



U.S. Department of Agriculture



Office of Inspector General
Southwest Region

Audit Report

Review of Fiscal Year 2005 Congressional Earmarks

**Audit Report 50601-15-Te
March 2007**



UNITED STATES DEPARTMENT OF AGRICULTURE

OFFICE OF INSPECTOR GENERAL



Washington, D.C. 20250

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REPLY TO

ATTN OF: 50601-15-Te

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FROM: Robert W. Young /s/
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for Audit

SUBJECT: Review of Fiscal Year 2005 Congressional Earmarks

SUMMARY:

Our review of fiscal year (FY) 2005 congressional earmarks sought to determine the total number and dollar amount of congressional earmarks made to the Department. We determined that in FY 2005 the Department had 1,167 earmarks totaling \$1,338,873,451. We found that the Department did not have a formal process for collecting earmark totals and dollar amounts that are reported to the Secretary. Since the Office of Management and Budget (OMB) has recently issued guidance for earmarks, we did not make a recommendation for this issue. The OMB memorandum, dated January 25, 2007, states that agencies are to provide earmark information that includes the recipient, cost, description, and treasury account. In addition, we reviewed the steps agencies took to oversee 20 judgmentally selected

congressional earmarks. Overall, we found that the controls were adequate. We determined that the agencies did not have special oversight procedures relating to earmarks; instead the oversight was specific to the type of project funded. We found the earmarks funded many different projects and the funds were distributed in grants, agreements, contracts, land purchases, etc. The projects funded by congressional earmarks are treated the same as any other grant, agreement, etc. that is distributed by the agencies. The type of project funded determined which controls were in effect.

BACKGROUND:

Senator Tom Coburn of Oklahoma requested that the Office of Inspector General (OIG) review congressional earmarks made to the Department for FY 2005. Senator Coburn provided the following definition for the review, "For the purposes of this request, a Congressional earmark should be defined as a provision of law, a directive, or item represented in any table, chart or test contained within a joint explanatory statement or a report accompanying a bill that specifies the identity of an entity, program, project or service and the amount of the assistance received."

Senator Coburn requested that OIG determine the total number and cost of earmarks made to the Department. In addition, OIG was to determine what oversight is conducted on earmarks.

OBJECTIVES:

We initiated this audit to determine the total number and dollar amount of congressional earmarks made to the Department, and the oversight conducted on earmarks.

SCOPE AND METHODOLOGY:

The audit was conducted at the Agricultural Research Service (ARS); Cooperative State Research, Education, and Extension Service (CSREES); Forest Service (FS); and Natural Resources Conservation Service (NRCS) Headquarters in Washington, D.C. We also gathered information from the Office of Budget and Program Analysis (OBPA) and the budget offices from 11 U.S. Department of Agriculture agencies in Washington, D.C. We performed onsite fieldwork for eight judgmentally selected earmarks at agency offices in New Mexico and Texas. We performed desk reviews of 12 judgmentally selected earmarks from ARS, CSREES, FS, and NRCS. The selected earmarks were chosen based on large dollar amounts with location used as a factor for field visits. Fieldwork was performed from October 2006 to February 2007. We reviewed congressional earmarks from FY 2005.

To accomplish our audit objectives, we:

1. reviewed agency policies and procedures and Federal regulations;
2. interviewed ARS, CSREES, FS, and NRCS officials responsible for managing projects that were funded by congressional earmarks;
3. interviewed OBPA officials concerning how earmark data for the Secretary was collected and reported;
4. reviewed data on congressional earmarks gathered from agency budget offices to verify the total number and dollar amount; and
5. analyzed selected projects funded with congressional earmarks to ensure that oversight controls were functioning adequately.

The audit was conducted in accordance with Government auditing standards.

RESULTS:

We determined that in FY 2005 the Department had 1,167 earmarks totaling \$1,338,873,451. As stated in the Summary section, we found that the Department did not have a formal process for collecting earmark totals and dollar amounts that are reported to the Secretary. Since OMB has recently issued guidance for earmarks, we did not make a recommendation for this issue. In addition, overall, we found that the controls were adequate. The projects funded by congressional earmarks are treated the same as any other grant, agreement, etc. that is distributed by the agencies. No further action is required.