

**2021 USDA Explanatory Notes – Office of Inspector General**

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**PURPOSE STATEMENT**

The Office of Inspector General (OIG) was established pursuant to the Inspector General Act of 1978 (5 U.S.C. app. 3). OIG’s mission is to promote economy, efficiency, and integrity in U.S. Department of Agriculture (USDA) programs and operations through the successful execution of audits, investigations, and reviews. The OIG appropriation funds activities authorized by the Inspector General Act of 1978, as amended. This Act expanded and provided specific authorities for the activities of the OIG, which had previously been carried out under the general authorities of the Secretary of Agriculture. The OIG operates independently from the other agencies within the Department. The OIG:

- Provides policy direction for and conducts, supervises, and coordinates audits and investigations relating to programs and operations of USDA.
- Reviews existing and proposed legislation and regulations relating to programs and operations of USDA and makes recommendations concerning the impact of such legislation or regulations on the economy and efficiency in the administration of USDA’s programs and operations, or the prevention and detection of fraud and abuse in such programs and operations.
- Recommends policies for and conducts, supervises, or coordinates other activities carried out or financed by the Department, for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in its programs and operations.
- Recommends policies for, and conducts, supervises, or coordinates relationships between USDA and other Federal agencies, State and local government agencies, and nongovernmental entities with respect to (A) all matters relating to the promotion of the economy and efficiency in the administration of, or the prevention and detection of fraud and abuse in programs and operations administered or financed by USDA, or (B), the identification and prosecution of participants in such fraud and abuse.
- Keeps the Secretary and the Congress fully and currently informed concerning fraud and other serious problems, abuses, and deficiencies relating to the administration of programs and operations administered by USDA, recommends corrective action concerning such problems, abuses, and deficiencies, and reports on the progress made in implementing corrective actions.

OIG’s workload capacity correlates to its funding level, while OIG typically achieves a “return on investment” that far exceeds its appropriation. For example, as reported in OIG’s Semiannual Report to Congress for the Second Half of Fiscal Year (FY) 2019, OIG’s audit and investigative activities during all of FY 2019 resulted in a total dollar impact of over \$2.5 Billion or \$25.58 for every dollar in its FY 2019 appropriation.

OIG is headquartered in Washington, D.C., with regional offices in the following cities: Beltsville, Maryland; Atlanta, Georgia; Chicago, Illinois; Temple, Texas; Kansas City, Missouri; and Oakland, California. As of September 30, 2019, OIG had 438 permanent full-time

employees and 7 other than full-time permanent employees (i.e., temporary, part-time, etc.) for a total of 445 employees (or 443 Full-Time Equivalent employees).<sup>a</sup>

OIG did not have any Government Accountability Office evaluation reports during the past year.

OIG’s FY 2021 budget request is \$100.389 million.

**AVAILABLE FUNDS AND STAFF YEARS  
OFFICE OF INSPECTOR GENERAL**

*(Dollars in Thousands)*

Item	2018 Actual	SY	2019 Actual	SY	2020 Enacted	SY	2021 Budget	SY
Salaries and Expenses:								
Discretionary Appropriations	\$98,208	442	\$98,208	435	\$98,208	482	\$100,389	482
Supplemental Appropriations	2,500	-	-	-	-	-	-	-
Lapsing Balances	-1,313	-	-2,423	-	-	-	-	-
Bal. Available, EOY	-	-	-	-	-	-	-	-
Subtotal Obligations, OIG	99,395	442	95,785	435	98,208	482	100,389	482
Ob. Under Other USDA Appr.:								
Risk Management Agency								
Audit of Financial Statements	503	-	500	-	500	-	500	-
Food and Nutrition Services								
Audit of Financial Statements	672	-	800	-	800	-	800	-
Forest Service								
Audit of Financial Statements	398	-	106	-	106	-	106	-
Rural Development								
Audit of Financial Statements	791	-	1,000	-	1,000	-	1,000	-
OCFO/WCF Audits	557	-	650	-	650	-	650	-
Total, Other USDA	2,921	-	3,056	-	3,056	-	3,056	-
Total, AES	102,316	442	98,841	435	101,264	482	103,445	482

<sup>a</sup> OIG currently remains well below its target FTE level of 482 due to higher than normal attrition, particularly among GS-1811 investigators. However, OIG is working to achieve its full staffing level as soon as possible.

