few years with WRP?

Response:

The WRP is coming upon its 20<sup>th</sup> anniversary of helping private landowners voluntarily restore, protect and enhance our Nation's critical wetland and wildlife resources on lands. During these last 20 years, WRP has proven to be an extremely effective approach to delivering benefits to both the individuals who participate in the program and the American public who benefits from the services that these wetlands provide.

Through WRP, USDA and its landowner partners have had an opportunity to positively impact the landscape for migratory birds and other wildlife, as well as restore critical functions of wetlands such as water quality improvement, ground water recharge, flood protection, education, research, and recreation opportunities. By taking degraded wetland areas and restoring them to fully functioning wetlands, landowners benefit by removing lands from production that are frequently flooded and inefficient to farm. The WRP financial assistance often enables them to acquire or use other lands that improve the efficiency of their operation. The Administration has made clear its intent in working cooperatively with the private landowners to achieve maximum wetlands protection, restoration, and enhancement.

In the 2008 Report to Congress on the Implications of Long-term Wetland Conservation Easements, NRCS identified four strategies to improve WRP efficiencies, accelerate acquisition and restoration, and ensure effective long-term stewardship. Two of those measures have been completed with the implementation of a tracking tool and development of both national and state strategic implementation plans. The remaining two strategies, pursuit of partnerships and building capacity through staffing and training, are ongoing. In addition to the identified strategies, the Chief has established a Land Stewardship Team tasked with improving the agency's long-term management and monitoring of all easement lands. The Team recently updated monitoring policies and procedures, and will be training NRCS staff and partners in the coming months. We recognize there are areas where USDA needs to improve the long-term management of the program and do a better job of engaging landowners in the management of these properties. USDA and NRCS are working to address these land management issues and we are making progress.

Since the 1600s, over 100 million wetland acres have been degraded or destroyed in this country. The WRP has only enabled us to restore only a fraction of those acres. Looking across the country at the impact of the Deepwater Horizon Oil Spill, flooding in the Red River, and the damage from Hurricane Katrina, it is not hard to see that we continue to feel the profound impacts of our lost wetland resources. Restoring and protecting these critical resources in a thoughtful way that will maximize the benefits for all who depend on them will take continued efforts and require the long-term engagement of both private citizens and public entities. WRP serves as a model for how this task can be accomplished both efficiently and cost-effectively.

The WRP has proven to be a program through which NRCS, landowners and a variety of partners can work together to achieve truly cooperative and cost-effective conservation resulting in long-term benefits on a landscape. Since passage of the 2008 Farm Bill, demand for WRP has been at record high levels. In Fiscal Year 2010, NRCS enrolled over 272,000 acres in WRP, which represents the largest enrollment in the 20 year history of the program. While both the need and demand for continued enrollment in WRP is high, what is critical to the long-term success of WRP is the understanding that the acres that have already been enrolled will require continued and on-going attention and investment on the part of both USDA and participating landowners. These are investments worth making in order to ensure the benefits to both the public and the resources are fully achieved and landowners are satisfied with their experience in WRP.

Senator John Thune

(1) Which of the programs in the 2008 NRE Farm Bill portfolio would you say are the least effective or provide the least amount of benefits for the program and administrative costs expended?

Response:

Each program administered by USDA serves a unique purpose on the landscape, as directed by statute. In total, they provide the nation's producers and private forest landowners a suite of alternatives through which to address their pressing resource concerns. USDA administers all of these programs in a manner intended to meet statutory objectives as efficiently and effectively as possible. Because programs vary in type and complexity, their administrative costs also differ.

However, there are complexities within the existing program array that result from having varying requirements, which can hamper our ability to increase efficiencies and reduce administrative costs. For example, having to manage a combination of an annual acreage limit, contract limits, a per acre cost limit, and a non-industrial private forestland acreage limit in CSP creates significant administrative complexities. Opportunities may exist to gain efficiencies through streamlining or bundling of existing programs under comprehensive statutory guidance that aligns program requirements where possible, while retaining the needed array of options that can meet the needs of producers across the nation. The benefits of such an alignment could include:

- Streamlined processes for participants;
- Common ranking processes
- Simplified payment methodologies and
- Reduced administrative costs.

Senate Committee on Agriculture, Nutrition & Forestry  
Farm Bill Accountability: The Importance of Measuring Performance, While Eliminating  
Duplication and Waste  
Questions for the record  
Hon. Dallas Tonsager  
June 23, 2011

**Senator Debbie Stabenow**

- (1) In your testimony and at the hearing you discussed some of the duplication in economic development programs for rural communities. Please provide a matrix of the Farm Bill programs administered by Rural Development and other programs by the Small Business Administration and others that also provide economic assistance to rural communities, highlighting each program's legislative components, program goals and any results for each program. Please explain what, if any, fundamental differences there are between the programs administered by USDA compared with HUD and SBA when it comes to rural residents, communities and business. Also, what efforts are currently underway to coordinate and what more do you believe can be done? Are there statutory obstacles to better coordination that we should be aware of as we work on the farm bill?

**Response:**

The United States Department of Agriculture (USDA) Rural Development (RD) is the federal entity in the best position to take the lead role in rural economic development because of the reach of its field structure, the rural know-how of its staff, and the targeted nature of the tools at its disposal.

Our economic development partners in the federal government bring important and necessary tools to the table, and Rural Development can lead by partnering with these agencies in spurring economic development and job creation in rural America. Additionally, because of our mission to serve solely rural Americans, we can partner with federal economic development agencies and programs to provide the expertise necessary to address the unique challenges that rural Americans face. For this reason, it is essential that Rural Development maintain the presence necessary to coordinate economic development efforts in the rural parts of our country.

**Rural Business Service**

Rural Development and Small Business Administration (SBA) programs are largely complementary programs that provide specific services to particular constituencies. While SBA and Rural Development share the overall goal of supporting increased economic opportunity, the particular requirements of each of our programs are unique; and perhaps more significantly, the way in which the two agencies deliver their programs differs significantly.

While the programs are different, the two agencies collaborate. On April 22, 2010, Secretary Vilsack, along with Administrator Mills signed a Memorandum of Understanding between SBA and USDA. The purpose of the MOU was to enhance rural economic development through greater collaboration between SBA and USDA. Since then, regular meetings and activities have

taken place across the Nation to ensure the advancement and outreach of both of these programs. There are no statutory obstacles in place to compromise our cooperation with SBA.

The way Rural Development delivers its programs is markedly different from SBA. We deliver our programs directly to rural America at the local level, rather than the State level (like SBA does). Rural Development programs are administered in State and Area Offices throughout the Nation. Rural Development State staff conducts outreach, loan processing and loan servicing at the local level. Rural Development staff is available at locations across the Nation to assist lenders in implementing rural economic development projects. SBA field staff conducts marketing and outreach at the State level. SBA loan origination and servicing occurs at the lender and in centralized processing and servicing centers. Most SBA loan origination and servicing requests are electronically transmitted from the lender to the SBA center. In a customer survey conducted in summer 2010 on the Business and Industry (B&I) Loan Guarantee Program, completed by a contractor of the Rural Business Service (RBS), the program scored 81, highest of Federal Loan/Financial Programs - higher than banking industry overall and all major lending institutions. One of the reasons that lenders scored the program so favorably was the fact that Rural Development staff are available to assist lenders one on one in developing complex loan applications for rural businesses. Many small community banks participating in the B&I program report that they do not have the expertise to process commercial loans and they depend on the assistance of Rural Development staff to assist them in providing commercial loan financing in their service area.

The following is a side by side of RBS's largest program, the B&I guaranteed loan program, SBA's 7a program and the SBA 504 CDC loan.

