

For: State and County Offices

Using "Members of" Records for Entities

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

Farm Security and Rural Investment Act of 2002, Section 1614 directs the Secretary of Agriculture to establish a database to track the benefits provided to individuals and entities, either directly or indirectly.

FOIA:

- defines the public's right to access government information and publish that information
- requires Federal agencies to provide the fullest possible disclosure of information to the public.

7 CFR 1400.301 gives the Deputy Administrator the authority to waive permitted entity filing requirements in certain situations. 2-PL, subparagraphs 418 B, D, and E provide specific guidelines for establishing "Members of" records in the entity file which directly relates to the Deputy Administrator waiving certain permitted entity requirements. Paragraph 218 also provides precise requirements for the name of the "Members of" record in the Service Center Information Management System (SCIMS).

It has been discovered that a "Members of" record was used that was **not** consistent with the guidelines in 2-PL. The "Members of" record was entitled "**Bugs Bunny**." Payments were attributed to this record in an indirect manner and have been released to the public in a FOIA request. The implications of procedure **not** being followed, especially in this fashion, violate the public trust in disbursing payments to the producers that FSA serves.

Disposal Date	Distribution
February 1, 2007	State Offices; State Offices relay to County Offices

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1 Overview (Continued)

B Purpose

This notice provides direction about:

- loading “Members of” records in SCIMS and the entity file
- reviewing entity records for possible irregularities
- reporting results of entity records search.

2 Creating and Using “Members of” Records

A Creating a “Members of” Record

Entities and members with no tax ID **cannot** be loaded into the entity file. However, based on the provisions of this notice and 2-PL, there are situations where member information is not applicable, but a member record must be loaded in the entity file.

If a “Members of” record with no tax ID is authorized according to 2-PL, create a record in SCIMS to represent the member that has no tax ID number and enter the following data into SCIMS.

System	Field	Entry
SCIMS	Entity Type	General Entity Member
	Business Name	Members of (entity name) <u>1/</u>
	Address	Address of the entity
	Receive Mail Indicator	Unchecked
System 36 Name and Address	Eligible Voter	“N”
	Receive Mail	“N”

1/ Example: The entity is named “The John Smith Charity.” The “Members of” record would be named “Members of The John Smith Charity.”

B Using “Members of” Records

Load “Members of” records for:

- churches, charities, and non-profit entities according to 2-PL, subparagraph 418 D
- a tax exempt entity or an entity with more than 100 members according to 2-PL, subparagraph 418 E.

Note: This notice does **not** authorize individuals that do not have a Social Security number or entities that do **not** have an employer ID number to be loaded in the entity file. This procedure is strictly limited to the situations described in this notice.

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3 Action

A Further Improper Use of “Members of” Records

County Offices should be aware that any further intentional deviation from national policy and procedure about the “Members of” record could result in disciplinary action.

B County Office Action

County Offices shall:

- immediately review their entity/SCIMS files to determine if “Members of” records are recorded correctly
- correct incorrect records
- report instances of improperly recorded “Members of” records to the State Office no later than September 22, 2006.

Note: Reports should list the incorrect “Members of” record and the date the record was corrected. Negative reports are **required**.

C State Office Action

State Offices shall compile County Office reports and submit to National Office by September 29, 2006. Reports to the National Office should list a total, by State, of the number of incorrect records. Send reports to Brent Orr, PECD, by either of the following:

- e-mail to **brent.orr@wdc.usda.gov**
- FAX to 202-720-0051.

State Offices shall ensure that records reported according to paragraph 4 are thoroughly researched and corrected to reflect procedure in this notice and 2-PL.