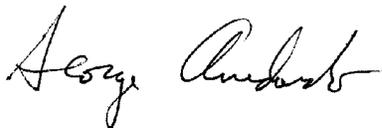


For: State and County Offices

CORP Common Findings for FY 1999

Approved by: Associate Administrator, Operations and Management



1 Overview

A

Background

The common findings reported in COR reports issued during FY 1999 have been compiled and summarized by ORAS. The results have been provided to the Administrator, applicable Associate and Deputy Administrators, and EDSO.

B

Purpose

This notice provides the common findings reported in COR reports issued for FY 1999 to State and County Offices.

C

**Transferring
Responsibilities**

During FY 1999, the responsibilities for maintaining the official personnel folders for County Office employees was transferred from the County Office to the State Office. Although common findings identified in this notice that address personnel folders would no longer be applicable at the County Office level, it is possible that the findings identified may have been present in the personnel folders at the time they were transferred.

<p>Disposal Date</p> <p>October 1, 2000</p>	<p>Distribution</p> <p>State Offices; State Offices relay to County Offices and COR's</p>
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Notice COR-92

2 General Information

A

Number of Reports

The common findings reported in this notice are limited to 1,188 reports that were issued during FY 1999.

B

Definition of Common Finding

A common finding is defined as a specific error that was reported in at least 15 percent of the County Offices reviewed for a specific operation or program area. If there were less than 30 reports issued for the specific operation or program area, no common findings were determined.

C

Information Provided

Paragraphs 4 through 25 provide the common findings for each operation or program area defined in subparagraph B.

3 Action

A

CED and FLM Action

CED's and FLM's shall:

- review paragraphs 4 through 25
 - provide a copy of this notice to each Program Technician (PT) and Farm Loan Officer (FLO)
 - determine whether the common findings are applicable in their County Office
 - if applicable, correct any deficiencies found.
-

B

PT and FLO Action

PT's and FLO's shall review the common findings that apply to their program responsibilities to determine whether the same common findings are applicable to their operation.

Notice COR-92

4 County Office Personnel

A

Scope of Review One hundred and sixty-seven reports were issued in 32 States, plus the Virgin Islands, that included the review of County Office Personnel.

There was a total of 2,020 employees, COC members, and COC advisors payrolled in the County Offices reviewed. Personnel records for 1,566 of those employees were selected for review.

B

Common Findings This table shows the findings common to the reports issued in subparagraph A.

Description of Finding	Reports With Finding	
	# Reports With the Finding	% of Reports Issued
Permanent and temporary documents were filed on the incorrect side of the official personnel folder. (27-PM, subparagraphs 552 A and E)	71	43
SF-2806/SF-3100 did not describe personnel action taken for the employee's service history. (22-PM, Exhibit 49)	44	26
FSA-675, item 32 B was not signed by CED to indicate approval for appointment. (27-PM, subparagraph 457 C, step 4)	44	26
Leave without pay days were not documented on the Annual Pay Status Record. (115-FI (Rev. 4), subparagraph 412 E, step 6)	39	23
Temporary records over 3 years old were retained in employee's official personnel folder. (27-PM, subparagraph 552 G)	34	20
FSA-675, item 32 A was not signed by CED to indicate applicant met minimum qualification standards. (27-PM, subparagraph 457 C, step 2)	33	18
Position descriptions were not reviewed annually by CED to ensure accuracy of duties assigned. (27-PM, subparagraph 103 A)	31	19

Notice COR-92

5 County Office Administrative Operations

A

Scope of Review One hundred and ninety-seven reports were issued in 35 States, plus the Virgin Islands, that included the review of County Office Administrative Operations.

B

Common Findings This table shows the findings common to the reports issued in subparagraph A.

Description of Finding	Reports With Finding	
	# Reports With the Finding	% of Reports Issued
CCC-392's were not reviewed annually to determine whether they should be continued or revoked. (1-FI, subparagraph 19 A)	62	31
Canceled CCC-184 was not annotated with date of and the reason for cancellation. (1-FI, subparagraph 254 A)	56	28
Invoice was not date stamped upon receipt. (115-FI (Rev. 4), subparagraph 159 A, step 1)	50	25
DD did not review all salary payments semiannually. (115-FI (Rev. 4), paragraph 60)	48	24
W-4 was not on file. (115-FI (Rev. 4), subparagraph 78 C)	47	23
FSA-164 was not on file for employees who conduct routine, frequent travel as part of regular duties. (115-FI (Rev. 3), subparagraph 452 A 1 a)	46	23
SF-71 was not on file to document leave taken. (17-PM, subparagraph 7 A)	41	21
FSA-289 was prepared by the County Office employee who was assigned check custodial responsibilities. (1-FI, subparagraph 32 D)	39	20
Canceled CCC-184 was not mutilated by either cutting off the signature block or writing or stamping "signature void." (1-FI, subparagraph 254 B)	39	20