**PERMANENT POSITIONS BY GRADE AND STAFF YEAR**

Item	2018 Actual			2019 Actual			2020 Enacted			2021 Budget		
	D.C.	Field	Total	D.C.	Field	Total	D.C.	Field	Total	D.C.	Field	Total
ES	1	-	1	1	-	1	1	-	1	1	-	1
SES	9	-	9	9	-	9	9	-	9	9	-	9
GS-15	11	12	23	18	13	31	18	13	31	18	13	31
GS-14	30	49	79	24	61	85	24	61	85	24	61	85
GS-13	20	120	140	37	203	240	37	203	240	37	203	240
GS-12	10	90	100	11	36	47	11	36	47	11	36	47
GS-11	8	40	48	7	10	17	7	10	17	7	10	17
GS-10	-	-	-	-	-	-	-	-	-	-	-	-
GS-9	11	18	29	15	15	30	15	15	30	15	15	30
GS-8	3	9	12	1	5	6	1	5	6	1	5	6
GS-7	4	23	27	4	8	12	4	8	12	4	8	12
GS-6	4	1	5	-	1	1	-	1	1	-	1	1
GS-5	5	3	8	-	1	1	-	1	1	-	1	1
GS-4	-	1	1	-	2	2	-	2	2	-	2	2
Total Permanent	116	366	482	127	355	482	127	355	482	127	355	482
Unfilled, EOY	6	44	50	12	27	39	-	-	-	-	-	-
Total Perm. FT EOY	110	322	432	115	328	443	127	355	482	127	355	482
Staff Year Est	87	355	442	197	238	435	206	276	482	202	280	482

NOTE: In this chart, D.C. includes positions assigned to the Washington, D.C., and Beltsville, MD, offices.

**SIZE, COMPOSITION, AND ANNUAL COSTS OF VEHICLE FLEET**

The FY 2021 President’s Budget proposes replacing 20 passenger motor vehicles. OIG’s motor vehicles are used for law enforcement purposes. These vehicles, which are issued to criminal investigators, are utilized in the pursuit and prevention of criminal activities, such as: fraud in subsidy, price support, benefits, and insurance programs; significant thefts of Government property or funds; bribery; extortion; smuggling; and assaults on employees. In addition, the vehicles are used for investigations involving criminal activity that affects the health and safety of the public, such as meat packers knowingly selling hazardous food products and individuals who tamper with food regulated by USDA. In addition, OIG criminal investigators are poised to provide emergency law enforcement response to USDA declared emergencies and suspected incidents of terrorism affecting USDA regulated industries, as well as USDA programs, operations, personnel, and installations, in coordination with Federal, State, and local law enforcement agencies, as appropriate.

***Replacement Criteria***

Five 4x4 vehicles will be replaced by five 4x4 vehicles, eleven sedan/station wagons will be replaced by eleven sedan/station wagons, and four minivans will be replaced with four minivans.

***Reduction to Fleet***

There will be no reductions to the vehicle fleet in FY 2021.

***Table OIG-1. Size, Composition, and Annual Costs of Motor Vehicle Fleet<sup>b</sup>***

<b>Fiscal Year</b>	<b>Sedans and Station Wagons</b>	<b>Lt. Trucks, SUVs, and Vans (4x2)</b>	<b>Lt. Trucks, SUVs, and Vans (4x4)</b>	<b>Medium Duty Vehicles</b>	<b>Heavy Duty Vehicles</b>	<b>Total Vehicles</b>	<b>Annual Operating Costs<sup>c</sup></b>
2018	66	17	64	-	-	147	\$754
Change	-	-	-	-	-	-	-
2019	66	17	64	-	-	147	754
Change	+8	-	-	-	-	+8	+25
2020	74	17	64	-	-	155	779
Change	-	-	-	-	-	-	+24
2021	74	17	64	-	-	155	803

<sup>b</sup> Number includes vehicles owned by the agency and leased from commercial sources or GSA.

