



United States Department of Agriculture

Farm and Foreign Agricultural Services  
Risk Management Agency

**BULLETIN NO.: MGR-00-016.2**

TO: All Reinsured Companies  
All Risk Management Agency Field Offices  
All Other Interested Parties

FROM: Kenneth D. Ackerman /s/ Ken Ackerman 1-18-01  
Administrator

SUBJECT: Approval of Documents, Bulletins, Manuals, and Other Key Program Materials for Release by Risk Management Agency (RMA); Notice of Delegations of Authority - Deputy Administrator for Compliance

**BACKGROUND:**

Consistent with Manager's Bulletin No.: MGR-00-16, RMA has been reviewing its internal concurrence and issuance procedures. As the review is completed for each functional area, I will formally delegate authority to the functional area to issue documents to the public or to private parties on RMA's behalf.

**ACTION:**

The Deputy Administrator for Compliance has been delegated general management authority and responsibility for the following:

**A. GENERAL DELEGATION:**

1. Developing compliance strategies, regulations, review and investigation structures, program integrity analysis and evaluation capabilities, litigation support and legal liaison activities, settlement processes, and procedural standards to assure adherence to Risk Management Agency (RMA) and Federal Crop Insurance Corporation (FCIC) policy and to protect the Crop insurance program from waste, fraud and abuse.



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All Programs Authorized Under the Federal Crop Insurance Corporation

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2. The operation of investigations, reviews and related compliance activities in support of the Federal Crop Insurance Act (Act), all other related legislation and regulations, procedures, and directives pertaining to FCIC and RMA. Making and issuing findings of fact and determinations of non-compliance with the Act, the Standard Reinsurance Agreement or any other requirements.
3. Maintaining, revising, and expanding the capabilities of existing compliance activities; managing the development of new compliance capabilities; gathering and maintaining data for program integrity and compliance purposes; analyzing program integrity findings and recommending modifications for correction; directing data requirements and the implementation RMA's data mining activities; conducting reviews and investigations of noncompliance; preparing and issuing findings of noncompliance (waste, fraud and abuse); and support of subsequent legal or administrative action by the U.S. Government.
4. Preparing, issuing, and publishing such bulletins, memoranda, standards, handbooks, manuals, letters, and other documents as may be necessary for the proper exercise of compliance duties and responsibilities.
5. Delegating and re-delegating these functions, authorities, and responsibilities to Compliance division directors and subordinates as may be necessary.

**B. ISSUANCE AUTHORITY:**

The Deputy Administrator for Compliance is authorized to sign and issue the following documents consistent with the definitions and the issuance and concurrence procedures contained herein:

1. Annual Compliance Work Plan.
2. Compliance Internal Operating Procedures.
3. Manual-14 Reports.
4. Program Analysis/Data Mining Reports.
5. Compliance Field Office Review - Initial Findings.
6. Compliance Field Office Review - Final Findings.
7. Special Investigation Branch Reports/Findings.
8. Final Administrative Determination (400.169).
9. Settlement Agreement.
10. Program Vulnerability Reports/Findings.
11. Employee Misconduct Reports.
12. Preliminary MGR-001 Approval.
13. Special Request Review (Hotline complaints).
14. State Insurance Commissioner Requests for Assistance.
15. Request for Legal Opinion.
16. Appeals & Litigation Notices.

17. OIG audit Response to USDA OCFO.
18. FSA Compliance Referral.
19. Criminal Investigation Referral Request to OIG.
20. Civil Litigation Referral Request to OGC.
21. OIG and GAO Audit Responses.
22. Administrative Sanctions (Suspensions, debarments and disqualifications).
23. OIG Subpoena Request.
24. Witness Request.
25. Federal Managers Financial Integrity Act Report.
26. Response to Secretary's Management Report to Congress.
27. Response to OIG Semi-Annual Report to Congress.
28. Report to Secretary on Compliance.
29. Request for NAD Director's Review.

**C. ISSUANCE AND CONCURRENCE PROCEDURES:**

1. The review and concurrence procedures for documents issued by the Deputy Administrator for Compliance are shown in attachment A.
2. The review and concurrence procedures for documents drafted by the Deputy Administrator for Compliance but issued by others in RMA are shown in attachment B.

**D. DEFINITIONS:**

1. Authority. Authority is the power to take action and make decisions. Basic authority for actions taken by RMA officials is derived from statute, regulation, or Departmental Policy.
  - (a) General Authority. Broad authorization granted to an employee to do work, usually by subject matter, broad function, type of position, or geographical jurisdiction.
  - (b) Specific Authority. Authorization for an employee to take a specific, discrete action, the authority for which cannot be easily or readily inferred from a general delegation of authority, e.g., signing of contracts.
  - (c) Delegation. Delegation is the act of assigning, and thereby sharing, one's own authority to subordinate personnel and of authorizing those personnel to take action. A delegation of general authority is a delegation of broad authority and responsibility to the incumbent of one position--for example, to the Associate Administrator--or to the incumbents of a type or class of position--for example, to Regional Office Directors. Generally, delegations of authority are made to the title of a position and thus to the present incumbent of that position, rather than to a specific, named individual. Some delegations of authority; however, may require the naming of a particular individual; for

example, whenever a unit head designates an employee to act as the unit head for a specified period of time.