	USDA Business & Industry Loan	SBA 7(a) Loan	SBA 504 CDC Loan
<b>Maximum loan amount</b>	\$10 million	\$5 million	\$5 million (subject to job creation goals)
	\$25 million (requires Administrator approval, subject to additional criteria)	--	\$5 million (subject to public policy goals)
	\$40 million (if borrower is agri co-op, subject to additional criteria)	--	\$5.5 million (for small manufacturers, subject to job creation or public policy goals)
<b>Guarantee Percentage</b>	80% for loan ≤ \$5 million 90% for certain areas	85% for loans ≤ \$150,000	2nd lien on up to 40% of project cost (funded by SBA 100% guaranteed debenture sold to investors at fixed rate)
	70% for loan over \$5 million and up to \$10 million	75% of loan > \$150,000	--
	60% for loans > \$10 million	50% for SBA Express program loans	--
<b>Guarantee fee (% of guaranteed portion)</b>	2%	2% for loan ≤ \$150,000	5% fee on lender share, plus CDC may charge up to 1.5% on their share. CDC charges a monthly servicing fee of .625%-1.5% on unpaid balance. Ongoing guaranty fee
	--	3% for loan \$150,001 - \$700,000	(FY 2011) is 0.9375% of principal outstanding. Ongoing fee % does not change
	--	3.5% for loans > \$700,000	
	--	3.75% for guaranteed portion over \$1 million	
<b>Annual Fee (% of outstanding balance x guarantee %)</b>	25%	55%	Approx. 0.9375% of debenture
<b>Maximum Term</b>	Real estate: 30 years	Real estate: 25 years	20 years
	Equipment: Lesser of 15 years or useful life	Equipment: Lesser of 25 years or useful life	10 years
	Working capital: 7 years	Working capital: 7-10 years	--
<b>Non-profits Eligible</b>	Yes	No	No
<b>Personal Guarantee</b>	Required for ownership ≥ 20%	Required for ownership ≥ 20%	Required for ownership ≥ 20%
<b>Rural location</b>	Limited to areas < 50,000 population	Urban or rural	Urban or rural
<b>Size standard</b>	N/A	Size limitations based on industry	Size limitations based on industry

USDA and SBA offer financing programs that may be used by rural businesses when available and appropriate where loans from both programs are used to fund a project; this allows us to make scarce program funds go farther.

#### Rural Development B&I and SBA 7a

As far as the B&I and SBA 7a programs, often SBA programs have challenges to rural business owners such as limited availability of rural 7a lenders, limitations on lending to agricultural (with \$750,000 net income being the maximum in most cases), large manufacturing and rural businesses, and a limitation on credit needs in excess of \$5 million. The B&I program is specifically designed to overcome this credit gap. The B&I program is more advantageous to rural lender offering a higher percentage of guarantee and more flexible rates and terms without business size standards.

#### Rural Development B&I and SBA 504

The B&I Guaranteed Loan Program complements the 504 program because the B&I program can finance business expenses that the 504 program normally prohibits, such as working capital, inventory, specialized equipment and debt refinancing. The B&I program can provide financing for all of these purposes. The maximum maturity under the 504 program is either 10 or 20 years, depending on the useful life of the assets being financed. For example, 20 years on fixed real estate and 10 years on equipment, or if both, 20 years. Under the B&I program, the loan terms are 30 years on real estate and 15 years on equipment or the useful life whichever is less.

The 504 normally finances only fixed assets (real estate). The 504 program prohibits more than 50 percent of the total project to come from government funds. In many cases the working capital, inventory, and equipment are financed as the B&I project and the 504 loan used to finance buildings and real estate so that the BI funding does not count toward the total project cost, the loans are for different purposes/projects; and the business financing needs are met. The 504 maximum loan amounts cannot exceed \$5.5 million with a maximum 40 percent of project cost. The B&I program can finance 100 percent of project costs.

**Intermediary Relending Program (IRP)**

This program was authorized in the 1985 Farm Bill. Rural Development has over 25 years of program activity in providing revolving loan funds to intermediaries serving businesses and community projects in rural areas (areas other than cities with populations of greater than 25,000). The initial Agency IRP loan is limited to a maximum of \$2 million. The IRP program is focused on assisting businesses in rural communities. Its loans to intermediaries are written on 30-year term and the interest rate is fixed at 1 percent.

SBA was recently authorized a Intermediary Lending Pilot program that will provide 20 loans at \$1 million each. Because this program has not been fully crafted, we cannot do a cross comparison.

**Rural Microentrepreneur Assistance Program (RMAP)**

This program was authorized under the 2007 Farm Bill. The RMAP program provides loans and grants to intermediaries, which in turn provide loans and technical assistance to rural microentrepreneurs, rural small businesses, and other rural businesses all delivered from the same field structure providing one local contact point for rural businesses and economic development stakeholders for access to its programs.

The RMAP program is focused on assisting microentrepreneurs in rural communities. Its loans to intermediaries, known as microenterprise development organizations (MDOs), are generally smaller than the SBA microloan program and the interest rate is fixed for the 20-year term of the loan. The lower loan pool at fixed interest rates enables smaller locally-organized MDOs to serve their rural areas. The 20-year term allows the MDO to revolve/relend funds and in part, use earnings to repay its loan to the USDA. (The SBA microloan is on a 10-year term and variable interest rate indexed to 5-year Treasury bonds.)

The RMAP program is administered through on-going quarterly application and funding cycles, allowing MDOs to apply for funding as they need. RMAP includes a provision for grant funding for MDOs in high priority areas to provide technical assistance and broader entrepreneurship training building capacity (technical assistance-only grants) to build a foundation for future microlending programs.

In GAO comparisons of Rural Development programs to the program of other Federal Agencies, conclusions have been reached indicating that while similarities exist, Rural Development is the only Federal Agency with a broad experience base for implementing rural economic development programs.

There is no duplication between HUD and Rural Development Business programs. HUD's Community Development Block Grant (CDBG) program provides funds to states and local governments and while they may opt to make funds available for various economic development purposes including direct assistance to for-profit entities, that is not their primary purpose. HUD's Rural Innovation Fund program and its predecessor, the Rural Housing and Economic Development Program, provide flexible funding to rural nonprofits, state agencies and Indian tribes for activities that complement USDA's program structure by filling gaps among the more targeted uses and making explicit linkages between housing and economic development activities.

**Rural Housing Service:**

While the Housing and Urban Development (HUD), Veterans Administration (VA) and USDA all have single family housing programs, USDA single family homeownership mortgage loan programs are the only mortgage programs that are means tested. SHOP is also means tested, but it is not a mortgage loan program. The income of assisted homebuyers cannot exceed 80 percent of the median income for the area, as established by HUD. More than half of SHOP homebuyers have incomes between 30 percent and 50 percent of the median income for the area.

USDA's single family housing programs are provided only to rural households within certain very low, low, or moderate income limits. Further, applicants for Rural Development home loans must demonstrate they are unable to obtain credit at reasonable rates and terms from other sources – including FHA and VA loans. Rural Development provides the only direct mortgage loan programs, in many cases, providing the only opportunity the lowest income working families will ever have to attain homeownership. USDA Housing programs provide 'supervised credit' through a nationwide network of offices, serving even the most isolated locations and groups. USDA funds are an important supplement to HUD's SHOP program. By statute, SHOP only provides funds for land acquisition and infrastructure, and reasonable, related administrative costs. SHOP grantees must raise and use other leveraged resources for housing construction or rehabilitation, homebuyer financing, and technical program support. Most of the SHOP grantees utilize significant USDA Section 502 and 523 program funds for this leverage, in conjunction with their local non-profit affiliates that serve rural areas.

USDA's housing assistance programs for rural communities are authorized by the Housing Act of 1949 and amended by the 2008 Farm Bill.

USDA Rural Development provides essential housing and critical civic infrastructure facilities through its Housing and Community Facilities programs. These programs provide important parts of the basic infrastructure essential to maintain a strong, vibrant, and competitive community, including:

- Single-family housing opportunities for rural families seeking homeownership;
- Safe, decent and affordable living in multi-family housing for those unable to afford their own home; and,
- Critical community facilities like schools, health care facilities, fire and police stations, libraries and municipal buildings.



These services also provide stimulus to other local economic development through job creation (construction of new housing and community facilities) and rental assistance provided to multi-family housing tenants.

The fundamental difference in program administration between USDA and HUD is USDA's field staff, which allows USDA to maintain a local presence in the rural communities it serves. USDA's field staff reaches out to our rural constituents on our programs and the opportunities for vital community development. HUD does not directly implement the SHOP program. SHOP is implemented by the SHOP grantees. The four main grantees are Habitat for Humanity International (HFHI), the Housing Assistance Council (HAC), Community Frameworks (CF) and Tierra del Sol (lead entity for the Western States Housing Consortium). All of these SHOP grantees have a considerable local presence in rural areas through their affiliate organizations. The parent SHOP grantee organizations use SHOP administration funds (and other funds) to provide support and technical assistance to their affiliate organizations. HAC primarily serves rural areas.