<sup>c</sup> Excludes acquisition costs and gains from sale of vehicles as shown in FAST.

**SHARED FUNDING PROJECTS**

Item	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
<b>Working Capital Fund:</b>				
Administration:				
Material Management Service.....	27	29	77	76
Mail and Reproduction Services.....	96	117	137	138
Integrated Procurement Systems.....	78	67	73	73
Procurement Operations Services.....	2	2	4	3
Human Resources Enterprise Management Systems.....	4	4	4	5
Subtotal.....	207	219	295	295
Communications:				
Creative Media & Broadcast Center.....	2	4	5	5
Finance and Management:				
National Finance Center.....	147	130	118	110
Financial Shared Services.....	353	349	406	411
Subtotal.....	500	479	524	521
Information Technology:				
Client Experience Center.....	117	180	160	148
Digital Infrastructure Service Center.....	306	334	406	391
Enterprise Network Services.....	322	434	754	773
Subtotal.....	745	948	1,320	1,312
Correspondence Management.....	13	13	5	6
Total, Working Capital Fund.....	1,467	1,663	2,149	2,139
<b>Department-Wide Shared Cost Programs:</b>				
1890's USDA Initiatives.....	-	-	-	-
Agency Partnership Outreach.....	35	36	37	37
Advisory Committee Liaison Services.....	-	-	-	-
Classified National Security Information.....	-	-	-	-
Continuity of Operations Planning.....	-	-	-	-
Emergency Operations Center.....	-	-	-	-
Facility and Infrastructure Review and Assessment.....	-	-	-	-
Faith-Based Initiatives and Neighborhood Partnerships...	-	-	-	-
Hispanic-Serving Institutions National Program.....	-	-	-	-
Honor Awards.....	-	-	-	-
Human Resources Self-Service Dashboard.....	3	3	3	-
Human Resources Transformation.....	4	-	-	-
Identity Access Management.....	-	-	-	-
Intertribal Technical Assistance Network.....	-	-	-	-
Office of Customer Experience.....	9	12	14	14
Medical Services.....	8	7	18	-
People's Garden.....	2	-	-	-
Personnel Security Branch.....	59	61	62	62
Physical Security.....	-	-	28	20
Security Detail.....	21	20	22	22

2021 USDA EXPLANATORY NOTES– OFFICE OF INSPECTOR GENERAL

Security Operations.....	49	49	28	30
Retirement Processor/Web Application.....	-	-	-	-
TARGET Center.....	6	6	6	6
USDA 1994 Program.....	-	-	-	-
USDA Enterprise Data Analytics Service.....	-	-	26	26
Virtual University.....	5	-	-	-
Total, Department-Wide Reimbursable Programs.....	201	194	244	217

**E-Gov:**

Budget Formulation and Execution Line of Business.....	1	1	1	-
Disaster Assistance Improvement Plan.....	-	-	-	-
Enterprise Human Resources Integration.....	10	10	-	-
E-Rulemaking.....	-	-	-	-
E-Training.....	-	-	-	-
Financial Management Line of Business.....	-	-	-	-
Geospatial Line of Business.....	-	-	-	-
GovBenefits.gov.....	-	-	-	-
Grants.gov.....	-	-	-	-
Human Resources Line of Business.....	1	1	1	1
Integrated Acquisition Environment.....	4	4	3	3
Total, E-Gov.....	16	16	5	4
Agency Total.....	1,684	1,873	2,398	2,360

**LEAD-OFF TABULAR STATEMENT**

<b>OFFICE OF INSPECTOR GENERAL</b>	
2020 Appropriations/Annualized CR.....	\$98,208,000
Change in Appropriation.....	2,181,000
2021 Department Estimate, Current Law.....	100,389,000
Change Due to Proposed Legislation.....	0
<b>2021 Request, Including Proposed Legislation.....</b>	<b>100,389,000</b>