- (d) Re-delegation. Re-delegation is the act of reassigning authority one has received from a higher level to subordinate personnel. For example, the Secretary has authorized the Administrator to direct and supervise personnel within RMA. The Administrator has re-delegated this authority to line officers, who, in turn, have re-delegated this authority to lower echelon personnel.

## 2. Agency Correspondence:

- (a) Briefing Memorandums. Unnumbered memorandums (generally intended for distribution within the mission area of USDA) that describe an issue, provide background information, and may or may not provide pros and cons for a decision or action to be taken.
- (b) Decision Memorandums. Unnumbered memorandums that identify an issue, provide background information, list options, and recommend actions.
- (c) Informational Memorandums. Unnumbered memorandums that provide information that do not establish operating policies or procedures. Examples include meeting announcements and general program information. These general informational memorandums are not numbered and generally have a very short disposal period.
- (d) Manager Bulletins. Numbered informational memorandums for general distribution issued by RMA's Administrator that may establish operating policies or procedures.
- (e) Annual Compliance Work Plan. Each fiscal year Compliance produces a plan for the use of its Headquarters and Field resources. The Deputy Administrator for Compliance issues the report and makes it publically available.
- (f) Manual-14 Review Reports. The Standard Reinsurance Agreement and Manual-14 provide for the review and analysis of the reinsured company quality control systems on an annual basis. Compliance determines a random sampling process and submits a schedule of policies to the companies.
- (g) Compliance Internal Operating Procedures. The Deputy Administrator must, from time to time, issue directions as to how Compliance shall operate. Such procedures are issued for the internal direction of the division and are to be accumulated into a Compliance Handbook.

- (h) Data Mining and Other Analysis Reports. The RMA data bases are available for Compliance analysis. These data resources are used to determine areas of investigation offering the greatest potential. Data mining, pattern recognition, link analysis, trend analysis, and other computer based tools are being brought to bear on the problems of Crop Insurance program waste, fraud and abuse.
- (i) Legal Sufficiency/Legal Opinions. Final Findings (of \$50,000 or more) by the Compliance Field Offices are supported by routine requests to OGC for legal sufficiency opinions. Legal opinions are also requested in compliance cases of where questions of first impression or multi-state impact arise.
- (j) Initial Findings, Final Findings, and Final Administrative Determinations. Compliance Field Offices carry out reviews and investigations that result in findings. Initial findings are provided to the company under review for comment. Final findings are issued by the Field Office at the end of the comment period. Under 7 CFR 400.169 a company may exercise a right to reconsideration of a Final Finding. The Deputy Administrator for Compliance issues this decision, which is a Final Administrative Determination, and may be appealed by the company to the Board of Contract Appeals.
- (k) Special Investigation Branch Findings/Reports. The Special Investigation Branch (SIB) is the RMA rapid response investigative team. SIB may determine no further investigation is required and close a case; turn the case over to the appropriate Compliance Field Office; complete the investigation; or involve other elements of RMA, USDA or outside agencies. SIB will generate findings consistent with its actions and produce such reports as necessary.
- (l) Program Vulnerability Findings/Reports. Compliance investigations and reviews may produce non-monetary findings that uncover program weaknesses and vulnerabilities that require correction to safeguard program integrity. Compliance issues findings to the portion of the program operation that is in a position to correct the deficiency.
- (m) Employee Misconduct Reports. Compliance is authorized to conduct investigations of possible misconduct by RMA employees involving violations of rules, regulations, or laws that even if proven, will not likely result in criminal prosecution. Completed reports are forwarded to the Human Resources Division for administrative review and disciplinary action and to the OIG-Investigations.
- (n) Special Request Reviews. Compliance investigations and reviews conducted in response to reports of possible wrong doing from a variety of external sources (the largest of which is the OIG Hotline).

- (o) Appeals & Litigation Notices. Appeals & Litigation notices are issued on an as-needed basis to cover procedural questions (Witness Appearance, Request for Director's Reviews).
- (p) Settlement Agreements. The period between Final Administrative determination and the Board of Contract appeals process opens an opportunity for the negotiated settlement of cases. The Deputy Administrator for Compliance is delegated authority to settle any compliance case where the contested amount does not exceed \$50,000. In cases where the contested amount exceeds \$50,000 the Deputy Administrator may request and receive authority to settle such cases on an individual grant of authority from the Administrator.
- (q) Audit Responses to USDA Office of Chief Financial Officer. Notification to the USDA Office of Chief Financial Officer of completion of final action on and request for closure of Office of Inspector General audit recommendations.
- (r) Routine Correspondence. Correspondence that does not establish or revise policy or procedure.

**DISPOSAL:**

When incorporated into the RMA operating procedures and revised delegations of authority.

Attachments