USDA is the only Federal agency that offers a direct single family housing (section 502) loan program. This program provides mortgage financing for low- and very low-income rural Americans unable to get credit from the private sector. Among its many benefits, this program includes a payment assistance feature to reduce the borrower's housing cost for principal, interest, taxes and insurance to approximately 24% of income. More than 2.1 million low income rural families have benefited from these loans in the past 71 years. USDA's section 502 and 523 loans are an important companion programs to the SHOP program in rural areas. These programs enable the SHOP units to be constructed or rehabilitated, and provide financing for low-income homebuyer's to purchase their homes.

USDA Rural Development's Community Facilities programs (CF) provide access to capital for a wide range of critical civic infrastructure facilities and services specifically targeted to the most needy rural communities. The CF program can finance a wide range of essential community facilities in rural areas including health care, public safety, educational, child and adult day care, and public buildings to name a few. As a result of the credit crisis in the municipal and health care bond markets over the last several years, many rural communities have been shut out of the bond markets and simply do not have access to capital for their capital improvement projects. Rural Development's CF loan programs are often the only game in town for access to capital for rural communities. Other Federal programs may fund some similar types of projects; however, often rural communities, especially the most needy rural communities, do not qualify for or are unable to compete with urban areas for these limited funds.

The HUD CDBG program may finance critical civic infrastructure such as rural schools, health care facilities, fire, rescue and public safety, child and adult day care, and municipal buildings. However, these grant funds are distributed by formula to states and local governments which choose activities to be implemented. Rural areas find it difficult to compete for these funds, which may explain why Rural Development has such a significant backlog in the pipeline. Hence, Rural Development with its unique field structure and its loan and grant programs that are targeted to rural areas is able to meet the basic needs of rural communities.

T . In fiscal year 2010, the Community Facilities programs financed 240 rural health care facilities, which serve over 4.7 million rural Americans. In the last two years alone, the program has financed 97 hospitals; and 75 percent of these are Rural Critical Access Hospitals.

Rural Development field staff is composed of dedicated specialists who are often long-time residents of the communities they serve. Our people know rural communities, their histories, customs, and any regional differences, as well as the communities' leaders. This expertise and long, proud history of hands-on program delivery is unique among the agencies providing service to rural communities.

USDA Rural Development has established formal partnerships with other agencies in those cases where a common purpose exists. For example, Rural Development has a memorandum of understanding with the Department of Health and Human Resources in several facets of health care. We partner to finance rural critical access hospitals, community health centers, and health information technology for medical records. We have a similar partnership with the Federal Communications Commission (FCC) to assist rural public safety agencies to move to narrow-band emergency communications systems. Rural Development is collaborating with the FCC to ensure that first responders and emergency responders across rural America are aware of the mandate to move to narrower channel bandwidths.

The three charts below compare our programs to a similar HUD program.

RHS/HUD Program Matrix

	<b>Section 502 Direct Loans</b>	<b>Section 502 Guaranteed Loans</b>	<b>Section 203(b) - HUD - FHA</b>
<u>Program purpose</u>	Provide decent, safe and affordable housing to low- and very low-income families living in rural areas.	Provide decent, safe and affordable housing to low and moderate income families living in rural areas.	Provide homeownership opportunities to those of all incomes in all areas,
<u>Size - # / \$ (FY 2010)</u>	2010 - 17,640 loans, \$2.144 billion  FY 2011 - \$1.121 billion program level. Approximately 9,000 loans.	FY 2010 - 133,053 loans guaranteed, \$16.763 billion FY 2011 - \$24 billion, will obligate est. 133,000 loan guarantees. Program is subsidy neutral, self-funding, and requires no budget authority.	FY 2010 - 1,644,821 loans insured, \$293.7 billion. FY 2011 - 1,175,917 loans insured, \$214.1 billion.
<u>Income limits</u>	Program limited to Low (80% of Area Median Income - AMI) and Very Low (50% of AMI). Average household income in FY 2010 was \$27,400	Low and moderate income (115% of AMI). Average household income in FY 2010 was approximately \$43,000	No income limit restrictions..
<u>Area served</u>	Rural areas of 20,000 or less population that are outside of a MSA and has a serious lack of mortgage credit for low and moderate income households. For areas within MSA, limit is 10,000.	Rural areas of 20,000 or less population that are outside of a MSA and has a serious lack of mortgage credit for low and moderate income households. For areas within MSA, limit is 10,000.	No area restrictions. An estimated 2.5% of FY 2011 loans were in non-metropolitan areas.
<u>Loan limits</u>	Area Loan limits based on cost to construct a modest home. Generally substantially less than the FHA 203(b) limit. Average Loan Amount is currently \$115,000.	Based on the cost to construct or acquire a modest home and the ability of low or moderate income household to make monthly mortgage loan payments. The average loan is approximately \$125,000.	One unit limit based on 115% of area median home price. Limit not less than \$271,050. Limit not greater than \$625,500 in high cost areas. Average loan for FY 2010 was \$178,460..
<u>Other limitations (credit, age, etc.)</u>	Applicants must demonstrate repayment ability, acceptable credit history, be a US citizen or permanent resident alien, etc.	Applicants must demonstrate repayment ability, acceptable credit history, be a US citizen or permanent resident alien, etc.	Generally, applicants must demonstrate repayment ability, acceptable credit history, and make a downpayment of at least 3.5% . Certain borrowers must make a minimum downpayment of 10%.
<u>Fees, closing requirements</u>	Agency charges no fees but passes on the cost of a credit report (\$36) and appraisal (\$425) to the applicant.	Current fee structure is 2% of the loan amount for purchase loan transactions and 1% for refinance transactions and a .3% annual fee on all loans. Program is subsidy neutral and	Current fee structure is 1% of the loan amount plus a recurring annual insurance premium ranging from .25% to 1.15%.

		does not require budget authority.	
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CONT.	Section 502 Direct Loans	Section 502 Guaranteed Loans	Section 203(b) – HUD FHA
<u>Loan terms &amp; conditions</u>	Loans are generally 33 years but can be extended to 38 years for applicants at 60% of AMI or less.	30 year fixed rate loans. Term may be modified up to 40 years in workout situations.	15, 20, and 30 year terms, including fixed rate and adjustable rate mortgages.
<u>Post servicing collections</u>	An average of \$10 million was collected over the past 5 years under the DCIA. In addition, an average of \$105 million was recaptured via Shared Appreciation agreements for loans receiving Payment Assistance.	In 2010, \$10 million was collected under the DCIA an additional \$2.4 million was recovered from losses paid to lenders.	Not available
<u>Other Features</u>	This program provides Payment Assistance which establishes the borrower's payment to approximately 24% of income for Principal, interest, taxes and Insurance. A portion of the payment assistance is repaid when the borrower sells the home through a Shared Appreciation agreement.	Program offers a full service automated underwriting system (GUS) which saves both private sector lenders and agency field staff time and effort in originating loans.	FHA offers a strong loss mitigation program to assist borrowers and prevent foreclosures.  Also, program offers a credit/capacity scoring engine (the TOTAL Scorecard) used in conjunction with a lender's or third party's existing automated underwriting system.
<u>Availability</u>	Direct loans are made through a nationwide network of field offices serving rural areas in the U.S., Puerto Rico, Virgin Islands and Western Pacific areas.	Offered by lenders approved by USDA.	Offered by FHA approved lenders.

	Section 523 Self Help Program	HUD Self-Help Homeownership Opportunity Program (SHOP)
<u>Program purpose</u>	To provide Technical Assistance funds to eligible applicants (public or private nonprofits, Indian tribes or tribal organizations) who are willing to locate and work with low and very low-income families who construct their homes through the self-help method.	SHOP provides funds to eligible national and regional non-profit organizations and consortia (the SHOP grantees) to purchase home sites and develop or improve the infrastructure needed to set the stage for sweat equity and volunteer-based homeownership programs for low-income persons and families. Other funds must be leveraged to construct or rehabilitate the homeownership units.

Size - # / \$ (FY 2010)	48 grants/\$34.7 million	\$26.5 million for 4 organizations to produce at least 1,500 affordable homes through the self-help method.
Target population	Low and Very Low-income families who would otherwise be unable to afford a home.	The SHOP grantees fund local "affiliate" non-profit organizations to undertake the SHOP sweat-equity homeownership projects for low-income households.
Other	Participant's sweat equity serves as "down payment" for the home.	Limited to \$15,000 per housing unit. To be used for land acquisition and preparation, only. Reasonable administrative costs up to 20% of each grant amount can also be funded. The participant homebuyer's sweat equity must reduce the sale price of the home.

