



United States
Department of
Agriculture

Farmers
Home
Administration

Washington
D.C.
20250

FmHA AN No. 2125 (1951)

August 2, 1990

SUBJECT: Farmer Programs Referrals to the Office of the
Inspector General

TO: State Directors, District Directors and
County Supervisors

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to clarify the actions to be taken when a Farmer Programs (FP) borrower's case is referred to the Office of the Inspector General (OIG). The intended outcome is to obtain an OIG determination regarding its investigation, prior to the notification of a borrower with Attachments 1, 3 and 4 of Exhibit A to FmHA Instruction 1951-S. Prompt action is essential in these cases.

COMPARISON WITH PREVIOUS AN:

This AN discusses similar issues as found in Farmers Home Administration (FmHA) AN No. 2077(1951) dated April 11, 1990.

IMPLEMENTATION RESPONSIBILITIES:

When the County Supervisor determines that it is probable that a FP borrower has converted FmHA security or committed fraud, the case will be referred to the OIG through the State Director as set out in Section 1962.49 of FmHA Instruction 1962-A. The case should be prepared and forwarded to the State Director for review and concurrence. As speed is essential in these cases, a request for an OIG investigation should be made by telephone and confirmed by memorandum. FmHA Instruction 2012-B, Exhibit B outlines the type of information that the State Director should prepare to give OIG when requesting an investigation.

Those borrowers who have been referred to OIG, and are 30 to 180 days delinquent, will not be sent Attachments 1, 3 and 4 of Exhibit A of FmHA Instruction 1951-S until the OIG has concluded its actions on the referral, until the borrower is 180 days delinquent, or until the borrower requests such notices in writing, whichever comes first.

EXPIRATION DATE: May 31, 1991

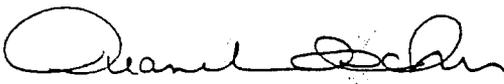
FILING INSTRUCTIONS:
Preceding FmHA
Instructions 1951-S



Farmers Home Administration is an Equal Opportunity Lender.
Complaints of discrimination should be sent to:
Secretary of Agriculture, Washington, D.C. 20250

Cases involving allegations of fraud or conversion should also be forwarded to the Office of the General Counsel (OGC) as set forth in Section 1962.49 of FmHA Instruction 1962-A. If the case file is needed for both the OIG and the OGC reviews, the case should be referred to OGC as soon as OIG no longer needs the case file for their review. Unreasonable delay by OIG may require copying the case file for OGC. To obtain an OGC legal opinion regarding a lack of good faith by the borrower, the guidelines attached to AN No. 2077(1951) dated April 11, 1990, should be completed and forwarded to the OGC. Except as provided in this AN, all actions on the referrals to OIG and OGC should be concluded prior to mailing Attachments 1, 3 and 4 of Exhibit A of FmHA Instruction 1951-S.

These actions will be tracked by SENT. Borrowers will be initialized into the category titled, "Borrower in Non-monetary Default or Borrower With Prior/Junior Lien Holder Foreclosure." The first activity code will be CGS001 (send Attachments 1, 3, and 4 of Exhibit A to FmHA Instruction 1951-S). The appropriate facts in the case should be stated on the Activity Screen. For example: "The case has been referred to OIG and/or OGC." However, for borrowers whose accounts have not become 180 days delinquent, Attachments 1, 3, and 4 will not be sent. The next step would be to select "OTHER" for the outcome and enter SUSPENSE or CONVERT, which ever is appropriate. Once the borrower becomes 180 days delinquent, requests servicing in writing, or OIG actions are concluded, then "OTHER" should be selected for the outcome and insert the activity code CGS001. At this time, Attachments 1, 3, and 4 of Exhibit A will be sent to the borrower and the normal servicing sequence followed.


LA VERNE AUSMAN
Administrator

Sent by Time Delay Option to States at 12:00 pm on 8/3/90; to Districts at 2:00 pm on 8/3/90; and Counties at 4:00 pm on 8/3/90 by ASD.