Continued on the next page

5 County Office Administrative Operations (Continued)

B
Common
Findings
(Continued)

Description of Finding	Reports With Finding	
	# Reports With the Finding	% of Reports Issued
Invoice was paid more than 7 calendar days before payment due date. (115-FI (Rev. 4), subparagraph 159 B)	39	20
Obsolete or superseded directives were retained past the disposition date. (1-AS, subparagraph 191 B)	34	17
Arrival and departure times were not entered on FSA-164-3. (115-FI (Rev. 3), Exhibit 130, subparagraph A, items 6 and 7)	34	17
FSA-164-3 was not signed by the approving official. (115-FI (Rev. 3), Exhibit 130, subparagraph B, item 25 A)	33	17

6 ADP Operations

A
Scope of Review Sixty-six reports were issued in 24 States, plus the Virgin Islands, that included the review of ADP Operations.

B
Common This table shows the findings common to the reports issued in subparagraph A.
Findings

Description of Finding	Reports With Finding	
	# Reports With the Finding	% of Reports Issued
FSA-765 is not being updated each time a backup is created. (2-IRM, subparagraph 168 E)	23	35

Notice COR-92

7 Receipts and Deposits

A

Scope of Review One hundred and four reports were issued in 30 States, plus the Virgin Islands, that included the review of Receipts and Deposits.

A sample of 35,968 remittances was reviewed.

B

Common Findings This table shows the findings common to the reports issued in subparagraph A.

Description of Finding	Reports With Finding	
	# Reports With the Finding	% of Reports Issued
Not all remittances received were posted to FSA-603. (3-FI, subparagraph 19.5 A)	50	48
CCC-257 was not initialed by the preparer. (3-FI, subparagraph 4 C)	46	44
Remittances in CBS offices were not deposited on the day received or the following workday, as applicable. (3-FI, subparagraph 33 A)	38	37
Remittances were not posted on FSA-603 on the day received. (3-FI, subparagraph 19.5 A)	29	29
CCC-257's were not signed by the authorized official. (3-FI, subparagraph 4 C)	27	26
Obsolete FSA-603 was being used by County Office. (3-FI, subparagraph 19.5 C)	23	22
Same employee received and processed remittances. (3-FI, subparagraph 4 C)	19	18

Notice COR-92

8 COC Meetings and Minutes

A

Scope of Review Seventy-seven reports were issued in 25 States, plus the Virgin Islands, that included the review of COC Meetings and Minutes.

B

Common Findings This table shows the findings common to the reports issued in subparagraph A.

Description of Finding	Reports With Finding	
	# Reports With the Finding	% of Reports Issued
COC executive minutes were not kept in a locked file cabinet. (25-AS, Exhibit 51, OA 4-4)	22	29
Agenda was not provided in advance of the COC meeting. (16-AO, subparagraph 176 E)	21	27
COC minutes lacked pertinent facts and actions. (16-AO, subparagraph 194 B)	18	23
DD and FLM were not notified in advance when scheduled COC meetings are canceled. (16-AO, subparagraph 176 C)	15	19
COC minutes were not prepared within 10 workdays after the meeting. (16-AO, subparagraph 194 B)	12	16
COC minutes were not signed by the COC chairperson. (16-AO, subparagraph 194 C)	12	16

Notice COR-92

9 Reconstitutions

A

Scope of Review

Sixty-seven reports were issued in 21 States that included the review of Reconstitutions.

There was a total of 4,296 approved reconstitutions in the County Offices reviewed. Nine hundred and forty-four reconstitutions were selected for review.

B

Common Findings

This table shows the findings common to the reports issued in subparagraph A.

