

For: State and County Offices

FY 2008 National CORP Review for Improper Payments for DCP

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

The Improper Payments Information Act (IPIA) of 2002 requires Federal agencies to evaluate programs to determine whether internal controls are sufficient to prevent issuing improper payments.

These reviews enable FSA to have reliable and statistical data to discern the overall effectiveness of programs and determine whether adequate management controls are in place to conform to IPIA requirements. OMB defines an improper payment as any payment that should **not** have been issued or was issued for an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements. Incorrect amounts include both overpayments and underpayments.

B Purpose

This notice:

- is being issued as part of FSA’s corrective action plan (CAP) as required under IPIA
- informs State and County Office employees of CORP findings related to NAP
- directs follow-up action within each State to ensure that all offices review the listed discovered errors and take any needed corrective action.

Disposal Date	Distribution
March 1, 2009	State Offices; State Offices relay to County Offices

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1 Overview (Continued)

C Action

SED's shall ensure that:

- applicable State Office division chiefs and specialists review this notice in detail to develop CAP's, as needed, to ensure that County Office employees follow applicable program procedures issued through National notices and program handbooks
- additional internal control procedures are developed to avoid findings indicated by CORP reviews
- applicable State Office program divisions provide additional program training where needed and implement CAP's to reduce improper payments
- DD's hold a meeting within their respective districts to review this notice with CED's and program technicians.

2 CORP Findings for FY 2008

A CORP Review Findings for DCP

The following provides CORP DCP findings for FY 2007 payments.

Program Area	Description of Findings	Procedure Reference
Producer Eligibility	CCC-502 not on file before payment was made.	<ul style="list-style-type: none">• 6-CP, paragraph 401• 1-DCP, subparagraph 351 D
	AD-1026 for affiliated person received after payment was made.	
	AD-1026 for payee received after payment was made.	
	AD-1026 is not on file for each person affiliated with payee.	
	AGI certification received after payment was made.	

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2 CORP Findings for FY 2008 (Continued)

A CORP Review Findings for DCP (Continued)

Program Area	Description of Findings	Procedure Reference
DCP Contract Operations	Signature on CCC-509 (other than payee) was missing or by an unauthorized person.	1-DCP, paragraph 390
	Not all required signatures were obtained on or before September 30 of the applicable year.	
	Payee signature on CCC-509 by an unauthorized person.	
	CCC-509 not signed by payee.	
	All required signatures were not obtained on CCC-509 at the time of payment.	
	CCC-509 approved after payment was made.	1-DCP, paragraph 353
	Payee did not have interest in enough acres on the farm to support claimed share of base acres.	1-DCP, paragraph 354
	CCC-509 revised after September 30 of the applicable year.	1-DCP, subparagraph 353 B
	Late-file fee collected after payment was made.	1-DCP, subparagraph 390 D
Program Checklist	CCC-770 Eligibility not completed properly.	3-PL, paragraph 3
	CCC-770 DCP not completed properly.	1-DCP, Exhibit 14
Acreage Reports	Acreage report for all cropland on the farm was not filed before payment.	1-DCP, subparagraph 11 B
	Acreage report filed after payment was made.	
	Producer's signature on acreage report not dated.	2-CP, subparagraph 16 D
Payments	Late payment interest was not paid	61-FI, paragraph 3
	Payment was not reduced for FAV's or wild rice planted on base acres.	1-DCP, paragraph 470