	Section 504 Repair Loans / Grants	HUD Community Development Block Grants
<u>Program purpose</u>	Assist very low-income owner/occupants of homes in rural areas improve or modernize their home, make it safer or more sanitary, remove health and safety hazards or make the home accessible to household members with disabilities.	CDBG funds may be used to assist existing homeowners with the repair, rehabilitation, or reconstruction of owner-occupied and rental units. Funds are distributed by formula to states and local governments which choose activities to be implemented.
<u>Size - # / \$ (FY 2010)</u>	Grants 5,674 / \$31.2 million; Loans 4,598 / \$26 million	Grants made on formula basis to approximately 1,200 grantees (states and local governments) with \$3.8 billion to administer rehabilitation programs and other community and economic development programs.
<u>Income limits</u>	Applicants must be very low-income; 50% of area medium income	Low to moderate income families (up to 80% of area median income), depending on program.
Area served - portion to rural areas	Available in all rural areas - generally rural areas and communities under 20,000	By statute, 30% of annual CDBG appropriation (almost \$1 billion in FY 2011) provided to states to service small and rural communities.
Loan limits	Loans: \$20,000. Grants: lifetime limit \$7,500	Established by state or local grantee.
Other limitations (credit, age, etc.)	Provided directly to homeowner as a loan or grant when unable to receive other assistance. Loan recipients must meet credit and other underwriting standards. Grant recipients must be over age 62.	Provided to non-profit and other groups who administer program to lower income households within an assigned geographic area. There is no age limitation for the CDBG.
Fees, closing requirements	Grants are closed by Loan Originator or designee. Loans \$7,500 or more must be secured by a mortgage and closed by closing agent. First lien position not required. Closing cost can be included in the loan.	Established by state or local grantee.

Loan terms & conditions	Loans amortized at 1% for up to 20 years based on applicant's repayment ability. Grants available to applicants who cannot repay a loan. Repayment requirement if recipient sells property in less than 3 years from execution of the grant agreement.	Typically grants, but may require repayment if the borrower moves from the property. Exact nature of assistance at discretion of state or local grantee.
Availability	Sec. 504 repair assistance is made through a nationwide network of field offices serving rural areas in the U.S., Puerto Rico, Virgin Islands and Western Pacific areas.	Provided by local governments either directly or through subrecipients. Often partner with Rural Development Sec.504 program in rural areas.

(2) While lenders have an interest in the Business and Industry Guaranteed Loan Program, some have expressed concerns about the level of documentation required to apply for the program. USDA's Low-Documentation Loan Program for smaller loans (\$600,000 and less) requires the lender to have the same documentation and servicing requirements as for larger loans, though not all of this documentation is actually submitted to the agency. What can USDA do to streamline its Low-Documentation Loan Program?

**Response:**

RBS is currently in the process of revising the B&I regulation; looking at ways to streamline the application process. We are currently considering creating a Preferred lender program, and will take your concerns under consideration.

(3) Lenders are accustomed to evaluating and underwriting a business loan request using Federal Tax Returns. With regard to the Business and Industry Loan Program, is it possible for USDA to change its policy and allow lenders to underwrite a credit request using Federal Tax Returns instead of financial statements prepared by Certified Public Accountants in accordance with generally accepted accounting principles?

**Response:**

RBS is currently in the process of revising the B&I regulation; looking at ways to streamline the application process. We will take your concerns under consideration, and welcome further comment once a proposal rule is published.

**Senator Max Baucus**

1) The USDA Business & Industry (B&I) Guaranteed Loan Program provides critical investment monies for growing jobs and growing the economy in rural America.

What is the average USDA response time on a request for a B&I guarantee from a lender?

**Response:**

The average response time from the filing of a complete application until approval is 49 days.

What is the average USDA response time on a request for a B&I guarantee from a lender who is in the Certified Lender Program (CLP)?

**Response:**

There are currently no lenders participating in the B&I Certified Lender Program. No data is available.

How many lenders do you currently have participating in the B&I Certified Lender Program (CLP)?

**Response:**

There are no lenders participating in a B&I Certified Lenders Programs.

- 2) USDA hosted several stakeholder meetings in 2010 to solicit feedback from stakeholders who participate in the program. What ideas or recommendations came out of those meetings and what is the timeline for implementation? Does USDA have a rulemaking for B&I reforms in process?

**Response:**

A 2009 Customer survey identified the following key areas of concern: timeliness, consistency, and administrative rules. In 2010 RBS met with Lender Associations and held lender feedback sessions to discuss potential program improvements. Major complaints identified were: inconsistent program implementation from State to State; lack of uniformity in loan processing documentation; and lack of authority in field offices. Based on lender feedback, over 100 Program Process improvements, both internal and external were launched to improve the program. Many of these improvements were in the back office operations, others in the delivery of the program. Under these improved processes the Agency delivered \$3 billion in B&I funding from annual appropriations and Recovery Act Funding in FY 2010. A second customer survey was undertaken after process improvements with Program Scoring 81, highest of Federal Loan/Financial Programs; higher than banking industry overall and all major lending institutions.

RBS is currently working on regulation enhancements for the B&I program that will further incorporate customer concerns that could not be accommodated administratively.

- 3) The B&I program requires GAAP prepared financial statements as part of the application. This requirement can add significant additional costs to the borrower and also adds to the regulatory burden. In addition, although commercial lenders do require reliable financial statements, they frequently do not require GAAP prepared financial statements due to the added costs in time and money. Would USDA consider eliminating that requirement on smaller loans?

**Response:**

The Rural Business Service appreciates this suggestion and will take it under consideration as we revise the B&I guaranteed loan regulation.

- 4) Why does the USDA require the borrower to submit two years of projected balance sheets with its B&I loan application? Commercial lenders tell me that they generally do not ask for or require this information because it does not add much in the way of useful information to the underwriting process. Would USDA consider or is USDA already considering eliminating this requirement?

**Response:**

We are currently in the process of revising the B&I guaranteed loan regulation and will take your concerns under consideration.

- 5) Why does the USDA require USDA personnel to conduct a site visit to the B&I borrower's facility? Lenders tell me that this requirement can delay the approval process substantially and can even cause a deal to fall through. Would USDA consider eliminating that requirement? Could the same objective be achieved if the USDA required the lender to make the site visit?

**Response:**

The B&I guaranteed loan program currently requires site visits to ensure the integrity of the proposed project and to verify employment statistics. However, we are currently in the process of revising the B&I guaranteed loan regulation and will take your concerns under consideration.

**Senator Sherrod Brown**

- 1) As I noted in our live exchange during the hearing, rural communities, businesses, nonprofits and residents often come to me and say that USDA Rural Development programs meet a critical need and leverage local assets to create private sector jobs. However, the grant and loan application process constitutes a significant burden, especially for communities with limited grant/loan writing capabilities. You noted, in generalities, that you are working to streamline this process. Please provide detail about what you are doing to streamline applications processes. Are there authorities you need from Congress to allow you to further simplify and streamline this process?

**Response:**

To better serve our customers, USDA Rural Development (RD) is reviewing its regulations to determine which application procedures for Business Programs, Community Facilities Programs, Energy Programs, and Water and Environmental Programs can be streamlined and requirements synchronized. RD is approaching this exercise from the perspective of the people it serves, specifically by communicating with stakeholders on two common areas of regulation that would provide the basis of reform. This process will look to have similar requirements for programs



that are focused on a similar applicant base, such as non-profit, Native American Tribes, and public bodies such as Community Facilities and Water and Environmental Programs will make an effort to have similar requirements.

To the extent practicable, each reform effort will consist of a common application and uniform documentation requirements making it easier for constituency groups to apply for multiple programs. In addition, there will be associated regulations for each program that will contain information specific to each program.

The **Rural Business Service** has two authority requests that would allow USDA to better facilitate the B&I guaranteed loan program:

The President's proposed 2012 budget requests authority to allow RBS to charge origination, annual renewal and other fees necessary manage the risk of default for the Business and Industry Guaranteed Loan Program.