Description of Finding	Reports With Finding	
	# Reports With the Finding	% of Reports Issued
Reconstitution was processed and approved in automation system before COC approval. (2-CM, subparagraph 451 A)	27	40
COC did not conduct an annual review to determine whether land was properly constituted. (2-CM, subparagraph 3 C)	20	30
FSA-155, item 7 C did not indicate the method of division for each contract acreage, quota, or allotment on the parent farm. (2-CM, subparagraph 72 B)	19	28
FSA-155, items 9 through 14 were not answered. (2-CM, subparagraph 72 B)	18	27
COC did not require specific proof of ownership when land ownership was transferred. (2-CM, subparagraph 42 A)	17	25
FSA-155, item 5 did not indicate the approximate date of change. (2-CM, subparagraph 72 B)	17	25
FSA-155, item 16 B did not indicate whether COC approved or disapproved the reconstitution. (2-CM, subparagraph 72 B)	17	25
FSA-155, item 4 did not include an explanation of the reason for the reconstitution. (2-CM, subparagraph 72 B)	16	24

Continued on the next page

Notice COR-92

9 Reconstitutions (Continued)

**B
Common
Findings
(Continued)**

Description of Finding	Reports With Finding	
	# Reports With the Finding	% of Reports Issued
FSA-155, item 7 B did not include the appropriate contract acreage, quota, or allotment for each crop on the parent farm. (Division) (2-CM, subparagraph 72 B)	16	24
NRCS determinations for each applicable field were not mailed to applicable persons after reconstitution was approved. (2-CM, subparagraph 464 B)	15	22
FSA-155 was not signed by approving official. (2-CM, subparagraph 72 B)	13	19
COC did not continually review records to determine whether land must be reclassified as cropland, agricultural use land, or nonagricultural, commercial, or industrial uses. (2-CM, subparagraph 3 C)	12	18
DD did not certify that the COC's annual review to determine that land is properly constituted was correctly completed. (2-CM, subparagraph 3 B)	12	18
FSA-155, item 7 A did not list each crop on the parent farm. (Division) (2-CM, subparagraph 72 B)	12	18
COC action on reconstitutions are not recorded in COC minutes. (16-AO, subparagraph 194 B)	12	18
COC or designee did not sign COC report. (2-CM, subparagraph 445 A)	12	18
FSA-476 was not mailed to applicable persons after reconstitution was approved. (2-CM, subparagraph 464 B)	11	16
FSA-476 was mailed to owner and operators before reconstitution was approved by COC or designee. (2-CM, subparagraph 464 B)	11	16

Notice COR-92

10 AMTA

A

Scope of Review

Eighty-five reports were issued in 26 States that included the review of AMTA.

There was a total of 48,358 approved CCC-478's in the County Offices reviewed. A sample of 2,116 CCC-478's was selected for review.

B

Common Findings

This table shows the findings common to the reports issued in subparagraph A.

Description of Finding	Reports With Finding	
	# Reports With the Finding	% of Reports Issued
Overpayment register does not indicate it was reviewed by DD. (2-PF, subparagraph 141 D)	19	22
COC minutes did not document that succession-in-interest was reviewed by COC or that COC determined whether scheme or device was evident. (1-PF, subparagraph 328 C)	16	19
DD did not prepare the DD PFC Acreage and Yield Adjustment Report. (1-PF, subparagraph 6 C)	14	16
CCC-478 was not approved by COC or delegated representative. (1-PF, subparagraph 390 B)	13	15

Notice COR-92

11 Commodity Loans

A

Scope of Review Sixty-eight reports were issued in 23 States that included the review of Commodity Loans.

There was a total of 5,234 loans in the County Offices reviewed. A sample of 789 loans was reviewed.

B

Common Findings This table shows the findings common to the reports issued in subparagraph A.

Description of Finding	Reports With Finding	
	# Reports With the Finding	% of Reports Issued
Quantity offered for loan exceeded the quantity COC determined could have been reasonably produced. (6-LP, subparagraph 307 C)	12	18
County Office did not send the loan maturity notification letter to the producer at least 45 calendar days, but no more than 60 calendar days, before maturity. (7-LP, subparagraph 6 B)	10	15

Notice COR-92

12 LDP Operations

A

Scope of Review

Two hundred and eighty-nine reports were issued in 34 States that included the review of LDP Operations.

There was a total of 175,554 LDP's in the County Offices reviewed. A sample of 5,005 LDP's was reviewed.

B

Common Findings

This table shows the findings common to the reports issued in subparagraph A.

Description of Finding	Reports With Finding	
	# Reports With the Finding	% of Reports Issued
Employee did not verify if the producer could have taken physical possession of the commodity or if a warehouse receipt could have been provided. (6-LP, subparagraph 350 D)	56	19
LDP was not disbursed timely. (6-LP, subparagraph 24 B)	46	16

Notice COR-92

13 CRP Operations

A

Scope of Review

One hundred and eighty-seven reports were issued in 40 States that included the review of CRP Operations.

