

USDA 2006 Improper Payments Survey Results

- In compliance with the Improper Payment Act, USDA periodically measures its programs at high risk for errors; those with high payment volumes, frequently changing regulations, and complex processes.
- The measurement for improper payments is a statistical survey of the programs and includes errors for 1) incorrect disbursements and 2) incomplete paperwork.
- Over the last year, several USDA programs have successfully reduced improper payments (Wildland Suppression Management, Food Stamps, and Rural Investment programs).
- The 2006 survey doubled the number of Farm Service Agency (FSA) programs examined and changed the agency's methodology to make the survey more thorough and statistically accurate.
- As a result, the improper payment rates for the Farm Service Agency (FSA) reflect an increase in 2006 over 2005. The vast majority of FSA improper payments, 99% of them, are attributable to incomplete paperwork.
- The fact remains that the 2006 survey reflects an increase in errors made by the Farm Service Agency and as a result, both immediate and long-term corrective actions are being taken. They include:
 - Creation of checklists of all paperwork needed to ensure proper payments
 - Reviews of completed checklists at three levels within the agency
 - Comprehensive re-examination of payment files
 - Increase in accountability at all levels
 - Simplification of business processes
 - Elimination of automatic rollover of eligibility determination.
 - Increasing monitoring and review of data files regarding producer eligibility for specific programs.
 - Increase in training programs for program administration staff
 - Increase in internal controls and independent audits