**APPROPRIATIONS LANGUAGE**

*The appropriations language follows (new language underscored; deleted language enclosed in brackets):*  
 For necessary expenses of the Office of Inspector General, including employment pursuant to the Inspector General Act of 1978, [\$98,208,000] \$100,389,000, including such sums as may be necessary for contracting and other arrangements with public agencies and private persons pursuant to section 6(a)(9) of the Inspector General Act of 1978, and including not to exceed \$125,000 for certain confidential operational expenses, including the payment of informants, to be expended under the direction of the Inspector General pursuant to Public Law 95-452 and section 1337 of Public Law 97-98.

IG Reform Act of 2008

As directed by Section 8, Submission of Budget Request to Congress, of the Inspector General Reform Act of 2008 (P.L. 110-409), USDA is providing additional information regarding the OIG

budget request. The OIG request for FY 2021 is \$100,389,000. Of this amount, approximately \$255,341 is to support the Council of the Inspectors General on Integrity and Efficiency (CIGIE).

**PROJECT STATEMENT**

OFFICE OF INSPECTOR GENERAL  
(Dollars in Thousands)

Program/Activity	2018		2019		2020		2021		Change from	
	Actual		Actual		Estimate		Budget Request		2020 Estimate	
	B.A.	SY	B.A.	SY	B.A.	SY	B.A.	SY	B.A.	SY
Direct Appropriations:										
Office of Inspector General .....	\$98,208	442	\$98,208	435	\$98,208	482	\$100,389	482	\$2,181	0
<b>Total, Discretionary Funding.....</b>	<b>98,208</b>	<b>442</b>	<b>98,208</b>	<b>435</b>	<b>98,208</b>	<b>482</b>	<b>100,389</b>	<b>482</b>	<b>2,181</b>	<b>0</b>
Lapsing Balances.....	-1,313		-2,423		0		0		0	0
Balances, Available End of Year.....	0		0		0		0		0	0
<b>Total Obligations .....</b>	<b>\$96,895</b>	<b>442</b>	<b>\$95,785</b>	<b>435</b>	<b>\$98,208</b>	<b>482</b>	<b>\$100,389</b>	<b>482</b>	<b>\$2,181</b>	<b>0</b>

OFFICE OF INSPECTOR GENERAL  
(Dollars in Thousands)

Funding Details	2018		2019		2020		2021		Change from	
	Actual		Actual		Estimate		Budget Request		2020 Estimate	
	B.A.	SY	B.A.	SY	B.A.	SY	B.A.	SY	B.A.	SY
Office of Inspector General:										
<u>Allocations</u>										
Audit Staff .....	\$48,122		\$48,122		\$48,122		\$49,191		\$1,069	
Investigation Staff .....	50,086		50,086		50,086		51,198		1,112	
Lapsing Balances.....	-1,313		-2,423		0		0		0	
<b>Total, Office of Inspector General.....</b>	<b>\$96,895</b>		<b>\$95,785</b>		<b>\$98,208</b>		<b>\$100,389</b>		<b>\$2,181</b>	

JUSTIFICATIONS OF INCREASES/DECREASES

The Office of Inspector General Salary and Expenses: An increase of \$2,181,000 from the FY 2020 Appropriations.

(1) The funding change is requested for the following items:

- a) An increase \$828,000 for pay costs (\$379,000 for annualization of the 2020 pay increase and \$449,000 for the 2021 pay increase).

This increase will allow OIG to continue to meet its objective to conduct and supervise audits and investigations relating to USDA programs and operations. This critical increase is needed to support and maintain current staffing levels to meet the demands and statutory requirements imposed on OIG. Elimination of the pay cost increase means the OIG would not be able to fund approximately 11 staff and/or would need to significantly cut travel, training, and mission support. Approximately 78 percent of our budget supports personnel compensation and benefits. We would have to accomplish this reduction in staff through attrition. The reduction would prevent us from fully performing our mission, as OIG would not be able to respond as quickly and thoroughly to the requests for technical assistance and reviews that we regularly receive from the



Department and from members of Congress. The types of projects OIG would have to cancel or curtail include audits, investigations, and other reviews of critical areas such as SNAP fraud, farm program fraud, and information technology security breaches potentially involving compromise of personally identifiable information.

b) An increase of \$598,000 for performance awards.