The deletion of Section 310B(d)(2) through (4) in our authorization act, which would eliminate the Department of Labor clearance process for loans in excess of \$1 million that create more than 50 jobs.

In addition to these statutory changes, we are currently revising the B&I guaranteed loan program regulation. Discussion of the content within the proposed rule would be premature.

The **Rural Utilities Service** frequently partners with other federal, state and local funders to address the demand for infrastructure financing by rural communities. Rural Utilities Service (RUS) funds electric, telecommunications and water and wastewater projects and works with the Departments of Commerce, and Energy, the Federal Communications Commission and the Environmental Protection Agency to coordinate electric, telecommunications, and water and wastewater program activity, delivery of services and to improve program efficiencies that occur on a regular basis.

For example, RUS Water and Environmental Programs and the U.S. Environmental Protection Agency (EPA) recently signed a Memorandum of Agreement (MOA) to promote sustainable drinking water and wastewater systems in rural America. Through the MOA, EPA and USDA will work together to help systems face the challenges of aging infrastructure, workforce shortages, increasing costs and declining rate bases in order to protect public health and the environment. The agencies will more closely coordinate activities and financial assistance resources to increase the technical, managerial and financial capabilities of rural water and wastewater systems.

As a result of inter-agency collaboration on another USDA streamlining effort, many Alaskan communities with predominately Alaska Native populations will benefit from water quality improvement projects in rural Alaska villages. Launched by USDA in April of 2010, the Rural Alaska Village Grant (RAVG) Process Improvement Conference in Anchorage resulted in simplification of the application process, better communication and coordination and retained accountability between Rural Development and program partners to improve efforts to provide

clean water and improved sanitation services to rural Alaskan Villages. During this process USDA worked with Alaska's Department of Environmental Conservation (DEC), Alaska Native Tribal Health Consortium, U.S. Environmental Protection Administration (EPA), Indian Health Service and the Denali Commission.

RUS programs have streamlined the application process through new regulations. Specifically, new regulations issued by RUS March 14<sup>th</sup> implemented changes required by the 2008 Farm Bill to our existing broadband loan program. Many of these changes provide better efficiencies for customers and are consistent with public comments to lower equity requirements and require a public notice informing communities of the potential entrance of a new service provider. In fact, the 2008 Farm Bill required reducing equity requirements from 20 to 10 percent of the loan value.

In addition, Section 6105 of the Farm Bill required RUS to identify and improve the availability of eligible programs in communities in substantially underserved trust areas (SUTA). This SUTA provision required USDA to develop recommendations for regulatory or legislative changes to improve services to substantially underserved trust areas. After extensive consultations with trust areas, RUS drafted SUTA regulations and expects to publish a final rule during FY2012. The regulatory effort would provide flexibility for both applicants and the agency with loans for SUTA projects at 2 percent interest with extended repayment terms, waivers of nonduplication restrictions, matching fund requirements, or credit support requirements.

President Obama issued Executive Order 13563 directing federal agencies to review their regulatory programs to 1) determine whether the current application procedures can be streamlined, and 2) determine whether agencies can reduce excessive burdens on the customers. In response to that Order, USDA Rural Development has begun a series of customer meetings in each state, as well as eight regional Tribal consultations. The 2008 Farm Bill provided that the agency take steps to reduce, to the maximum extent practicable, the cost and paperwork associated with applying for a Broadband loan. Specifically, the agency has: automated its mapping requirements for identifying proposed service territories; created an online "public notice" process to reduce applicant time and money; reduced the Market Survey requirements for certain proposals; reduced the Equity Contribution requirements; and identified most areas that are not eligible for financing.

USDA's **Rural Housing Service** recognizes that our smallest rural communities have limited staff and are sometimes at a disadvantage in preparing loan and grant applications. Local Rural Development staff is available to provide assistance to these localities. In addition, USDA is in the process of updating and consolidating the Community Facilities direct loan and grant, guaranteed loan, and servicing regulations. These updates and consolidations will provide direct cost savings to applicants and the agency as well as reduce losses in case of default.

We are hopeful that the changes we are considering will shorten the Community Facilities application period and reduce application costs for smaller loans, without sacrificing the quality of the resulting loans. Local field staff will remain available to assist as needed.

In recent years, Rural Development's housing programs have improved application processes with increased use of information technology. Participating lenders now submit loan requests through the Guaranteed Underwriting System (GUS) – a model for the mortgage industry – which provides immediate feedback. Eligibility tests and information for direct loan applicants is available on-line, reducing mistakes and shortening the eligibility process. A GUS-type system for direct loans and continuing system upgrades for guaranteed loans will assure these improvements continue.

- 2) Given the two recent GAO reports urging greater integration of federal economic development programs, and current USDA RD budget challenges, would you have recommendations for this Committee regarding approaches to create more innovative and flexible RD investments and greater alignment with other federal economic development programs, and thereby creating greater regional collaboration in rural economic development?

**Response:**

Rural Development has a plan for addressing the twin challenges that you have identified – a) the need for greater integration of federal economic development programs and b) the constraints imposed by tighter budgets. Our plan is to support local communities who come together on a multi-county regional basis to develop a thoughtful regional economic development strategy. Once such a strategy is in place then Rural Development will be in a position to use our programs to support specific eligible project applications that are consistent with and supportive of the region's comprehensive strategy. Rather than funding only ad hoc projects, we will be able to direct our limited resources toward projects that will support the region's top priorities as delineated in its regional economic development strategy. We will also encourage other federal agencies to follow our lead in making investments in specific projects that will support each region's economic development strategy. To support rural regions, we are exploring how to better coordinate Rural Development's programs so that they can better support regional strategies. For example, we have amended NOFA's (including RBOG and RCDI) to make clear Rural Development's interest in innovative regional approaches. We are considering how to effectively review various grant and loan applications so that they can be viewed in light of regional strategies.

As part of an Administration-wide effort, USDA is a supporting agency to the Jobs and Innovation Accelerator Challenge, a multi-agency effort to support regional innovation clusters. While USDA was not one of the funding agencies, it has worked closely with our rural constituencies to ensure they knew about the \$34 million in funds available from the Departments of Commerce, Transportation, and Labor; USDA will participate in the review process to ensure a rural lens is in the room; and for those projects that have a strong rural nexus, USDA will ensure that the applicants know about our programs so that we can best leverage our scarce resources.

In one more example of the work USDA is doing on regional strategies, Rural Development is working on a pilot initiative called Stronger Economies Together (SET) program. USDA RD is working collaboratively with the Extension Service and the four Rural Regional Development Centers to design and deliver SET to a number of regions across the country. Under SET, the participating multi-county regions engage in a several-month training program where each

region explores its assets and comparative economic advantages prior to preparing a regional economic development strategy. A critical component of SET is the provision of expert economic analysis to describe the region's current and emerging economic clusters; this targeted information can be used by the region to help craft a practical economic development strategy.

In one particular example, the SET region In West Central Ohio will be presented their findings (including a short white paper with their goals and preliminary plans) at a luncheon on July 20 in Findlay OH. USDA RD has also sponsored SET training for a 22-county region in Southeastern Ohio: the Buckeye Forsite region.

USDA believes that the approach described here can help establish a locally-driven economic development framework that can enable more effective federal investments, not only by RD, but by all federal agencies.

- 3) The Wayne National Forest, covering over 240,000 acres of land in Southern Ohio, recently celebrated its 75th Anniversary. The Wayne National Forest has a long history of reclaiming and restoring lands stripped and abandoned by years of mining and logging. Now with the help of the Recovery Act and the Forest Service, the Wayne National Forest Headquarters is utilizing solar panels to save on energy costs and become more energy efficient – renewing the Forest's commitment to the protection of our natural resources. How can these efforts be amplified? What other energy efficiency measures has the Department undertaken that can save energy costs?

**Response:**

Rural Development is working with the Forest Service on the Forest Service's wood to energy initiative. This initiative involves stakeholders throughout USDA; in a consolidated effort to promote renewable energy by leveraging the appropriate USDA programs.

**Senator Saxby Chambliss**

- 1) Under Secretary Tonsager, you recently announced that Rural Development will use REAP funds to install ethanol blender pumps at gas stations. I have a couple of concerns with the announcement. As you might recall, this proposal was considered during the 2008 Farm Bill process and was rejected during the Conference Committee. The REAP program was not designed for this purpose and is already oversubscribed. So what you are doing is adding a new competitor to an already strapped program.

