

For: State and County Offices

**FY 2009 National CORP Review for Improper Payments for DCP**

Approved by: Deputy Administrator, Farm Programs



**1 CORP Findings for FY 2009**

**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 as required under IPIA
- informs State and County Office Employees of CORP findings about DCP
- 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
October 1, 2010	State Offices; State Offices relay to County Offices

**Notice DCP-226**

**1 CORP Findings for FY 2009 (Continued)**

**C Action**

SED's shall ensure that:

- applicable State Office program chiefs and specialists review this notice in detail to develop Corrective Action Plans (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 areas provide additional program training where needed and implement CAP's to reduce improper payments
- DD's review this notice with CED's and program technicians within their respective districts.

**D CORP Review Findings for DCP**

The following provides CORP DCP findings for FY 2008 payments and 2009 procedure requirements.

<b>Program Area</b>	<b>Description of Findings</b>	<b>2009 Procedure Reference</b>
Producer Eligibility	CCC-502 not on file before payment was made.	1-DCP (Rev 3), subparagraph 352 K
	CCC-502 review indicated payee was ineligible or payment was incorrectly limited.	
	AD-1026 for affiliated person not on file.	
	AD-1026 is not on file for each person affiliated with payee.	
DCP Contract Operations	Signature on CCC-509 (other than payee) was missing or by an unauthorized person.	1-DCP (Rev 3), paragraph 394
	Payee did not have interest in enough acres on the farm to support claimed share of base acres.	1-DCP (Rev 3), paragraph 352
	Payment is based on incorrect base acres because a base reduction is required.	1-DCP (Rev 3), paragraph 64
Acreage Reports	Acreage report for all cropland on the farm was not on file.	1-DCP (Rev 3), subparagraph 11 B
	Acreage report for all cropland on the farm was not filed before payment.	
	Acreage report filed after payment was made.	
Payments	Payment was not reduced for FAV's or wild rice planted on base acres.	1-DCP (Rev 3), paragraph 469