This increase will support a 1 percentage point increase in awards spending, consistent with objectives outlined in the President’s Management Agenda, to enhance workforce development. Without this additional funding, Agency will be unable to absorb these costs in FY 2021, resulting in reductions to planned hiring levels, eroding USDA’s ability to meet key Administration priorities contained in this Budget.

c) An increase of \$755,000 for the Department’s increased contribution to the Federal Employees Retirement System (FERS).

This increase will cover the expenses for the mandated increase of USDA’s contribution to FERS. These increases were effective January 1, 2020, and impact approximately 400 employees’ retirement packages.

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS**

State/Territory/Country	2018		2019		2020		2021	
	Actual	SY	Actual	SY	Enacted	SY	Budget	SY
California	10,742	49	9,909	45	9,984	49	10,206	49
District of Columbia	19,076	87	18,717	85	20,782	102	21,244	102
Georgia	11,179	51	12,330	56	10,391	51	10,622	51
Illinois	8,769	40	8,588	39	8,150	40	8,331	40
Maryland	14,906	68	12,330	56	14,874	73	15,205	73
Missouri	21,044	96	23,121	105	21,598	106	22,077	106
Texas	11,179	51	10,790	49	12,429	61	12,704	61
Obligations	96,895	442	95,785	435	98,208	482	100,389	482
Lapsing Balances	1,313	-	2,423	-	-	-	-	-
Bal. Available, EOY	-	-	-	-	-	-	-	-
Total, Available	98,208	442	98,208	435	98,208	482	100,389	482

**CLASSIFICATION BY OBJECTS**

Item No.	Item	2018 Actual	2019 Actual	2020 Enacted	2021 Budget
Personnel Compensation:					
	Washington D.C.	\$9,389	\$9,123	\$14,303	\$14,569
	Personnel Compensation, Field	41,689	40,510	44,596	46,215
11	Total personnel compensation	51,078	49,633	58,899	60,784
12	Personal benefits	20,725	20,598	23,560	25,206
13.0	Benefits for former personnel	17	20	15	13
	Total, personnel comp. and benefits	71,820	70,251	82,474	86,003
Other Objects:					
21.0	Travel and transportation of persons	2,188	2,690	1,155	1,003
22.0	Transportation of things	78	103	54	47
23.1	Rental payments to GSA	5,095	5,066	5,100	5,150
23.2	Rental payments to others	29	28	25	22
23.3	Communications, utilities, and misc. charges	1,860	2,027	1,200	1,042
24.0	Printing and reproduction	291	333	25	22
25	Other contractual services	-	-	-	-
25.1	Advisory and assistance services	3,321	3,427	1,300	1,129
25.2	Other services from non-Federal sources	673	694	450	391
25.3	Other goods and services from Federal sources	208	215	150	130
25.4	Operation and maintenance of facilities	6,878	7,079	3,800	3,301
25.5	Research and development contracts	-	-	-	-
25.6	Medical care	1,548	1,597	900	782
25.7	Operation and maintenance of equipment	824	850	750	651
25.8	Subsistence and support of persons	-	-	-	-
26.0	Supplies and materials	572	426	400	347
31.0	Equipment	1,484	980	400	347
41.0	Insurance & Indemnities	26	19	25	22
	Total, Other Objects	25,075	25,534	15,734	14,386
99.9	Total, new obligations	96,895	95,785	98,208	100,389
	DHS Building Security Payments (included in 25.1).....		\$623 \$643		\$650 \$655
Position Data:					
	Average Salary (dollars), ES Position	\$171,281	\$172,994	\$174,724	\$179,118
	Average Salary (dollars), GS Position	\$117,434	\$118,608	\$119,794	\$122,807
	Average Grade, GS Position	13.08	13.08	13.08	13.09