**Response:**

Blender pumps are only one of many eligible activities. They must compete with other activities.

My second concern is the Department of Energy is already using the Clean Cities program to fund ethanol infrastructure including E85 fueling stations. In fact, the Stimulus Act provided several projects to agricultural associations for this purpose. Did USDA understand that using REAP would be duplicative of existing U.S. Government programs for funding ethanol

infrastructure and if so, why did you proceed with the final rule on REAP knowing that other programs were already delivering funds for blender pumps?

**Response:**

RBS's efforts complement by providing additional support in rural communities to expand biofuel infrastructure.

How will the agency ensure that other important goals and purposes of the REAP program are not crowded out by grants for blender pumps?

**Response:**

The Agency made flex-fuel delivery systems only one of many eligible purposes under REAP. No separate funds are committed for flex-fuel projects. REAP is a competitive grant and loan guarantee program in which renewable energy systems and energy-efficiency improvement projects must compete on their own merits against all others for available funds.

- 2) Under Secretary Tonsager, in 2005 USDA's Inspector General (IG) completed its first review of the broadband loan program and generally found USDA was awarding grants and loans even though applications were incomplete, applicants had previously defaulted on government loans and that grant funds being used for inappropriate purposes. Specifically, the IG found USDA had not maintained a focus on rural communities lacking preexisting service. For example, IG found that out of \$845 million in grants and loans \$103 million to 64 communities near large cities. The IG also found that USDA was using a significant portion of the program to support competitive service in areas with preexisting broadband access rather than expanding service to areas without service. The inspector general also found that 159 of the 240 communities associated with the loans (66 percent) already had service.

In 2009, IG revisited the broadband programs and found that USDA has not taken corrective action on 8 of its 14 recommendations. From 2005 to 2009, USDA continued to make loans to providers near very large cities or in areas with preexisting service.

I understand that USDA has recently released an interim final rule that will address some of these problems. Why now? Why almost ten years after these problems were identified and millions of dollars have been spent in such a reckless manner? If USDA cannot address waste within their own agency, how can the taxpayers have faith in President Obama's newly created "Rural Council" chaired by the Secretary of Agriculture?

**Response:**

Concerns with the Farm Bill broadband program raised by the Inspector General were focused on the statutory provisions of the 2002 Farm Bill. RUS had no legal or statutory authority to implement the Inspector General's recommendation.

For example, OIG felt the definition of "rural" in our regulations was too broad. Those regulations contained the statutory definition of "rural" from the 2002 Farm Bill, as revised in 2003. While understanding OIG concerns, RUS was bound by the statutory provisions. Both OIG and RUS were pleased with the statutory changes made to the definition of "rural" enacted

in the 2008 Farm Bill, which was used in the Recovery Act program and the Farm Bill broadband loan program. During this administration RUS did not make Farm Bill broadband loans to new borrowers under the statutory definition with which the OIG raised concerns.

RUS then focused its attention on the implementation of the Recovery Act Broadband Initiatives Program (BIP). Because BIP offered both loans and grants and the 2008 Farm Bill provisions only authorized loans, RUS focused on BIP, which offered more financing options with better terms. RUS elected to use its experience with BIP before issuing the implementing regulations for the 2008 Farm Bill broadband provisions. This focus also helped address concerns raised by the OIG. As a result, USDA awarded all funds appropriated under the Recovery Act, published new Farm Bill broadband loan program regulations, and closed every OIG concern with our broadband program.

In regards to the President's Rural Council, How does USDA plan to implement, coordinate, and involve stakeholders in the decision making process? Given the poor implementation of many of your own programs I am very concerned that USDA is leading the way on this initiative.

**Response:**

The Rural Council will make use of several mechanisms for stakeholder feedback and input. We recently held a Champions of Change event at the White House where 18 individuals from rural communities were invited to the White House for a roundtable with Secretary Vilsack and other White House officials, including a drop in by the President. The Council has also held a roundtable on Access to Capital in rural America with key financial stakeholders. In August, the Rural Forum brought together farmers, small business owners, private sector leaders, rural organizations, and government officials to discuss ideas and initiatives to promote economic growth, accelerate hiring, and spur innovation in rural communities and small towns across the nation. In addition, we have held approximately 20 Rural Roundtables around the Country since the establishment of the Council and plan to host 100 throughout the summer.

Through the leadership of the Administration, the Rural Council has made significant stride and accomplishments in rural America by supporting and providing the critical assistance needed by small businesses and farmers. The Rural Council is working with Departments to implement policies that promote economic expansion, create jobs, improve access to quality healthcare, foster innovation, and expand outdoor opportunities in rural America.

To highlight a few successes, to date, we have:

- Provided more than \$6.2 billion in financing to help nearly 10,000 rural businesses expand, grow and innovate, creating or saving over 250,000 jobs.
- Provided more than \$5 billion in farm operating and ownership loans to help over 35,000 small and medium sized businesses.
- Provided over \$3 billion in disaster assistance to over 100,000 farmers and ranchers to help them recover from natural disasters.

- Expanded broadband access to over 7 million rural Americans, including 3 million rural households and over 350,000 rural businesses. This expansion of rural broadband access is helping to lower costs for businesses and bring jobs back to rural communities.
- Established the Smart Grid Investment Grant Program to integrate clean energy into the country's electricity system, resulting in new jobs and lower energy costs in rural America.
- Provided assistance to over 400,000 rural homeowners to purchase, build, or repair their homes.
- Financed nearly 6,000 Community Facilities, including over 2,500 public safety facilities, 1,500 public buildings, 1,000 educational facilities, and 750 health care facilities.
- Provided distance learning and telemedicine

The input from our stakeholders is invaluable and we look forward to working with our stakeholders and Congress to better to address the needs of Rural America.

**Senator John Thune**

1) As you know, the Mini Waste (Was-tay) water system received a nearly \$10 million grant and a \$3.6 million loan from USDA Rural Development to build a new raw water intake line. This is the first phase of what would be a three phase project to complete a new water treatment plant and a water line on the Cheyenne River Reservation. Despite the dire need for water on the reservation, USDA RD has indicated that only small amounts of funding will be possible for this project going forward. Allowing this project to languish not only means increased costs for the federal government to finance this project as construction costs rise and existing parts of the system fall into disrepair before they are even put into use, but there will also be increased health care costs through the Indian Health Service and there will be increased payouts in unemployment insurance, food stamps, and other safety net programs as housing projects, livestock taps, and other economic development projects are put on hold. Could you explain how giving only token amounts of funding to this project, which would help provide water to the poorest county in the nation, is, over the long term, a fiscally prudent move?

**Response:**

Rural Development was pleased to provide funding for phase one of the Mini Waste project.

We were fortunate to have additional funding made available in the last two years as a result of the Recovery Act. As a result we were able to assist on phase one of the project. Currently, the demand for funds, both loan and grant, far exceeds available funding.

We are committed to assisting with phase two as we are able to, but support from other sources will be necessary given the significant amount of grant funding needed.

In an effort to assist the applicant, our Rural Development South Dakota and National Office staff has been proactive in bringing other potential funders together to discuss their participation

in this project. These include EPA, HUD, Corps of Engineers and IRS.

We have also encouraged the applicant to seek assistance from other potential funding partners. We will continue to work with the applicant and our sister agencies on funding for this project.

- 2) What have been or are the greatest hurdles Rural Development has had to overcome in administering 2008 Farm Bill programs assigned to RD?

**Response:**

On balance RD believes it has successfully implemented the programs and adjustments to programs made in the 2008 Farm Bill. During 2009 and 2010, RD continued to implement the provisions of the 2008 Farm Bill. For example, the bioenergy programs authorized in the 2008 Farm Bill were operating during the first year of the Administration. Furthermore, RD took advantage of the Recovery Act to test out some new concepts that helped it improve the implementation of 2008 Farm Bill activities, particularly with respect to B&I and Broadband programs. We believe what we have learned will also inform us regarding changes that we may seek in the upcoming Farm Bill deliberations to our current authorities.

- 3) What has slowed down implementation and the rule making process the most?

**Response:**

RD launched new programs introduced in 2008 Farm Bill provisions (such as the bioenergy programs) initially through Notices of funding availability (NOFA) before promulgating regulations to facilitate implementation. As a result, we were able to stand these programs up much faster than if we had promulgated regulations first.

