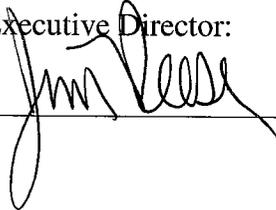


UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
100 USDA, Suite 102
Stillwater, OK 74074

For: County Offices

**FY2002 County Operations Review Program (CORP)
Final Report - Price Support Programs**

Approved by: State Executive Director:



1 Overview

A Background

The National Office recently issued the FY2002 County Operations Review Program (CORP) Final Report. Although the report reflects findings nationwide, many of these findings have been noted in the Oklahoma CORP.

B Purpose

This notice provides a list of the CORP findings for the following Price Support programs:

- Farm Storage Facility Loans
- Commodity Loans
- LDP Operations

2 County Office Action

A CORP Findings

Exhibit 1 contains a description of the CORP findings for the Price Support programs. County Executive Directors and Price Support Program Technicians shall review Exhibit 1 in conjunction with the County's Price Support programs. Utilize Exhibit 1 to identify any deficiencies that need correcting with respect to the various programs.

Disposal	Distribution
April 1, 2004	County Offices

Description of Finding	Reference
Farm Storage Facility Loan Program:	
Approvals are not documented in the COC executive meeting minutes.	1-FSFL, Subpar. 101 B
The type of security required is not entered on CCC-185.	1-FSFL, Subpar. 102 A, Item 17
Real estate lien information or "none" is not entered on CCC-185.	1-FSFL, Subpar. 42 E, Item 12 B
The number of loan installments is not entered on CCC-185.	1-FSFL, Subpar. 102 A, Item 14 B
The loan number is not entered on CCC-185.	1-FSFL, Subpar. 42 E, Item 11 C
Amount approved by COC is not entered on CCC-185.	1-FSFL, Subpar. 102 A, Item 14 A
Final loan approval expiration date on CCC-185 is not 4 months following the date of approval.	1-FSFL, Subpar. 102 A, Item 14 B
The date approval letter was sent to applicant is not entered on CCC-185.	1-FSFL, Subpar. 102 A, Item 14 D
Applicant is not notified in writing when loan was funded.	1-FSFL, Subpar. 115 A, Step 2
The final loan approval expiration date is not entered on CCC-185.	1-FSFL, Subpar. 102 A, Item 14 C
The applicant's initials are not obtained when certifying "none" to no lien holders.	1-FSFL, Subpar. 42 E, Item 12 B
The date the facility equipment was or will be delivered to the farm is not entered on CCC-185.	1-FSFL, Subpar. 42 E, Item 10
No documentation on file to support the yield used to determine storage needs had been determined reasonable by COC.	1-FSFL, Subpar. 11 C, Step 3
Applicant is not notified in writing to provide missing information	1-FSFL, Subpar. 42 C
Application fee was not collected before application is accepted.	1-FSFL, Subpar. 42 C
The applicant has not provided FSA 431-2 or similar financial plan.	1-FSFL, Subpar. 44 A
Original evidence of cost documents is not date-stamped	1-FSFL, Subpar. 121 C
Acceptable cost documents are not signed by the seller.	1-FSFL, Subpar. 121 A
Proof of all peril insurance does not list CCC as loss payee.	1-FSFL, Subpar. 58 F
Annual proof of crop insurance is not obtained.	1-FSFL, Subpar. 58 A
Severance agreement is not obtained from the borrower to sever collateral from the real estate, when required.	1-FSFL, Subpar. 118 A

OK Notice PS-393

Exhibit 1

Description of Finding	Reference
Farm Storage Facility Loan Program:	
Annual proof of paid taxes is not received.	1-FSFL, Subpar. 151 A
Check is not disbursed jointly to the borrower and supplier when there is no evidence that all amounts due suppliers have been paid.	1-FSFL, Subpar. 17 C
Copy of cost document is not retained in loan folder.	1-FSFL, Subpar. 121 C
Serial numbers of equipment are not entered on CCC-295A.	1-FSFL, Form CCC-295A, Item 7
Final inspection is not documented on CCC-295A	1-FSFL, Subpar. 122 A
Individual approving CCC-186 does not have approval authority.	1-FSFL, Subpar. 2 F
A final lien search on the collateral is not performed on the closing date.	1-FSFL, Subpar. 115 A, Step 11
CCC-191 is not obtained from the primary contractor for the facility construction project.	1-FSFL, Subpar. 121 E
Collateral is not described on CCC-186.	1-FSFL, Subpar. 136 A, Item 7
Proof of current real estate taxes is not obtained when finalizing a loan.	1-FSFL, Subpar. 115 A, Step 6
Minimum down payment is not made by the loan applicant before the loan is disbursed.	1-FSFL, Subpar. 16 A
Disbursement is made without satisfactory evidence of required down payment.	1-FSFL, Subpar. 17 B
Severance agreement is not filed in the appropriate county real estate records.	1-FSFL, Subpar. 118 D
Proof of all peril insurance is not obtained when finalizing loan.	1-FSFL, Subpar. 58 F
Commodity Loans:	
CCC-677-1 is not signed by CCC representative.	8-LP, Ex. 7, Par. C, Item 41
The date the financing statement was filed is not entered on CCC-677-1.	8-LP, Ex. 7, Par. C, Item 40
The date the lien search was completed is not entered on CCC-677-1.	8-LP, Ex. 7, Par. C, Item 39
CCC-677-1 is not initialed by the producer to indicate whether or not measurements were to be used for production evidence.	8-LP, Ex. 7, Par. C, Item 32
LDP Operations:	
CCC-633 LDP is not date stamped when received to indicate the request date.	8-LP, Subpar. 301 A
Production Evidence is not date stamped when received.	8-LP, Subpar. 535 L
LDP documents are approved by employees without authority.	8-LP, Subpar. 3 B
LDP is issued before the producer submitted proof of crop insurance or obtained a waiver.	8-LP, Subpar. 100 A
The farm number where the commodity is produced is not entered on CCC-677-1.	8-LP, Ex. 7, Par. C, Item 7
CCC-677-1 is not initialed by the producer to verify measurements of the structure.	8-LP, Ex. 7, Par. C, Item 31
LDP is not disbursed timely.	8-LP, Subpar. 16 B
CCC-677-1 is not initialed by the producer to indicate whether or not measurements were to be used for production evidence.	8-LP, Ex. 7, Par. C, Item 32