**STATUS OF PROGRAMS**

The Office of Inspector General (OIG) was established pursuant to the Inspector General Act of 1978 (5 U.S.C. app. 3). OIG's mission is to promote economy, efficiency, and integrity in U.S. Department of Agriculture programs and operations through the successful execution of audits, investigations, and reviews. The OIG appropriation funds activities authorized by the Inspector General Act of 1978, as amended. This Act expanded and provided specific authorities for the activities of the OIG, which had previously been carried out under the general authorities of the Secretary of Agriculture. OIG operates independently from the other agencies within the Department. OIG:

- Provides policy direction for and conducts, supervises, and coordinates audits and investigations relating to programs and operations of the Department of Agriculture (USDA).
- Reviews existing and proposed legislation and regulations relating to programs and operations of USDA and makes recommendations concerning the impact of such legislation or regulations on the economy and efficiency in the administration of USDA's programs and operations or the prevention and detection of fraud and abuse in such programs and operations.
- Recommends policies for and conducts, supervises, or coordinates other activities carried out or financed by the Department, for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in its programs and operations.
- Recommends policies for, and conducts, supervises, or coordinates relationships between USDA and other Federal agencies, State and local government agencies, and nongovernmental entities with respect to (A) all matters relating to the promotion of economy and efficiency in the administration of, or the prevention and detection of fraud and abuse in programs and operations administered or financed by USDA, or (B) the identification and prosecution of participants in such fraud and abuse.
- Keeps the Secretary and the Congress fully and currently informed concerning fraud and other serious problems, abuses, and deficiencies relating to the administration of programs and operations administered by USDA, to recommend corrective action concerning such problems, abuses, and deficiencies, and to report on the progress made in implementing corrective actions.

During fiscal year (FY) 2019, OIG issued 163 investigative reports, 33 audit reports, 1 inspection report, and 4 final action verification reports. Audit and investigative results totaled more than \$2.4 billion. OIG investigations resulted in 384 indictments and 451 convictions. The period to obtain results following an indictment varies widely. Therefore, the 451 convictions are not necessarily related to the 384 indictments. OIG's return on investment for FY 2019 was over \$25.5 for every dollar invested.

***Audit Monetary Results***

During FY 2019, management decisions were made on 26 audit reports and 1 interim audit report, which included both current and prior year audit reports. The table below shows the monetary values agreed to by agencies at the time of report issuance.

	<i>(in millions)</i>
Questioned and unsupported costs and loans	\$2,215.4
Funds to be put to better use	7.4
<b>Total audit monetary results</b>	<b>\$2,222.8</b>

<b>Investigative Monetary Results</b>	<i>(in millions)</i>
Claims established	\$5.0
Recoveries and collections	20.7
Cost avoidance (program payments not made due to OIG investigations)	5.3
Fines	130.8
Administrative penalties	1.6
Asset forfeitures	54.0
Restitution	71.7
<b>Total investigative monetary results</b>	<b>\$289.1</b>

OIG’s audit and investigative work for 2019 is summarized under USDA’s three strategic goals:

- Safety and security measures to protect public health and resources;
- Integrity of benefits and entitlements programs; and
- USDA’s management improvement initiatives.

**SAFETY AND SECURITY**

***Strengthen USDA’s Ability to Implement and Improve Safety and Security Measures to Protect the Public Health, as well as Agricultural and Departmental Resources***

OIG’s independent audits, investigations, inspections, data analytics, and other reviews focus on issues such as the ongoing challenges of agricultural inspection activities, the safety of the food supply, homeland security, animal welfare, and information technology (IT) security and management. As part of this goal, we also respond to threats made against USDA employees in the performance of their official duties.