RUS delayed the implementation of these 2008 Farm Bill provisions while it implemented the Recovery Act Broadband Initiatives Program (BIP). The reason the 2008 Farm Bill broadband provisions were delayed was twofold. First, since BIP offered both loans and grants and the 2008 Farm Bill provisions only authorized loans, RUS concluded that it made more sense to focus on BIP since it offered more financing options on better terms. Second, RUS wanted to learn from its experience with BIP before implementing the new Farm Bill program regulations.

- 4) How has National Environmental Protection Act (NEPA) compliance affected Rural Development's program administration and delivery?

**Response:**

The National Environmental Policy Act of 1969 (NEPA) requires that before deciding to take actions that could impact the environment, Federal Agencies must first give consideration to the environmental impacts of the action and consider alternatives. Over the decades, RD has promulgated regulations that explain how RD evaluates projects consistent with the NEPA requirements. RD, with our stakeholders, has learned to develop projects that not only address the economic needs of the rural communities we serve, but do so consistent with our obligations under the law. In most cases, environmental considerations can be conducted in the course of



other required administrative procedures. Larger projects or projects that create significant emissions of some kind tend to require a higher degree of consideration. In the case of these larger projects, RD may need more time to conduct the necessary environmental reviews to comply with NEPA. However, it is important to remember that RD's primary mission is not only increase economic development in rural America, it is also to improve quality of life. Making certain that we will consider the environmental impacts of the projects we support.

Senate Committee on Agriculture, Nutrition & Forestry  
 Farm Bill Accountability: The Importance of Measuring Performance, While Eliminating  
 Duplication and Waste  
 Questions for the record  
 USDA  
 June 23, 2011

Senator Debbie Stabenow

In a recent report, the Government Accountability Office (GAO) indicates that improper payment estimates for USDA increased by \$1 billion from \$4 billion in FY2009 to \$5 billion in FY2010. According to GAO, the Improper Payments Information Act defines improper payments as “any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative or other legally applicable requirements.” This includes any payment to “an ineligible recipient, any payment for ineligible service, any duplicate payment, payment for services not received and any payment that does not account for credit for applicable discounts.” However, GAO also notes that OMB guidance has broadened this beyond the statute such that agencies are instructed to also report “payments for which insufficient or no documentation was found as improper payments.” Please provide detailed information breaking down the level of improper payments that are reported because they meet the Congressional definition (i.e., that the payment should not have been made or was made in an incorrect amount) compared with those that meet the OMB definition (i.e., reported because of insufficient or no documentation). If the Department does not specifically track the difference between the two, please compile and provide information that would relate to that difference, such as records on payments that were corrected, that were repaid or otherwise reconciled because they were incorrect or went to the wrong person, as compared to those payments estimated and reported as improper solely because of documentation issues.

**Response:** The information you request is reported annually in the USDA Performance and Accountability Report and is available at <http://www.ocfo.usda.gov/usdarpt/usdarpt.htm>. An excerpt of that report is reproduced below.

Detailed Breakout of Improper Payment Reported in FY 2010							
	Total Payments \$ in millions	IP %	Over- Payments %	Under- Payments %	Other %	Incorrect Disbursement %	Incomplete Paperwork %
Marketing Assistance Loan Program, FSA/CCC	4,151	0.81%	0.81%	0.00%	N/A	0.09%	0.72
Supplemental Nutrition Assistance Program, FNS	50,360	4.36%	3.53%	0.82%	N/A	4.36%	N/A
National School Lunch Program, FNS	8,925	16.28%	12.34%	3.94%	N/A	16.28%	N/A
School Breakfast Program, FNS	2,534	24.87%	21.47%	3.40%	N/A	24.87%	N/A
Women, Infants and Children, FNS	6,480	1.17%	0.86%	0.31%	N/A	1.17%	N/A
Child and Adult Care Food Program,	911	0.99%	0.99%	0.00%	N/A	0.99%	N/A

FNS							
Milk Income Loss Contract Program, FSA	602	0.66%	0.41%	0.25%	N/A	0.52%	0.14%
Loan Deficiency Payments, FSA	114	0.44%	0.30%	0.14%	N/A	0.44%	N/A
Direct and Counter-Cyclical Payments, FSA	5,921	0.96%	0.86%	0.10%	N/A	0.74%	0.22%
Conservation Reserve Program, FSA	1,814	1.20%	1.08%	0.12%	N/A	0.47%	0.76%
Miscellaneous Disaster Programs, FSA	108	4.60%	3.55%	1.05%	N/A	3.56%	1.04%
Noninsured Assistance Program, FSA	59	11.65%	10.23%	1.42%	N/A	5.63%	7.20%
Wildland Fire Suppression Management, FS	710	0.00%	0.00%	0.00%	N/A	0.00%	0.00%
Rental Assistance Program, RD	979	1.39%	1.13%	0.26%	N/A	1.19%	0.20%
Federal Crop Insurance Corporation Program Fund, RMA	8,680	6.05%	6.02%	0.03%	N/A	6.05%	0.00%
Farm Security and Rural Investment Program, NRCS	1,505	0.41%	0.41%	0.00%	N/A	0.41%	0.00%
<b>USDA Total</b>	<b>93,853</b>	<b>5.37%</b>	<b>4.42%</b>	<b>0.95%</b>	<b>0.00%</b>	<b>5.30%</b>	<b>0.07%</b>

Senator Ben Nelson

I appreciate the Department's recognition that the U.S. farm population is aging rapidly and we need to find a way to cultivate a new generation of farmers quickly.

As such, it critical that beginning farmers understand what provisions are available for them to tap into to help them get started.

One of the biggest problems I have heard from my constituents is that it really relies on the determination of the beginner to ensure they tap into these programs.

There is no beginning farmer specific outreach coming from NRCS, FSA and Rural Development does not appear to be any coordination across the Agencies to ensure that beginners are aware of all the provisions available to them.

What steps is the Department taking to break down these barriers?

So I guess the long and short of it is that it would be great to get a better understanding of how the Agencies think they can break down these barriers to coordinate the outreach and assistance on these provisions across agencies.

Also, in addition to working with beginning farmers in conventional agriculture, I would like to learn more about how the agencies are working with beginners who are tapping into high-value, direct markets.

**Response:** John Berge, a former Farm Service Agency (FSA) State Executive Director and Department of Agriculture (USDA) Deputy Assistant Secretary for Congressional Relations, is the new Executive Director of USDA's National Food and Agriculture Council (NFAC), stationed in Nebraska. Mr. Berge is bringing new leadership to the NFAC, which was formed in 1983 to serve as an interagency forum that provides for effective and efficient coordination of Federal agricultural programs within each of the individual States and territories (see USDA Departmental Regulation 1043-012). Each FAC provides a structure for interagency coordination and works to improve the ability of front-line program staff to provide basic cross-agency information and referrals, and to access designated subject matter experts in issues such as beginning farmer/rancher program provisions, organic programs, direct marketing, and civil rights.

The Office of Advocacy and Outreach (OAO) was created by the 2008 Farm Bill and includes a Small Farms and Beginning Farmers and Ranchers group. The work of this group includes identifying and supporting the designated subject matter experts who work with the FAC to ensure that field staffs are able to assist or provide appropriate referrals to beginning farmers and ranchers (BFRs). The group also analyzes all USDA programs' appropriateness and applicability to BFRs. That analysis includes identifying barriers to access and factors that reduce program efficacy for BFRs, making recommendations for specific program improvements, and determining appropriate measures and goals for assessing program utilization by BFRs.

In addition, two new resources are now available to field staff. The first, Start2Farm.gov is a project of the National Ag Library and the National Farm Bureau funded by the Beginning Farmer and Rancher Development Program. Start2Farm is a professionally compiled on-line library of resources for BFRs and will give field staff at all USDA agencies an important tool for learning more about the needs of BFRs.