In July 2019, in response to Congressional concerns related to the Forest Service’s (FS) work environment, OIG completed a multi-disciplinary, collaborative project that included members from the OIG’s Offices of Data Sciences, Audit, Investigations, Counsel, Compliance and Integrity, and Diversity and Conflict Resolution. The objective of this project was to identify the universe of work done in the last 5 years (2013–2018) by the oversight community (including OIGs and the Government Accountability Office) related to sexual harassment and misconduct. This project identified standards, guidance, or best practices that agencies—including FS—can use to measure progress in this area. OIG provided FS leadership with the results of this

research to assist them in their continued efforts to address workplace concerns and improve its work environment.

A recent investigation into allegations of animal fighting led our agents to execute search warrants in New Jersey, and later in Illinois, Indiana, New Mexico, and the District of Columbia. The investigation resulted in 10 people being charged and convicted of various animal fighting offenses and 98 dogs being rescued. Altogether over the course of this investigation and prosecution, individuals have collectively been sentenced to more than 250 months in prison and ordered to pay special assessment fees and fines totaling \$22,400.

In the future, we will complete audit work evaluating USDA's security over select agencies' networks and systems, the Animal and Plant Health Inspection Service's (APHIS) oversight of dog breeders, and APHIS' oversight of the National Veterinary Stockpile to ensure that it is prepared to appropriately respond to animal diseases affecting human health and the economy. OIG will continue to focus our investigative work upon protecting our nation's agricultural resources from harm.

#### **INTEGRITY OF BENEFITS –**

##### ***Detect and Reduce USDA Program Vulnerabilities and Deficiencies to Strengthen the Integrity of the Department's Programs***

Much of OIG's audit and investigative resources are dedicated to ensuring that USDA program funds are reaching those for whom they are intended. Many USDA benefit and entitlement programs provide payments directly to individuals or entities in need of support and receive substantial levels of funding; they are also susceptible to misuse by organized groups and individuals. In addition, USDA provides financial and technical resources to help rural communities develop, grow, and improve their quality of life. Our audits and investigations help ensure that these programs are functioning as designed.

OIG recently completed an audit of the Natural Resources Conservation Service's (NRCS) Environmental Quality Incentives Program, which provides producers with financial and technical assistance to implement conservation projects. To administer the program, NRCS developed a payment schedule method to compensate producers based on nationwide estimates. We found, however, that component cost estimates used in regional payment schedules were not always current and cost-effective. Because NRCS relied on outdated and inaccurate component prices to calculate payment schedules, we questioned more than \$2.1 billion obligated for FYs 2016–2017.

A significant portion of OIG's investigative resources are dedicated to ensuring the integrity of USDA's food assistance programs. For example, a recent joint investigation with the U.S. Secret Service and Internal Revenue Service's Criminal Investigation Division determined a Florida Child Care Food Program (CCFP) sponsoring organization was defrauding the program. The sponsoring organization managed more than 200 unaffiliated childcare centers across Florida, and its executive director and owner conspired to falsify and inflate free and reduced-price

lunch applications in connection with CCFP. On June 26, 2019, in U.S. District Court, Southern District of Florida, the owner of the sponsoring organization was sentenced to 120 months in prison and 36 months of supervised release and was ordered to pay \$13.2 million in restitution jointly and severally with her co-defendants.

Recent investigative work identified a violation of National Organic Program standards. On August 16, 2019, in U.S. District Court, Northern District of Iowa, four individuals were sentenced as part of a large conspiracy involving fraudulent organic grain sales. The scheme involved sales of nonorganic grain as organic through multiple companies and co-conspirators. The nonorganic grain came from nonorganic fields, was sprayed with unauthorized chemicals, or was purchased from nonorganic growers, which are violations of National Organic Program requirements that anything sold as organic must be grown on a certified organic farm and handled at a certified organic facility. The four individuals involved in this scheme have been sentenced to prison terms and ordered to pay restitution. Most notably, the primary subject, a farmer who sold grain to the public, was sentenced to 122 months in prison and 36 months of supervised release and order to pay a \$100 special assessment, \$205,604 in restitution to the Federal Crop Insurance Corporation, and a \$128.1 million monetary judgment. As part of his plea, he also voluntarily agreed to be excluded from all Government programs for life. The other three farmers were each sentenced to between 3 and 24 months in prison and 36 months of supervised release and all three were ordered to pay \$100 special assessments and \$1 million monetary judgments.

In the future, our audit work will evaluate Departmental oversight and delivery of hurricane disaster assistance and the design and administration of the Market Facilitation Program. Our investigators will continue to investigate the most significant criminal allegations involving benefits and entitlement fraud in the wide array of programs administered by USDA. These investigations will focus on farm and disaster assistance fraud as well as fraud in food assistance programs.

## **MANAGEMENT IMPROVEMENT INITIATIVES**

### ***Provide USDA with Oversight to Help It Achieve Results-Oriented Performance***

OIG's audits, investigations, and other reviews focus on areas such as improved financial management and accountability, research, real property management, and employee integrity. As part of this goal, we work with USDA to make program operations more efficient and improve customer service.

Recently, OIG recommended that FS improve its controls over its contract closeout process. FS awards contracts for services, such as hazardous fuels reduction, forest restoration, engineering, and administrative support services, to help the agency accomplish its mission. During FYs 2014–2016, FS awarded more than \$3.7 billion in service contracts. We found that FS did not close 48 percent of the contracts we reviewed within the required time standards, with delays up to 7 years. As a result, FS was at risk for undelivered services and possible future claims. Consequently, \$988,743 in funds remained unavailable for other agency priorities, such as forest

restoration activities. We also found that 87 percent of FS' contract files we reviewed were missing at least one piece of required closeout documentation, such as the release of claims or contract completion statement. In addition, we found contracting officers inconsistently used the contract closeout checklist. Without adequate documentation in the contract file, there is risk that FS cannot protect the Government from potential future claims from contractors or ensure that the Government avoids selecting contractors with a history of poor performance.

OIG also investigates USDA employees who are accused of wrongdoing. On April 3, 2018, the Agricultural Research Service (ARS) forwarded an employee complaint to OIG which alleged that a former General Schedule 15-grade research chemist employed by ARS had been sexually assaulting subordinate female staff members for several years. Within 16 days after receiving the initial complaint, OIG special agents corroborated the allegations of sexual assault. On April 18, 2018, the chemist was indicted, and on November 26, 2018, the chemist pled guilty to one count of abusive sexual contact. The chemist resigned on December 8, 2018. On March 12, 2019, the chemist was sentenced to 10 months in prison and 12 months of supervised release. He was also ordered to pay a \$5,100 special assessment fee.

OIG also investigates allegations against current and former USDA employees who are alleged to have abused their positions or violated ethics rules. This work occurs, in part, pursuant to the following statutory requirements: 41 U.S.C. § 4712, requiring OIG to investigate allegations of whistleblower reprisal complaints alleged by employees of contractors, subcontractors, grantees and sub-grantees; 5 U.S.C. § 1213, requiring OIG to investigate and then refer to the Head of the Agency for referral to the Office of Special Counsel any instance in which the Head of the Agency has credible information indicating that an employee made a whistleblower disclosure, after which a personnel action was taken against the employee, and the employee then committed suicide; and also 5 U.S.C. § 2313(c), whereby the Head of the Agency is required to investigate referrals of whistleblower reprisal disclosures received from OSC. These referrals are often delegated by the Head of the Agency to OIG for investigations and require reporting back to the Head of the Agency for action.

Upcoming audits will evaluate how the Office of the Assistant Secretary for Civil Rights oversees the civil rights complaints process. We will also review USDA's consolidated financial statements and the financial statements of five stand-alone agencies and entities. OIG will continue to investigate allegations of public corruption, employee and/or management misconduct, and significant instances of mismanagement. Additionally, OIG continues to leverage our available Sensitive Investigations Office and Technical Crimes Division resources in conducting or supporting investigations of senior management misconduct, whistleblower reprisal complaints, and other statutorily mandated requirements/investigations, as well as allegations of a sensitive nature and in support of incidents involving child pornography.

## **SUMMARY OF PERFORMANCE**

OIG has no Key Performance Indicators to report.