The second resource was created through the efforts of the Farm Credit Council with funding provided by a grant from USDA's Risk Management Agency. This new Internet tool has been developed to assist the growing numbers of direct-market farms and ranches and also the lenders, accountants and other businesses or government agents who work with them. Titled the "Field Guide to the New American Foodshed" it was inspired by the "Know Your Farmer, Know Your Food" initiative. The Guide describes the business relationships between farms, processors, distributors, and business advisors and includes case studies showing how farms and ranches are utilizing a growing number of regional food marketing channels. There is also a "decision tree" to help develop a business plan. This effort is part of the USDA's commitment to investing resources and energy to not only recruit the next generation of farmers, but provide them with the tools to help them be successful. To learn more see: <http://foodshedguide.org/>

The USDA is working with partners to support young, motivated entrepreneurs who are looking past traditional ways of bringing products to market. USDA recognizes that BFRs come from a diverse range of backgrounds and experience with agriculture, and are looking to access the full range of agricultural markets, including direct to consumer opportunities.

The majority of direct marketing operations are focused on serving local and regional markets. The USDA “Know Your Farmer, Know Your Food” (KYF) initiative promotes collaboration, coordination, and innovation among existing programs that serve producers and communities working to develop and strengthen local and regional food systems. KYF works to strengthen those programs’ capacity to provide farmers and ranchers with the information and support they need to take advantage of growing local and regional markets.

In recognition of many BFRs interest in direct, local, and regional markets, KYF has focused on tapping into its broad network across USDA to support the activities and strategies of OAO and individual agencies. Some particularly relevant examples include:

- Convening a diverse interagency working group of staff that work on BFR and local and regional food system issues and relevant programs.
- Launching a web page that consolidates disparate agency information and provides links to programs, tools, and resources from across USDA that can assist producers in understanding and access the opportunities provided by direct markets ([www.usda.gov/knowyourfarmer](http://www.usda.gov/knowyourfarmer)).
- Publishing a series of accessible, topical memorandums on programs that can support producers that are looking to enter or expand into direct markets (available online at: [www.usda.gov/wps/portal/usda/usdahome?navid=KYF\\_GRANTS](http://www.usda.gov/wps/portal/usda/usdahome?navid=KYF_GRANTS)). We have found that these are particularly helpful in assisting BFR and non-traditional producers navigate the wide range of programs managed by USDA.
- Supporting collaborative efforts by agencies to improve access and understanding of our programs, such as a series of webinars and guide to relevant programs co-produced by Rural Development and the Food Safety Inspection Service for small meat and poultry operations.

Outside of KYF and OAO, a range of agencies have been working to assist BFRs take advantage of direct market opportunities. For example:

- The National Institute of Food and Agriculture’s (NIFA) Beginning Farmer and Rancher Development Program has funded a number of relevant projects, including “Direct Marketing Initiative for Beginning Farmers and Ranchers in South Texas”, “A Comprehensive Support Program to meet North Carolina’s Ten Percent Local Food Challenge”, and “Expanding Local Markets for Rural Farmers and Food Businesses through the Buy Fresh Buy Local, North Valley (CA) Program.”
- The Agricultural Marketing Service’s Federal-State Market Improvement Program funded the development of practical direct marketing food safety protocols in New York – which are especially critical for BFRs – and work to improve the management of local food cooperatives in Nebraska.

- The Risk Management Agency's Outreach Program funded the Mississippians Engaged in Greener Agriculture program to support farms transitioning to specialty crops. The program includes specific components for increasing direct marketing opportunities in local, underserved communities and farm mentoring programs to support the next generation of agriculture.

**Improper Payment Information Act (2002) (IPIA)  
Improper Payment Elimination & Recovery Act (2010) (IPERA)  
FY 2011 Review Cycle of Farm Service Agency High Risk Program  
Statistically Valid Estimates of Improper Payments  
August 2, 2011**

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A detailed analysis for each High Risk Program reviewed as part of the FY 2011 IPIA/IPERA Review Cycle is provided below. Programs reviewed are as follows:

- Conservation Reserve Program
- Direct & Counter Cyclical Payment Program
- Marketing Assistance Loans
- Noninsured Crop Disaster Assistance Program

These analyses provide the following information for each program:

- Estimated Improper Dollars
  - Broken down by:
    - Non-Paperwork (Congressional Definition)
    - Paperwork (Insufficient or no documentation)
- Estimated Error Rate
  - Broken down by:
    - Non-Paperwork (Congressional Definition)
    - Paperwork (Insufficient or no documentation)
- Reasons that caused the payments to be considered improper
  - Broken down by:
    - Non-Paperwork (Congressional Definition)
    - Paperwork (Insufficient or no documentation)
    - Dollars
    - Error Rate

<b>Conservation Reserve Program</b>		<b>Paperwork</b>	<b>Non-Paperwork</b>
Estimated Improper Dollars	\$26,515,205	\$6,064,435	\$20,450,770
Estimated Error Rate	1.77%	0.41%	1.36%
<b>Reasons for Improper Payments</b>		<b>Error Rate</b>	<b>Dollars</b>
Non-Paperwork	CRP-1 is not on file.	1.30%	\$19,472,160
	Applicable payment reduction is not made.	0.03%	\$472,569
	Payee share is incorrect.	0.02%	\$322,182
	Acres are incorrect.	0.01%	\$107,588
	Rental Rate is incorrect.	0.01%	\$76,272
Paperwork	CPO is not on file with sufficient information to support payment.	0.38%	\$5,757,334
	All required signatures not obtained on CRP-1.	0.02%	\$307,101

<b>Noninsured Crop Disaster Assistance Program</b>		<b>Paperwork</b>	<b>Non-Paperwork</b>
Estimated Improper Dollars	\$8,075,577	\$4,161,746	\$4,419,795
Estimated Error Rate	8.97%	4.62%	4.91%
<b>Reasons for Improper Payments</b>		<b>Error Rate</b>	<b>Dollars</b>
Non-Paperwork	Incorrect total production used to calculate payment.	2.60%	\$2,336,570
	Incorrect crop acreage is used to calculate payment.	1.19%	\$1,068,423
	Unit yield is not properly calculated.	0.86%	\$775,750
	CCC-576 is not on file.	0.40%	\$362,075
	Incorrect crop used to calculate payment.	0.33%	\$297,187
	Payee share is incorrect.	0.20%	\$176,205
	Incorrect planting period used to calculate payment.	0.19%	\$172,538
	Incorrect practice used to calculate payment.	0.11%	\$103,512
	Incorrect crop type used to calculate payment.	0.01%	\$5,332
	CCC-471 is not on file.	0.00%	\$4,214
Paperwork	Acreage report is not on file.	1.18%	\$1,060,987
	Application for payment is not signed by producer.	0.74%	\$669,809
	Application for payment filed late.	0.70%	\$630,658
	Notice of loss filed late.	0.64%	\$579,496
	Acceptable production evidence is not on file.	0.55%	\$496,828
	CCC-471 is not signed.	0.45%	\$405,797
	LA or FSA representative did not sign CCC-576, Part G.	0.45%	\$407,743
	Application for payment is not approved.	0.24%	\$217,784
	CCC-441 Income or AGI certification not on file.	0.21%	\$189,294
	Required CCC-576-1 is not completed.	0.19%	\$173,864
	Incorrect service fee amount paid.	0.12%	\$106,557
	CCC-471 filed after closing date.	0.08%	\$72,569
	CCC-576, Part D not properly completed.	0.05%	\$87,763
	Required producer signatures were not obtained on CCC-576, Part B.	0.04%	\$34,647
Required service fee paid after closing date.	0.02%	\$19,799	



<b>Direct and Counter Cyclical Program</b>		<b>Paperwork</b>	<b>Non-Paperwork</b>
Estimated Improper Dollars	\$2,068,575	\$0	\$2,068,575
Estimated Error Rate	0.05%	0.00%	0.05%
<b>Reasons for Improper Payments</b>		<b>Error Rate</b>	<b>Dollars</b>
Non-Paperwork	Payee did NOT have interest in enough acres on farm to support claimed share of base acres.	0.05%	\$1,938,785
	Payment was not reduced for FAV's or wild rice planted on base acres.	0.00%	\$129,790

<b>Marketing Assistance Loans Program</b>		<b>Paperwork</b>	<b>Non-Paperwork</b>
Estimated Improper Dollars	\$15,920,921	\$9,514,630	\$6,406,291
Estimated Error Rate	0.52%	0.31%	0.21%
<b>Reasons for Improper Payments</b>		<b>Error Rate</b>	<b>Dollars</b>
Non-Paperwork	Incorrect loan rate was used.	0.21%	\$6,406,291
Paperwork	Payee or payee's representative did not sign note.	0.19%	\$5,732,900
	Acceptable acreage report is not on file.	0.12%	\$3,781,730