There was a total of 17,591 CRP-1's in the County Offices reviewed. A sample of 2,374 CRP-1's was reviewed.

B

Common Findings

This table shows the findings common to the reports issued in subparagraph A.

Description of Finding	Reports With Finding	
	# Reports With the Finding	% of Reports Issued
CRP-1 was approved before acreage determinations have been verified by a paid-for measurement service. (2-CRP, subparagraph 223 B)	42	22
CRP-2, item 9 did not include the rental rate per acre. (2-CRP, subparagraph 100 C, item 9)	35	19
CRP-1, item 12 E did not include the total cost-share per practice. (2-CRP, Exhibit 15, subparagraph A, item 12)	31	17
CRP-2, item 17 C did not show the estimated total cost-share amount. (2-CRP, subparagraph 100 C, item 17 C)	29	16
CRP-2, item 6 did not include the CRP-1 number. (2-CRP, subparagraph 100 C, item 6)	28	15
CRP-2, item 40 B did not include the eligible acres. (2-CRP, subparagraph 100 C, item 40 B)	28	15

Notice COR-92

14 EQIP Operations

A

Scope of Review Forty-five reports were issued in 21 States that included the review of EQIP Operations.

There was a total of 714 CCC-1200's in the County Offices reviewed. A sample of 428 CCC-1200's was reviewed.

B

Common Findings This table shows the findings common to the reports issued in subparagraph A.

Description of Finding	Reports With Finding	
	# Reports With the Finding	% of Reports Issued
COC determinations were not adequately documented in the COC minutes. (440-V-CPM, Part 515, subparagraph 515.118f)	30	67
Acknowledgment of receipt of CCC-1200 Appendix is not on file. (440-V-CPM, Part 515, subparagraph 515.111a)	19	42
Report EEB710-R002 (CCC-1200's Selected for Plan Development Report) was not printed. (440-V-CPM, Part 515, subparagraph 515.82h)	18	40
CCC-1245 was not created at the beginning of the FY for all technical practices approved. (2-CONSV, subparagraph 172 B)	13	29
CCC-1200 was not date stamped on the day received in the County Office. (440-V-CPM, Part 515, subparagraph 515.82c)	12	27
Invoices and supporting documentation for payment were not date stamped on the day received by the County Office. (61-FI, subparagraph 7 B)	11	24
Report EEB710-R001 (CCC-1200's Referred for Ranking Report) was not forwarded to NRCS weekly. (440-V-CPM, Part 515, subparagraph 515.82e)	10	22
COC did not manually enter the total cost-share or incentive payment amount approved for CCC-1200, item 9c. (2-CONSV, subparagraph 91 C)	10	22

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14 EQIP Operations (Continued)

**B
Common
Findings
(Continued)**

Description of Finding	Reports With Finding	
	# Reports With the Finding	% of Reports Issued
Original CCC-1200 was not filed in the security file. (440-V-CPM, Part 515, subparagraph 515.111j)	10	22
Administrative spot checks were not completed on 10 percent of prior year's contract payments. (440-V-CPM, Part 515, subparagraph 515.113e)	10	22
CCC-502 was not on file before payment was made. (440-V-CPM, Part 515, subparagraph 515.115d)	10	22
Agreement period was not entered on CCC-1200. (2-CONSV, subparagraph 95 B)	9	20
AD-1026 was not on file before payment was made. (440-V-CPM, Part 515, subparagraph 515.115d)	9	20
Annual status review was not performed. (440-V-CPM, Part 515, subparagraph 515.95b)	8	18
CCC-1200 does not contain a minimum of 5 years of practices. (440-V-CPM, Part 515, subparagraph 515.111a)	8	18
No lease or other documentation on file to show producer has control of the land. (440-V-CPM, Part 515, subparagraph 515.62c)	7	16

Notice COR-92

15 HELC/WC Operations

A

Scope of Review Seventy reports were issued in 24 States, plus the Virgin Islands, that included the review of HELC/WC Operations.

COR's selected and reviewed 1,118 AD-1026's.

B

Common Findings This table shows the findings common to the reports issued in subparagraph A.

Description of Finding	Reports With Finding	
	# Reports With the Finding	% of Reports Issued
AD-1026A attached to AD-1026 was printed after the date the producer certified it was true and correct. (6-CP, subparagraph 423 E)	67	96
AD-1026 was not revised after changes in the farming operation were reported. (6-CP, subparagraph 473 A)	62	89
Producer did not verify farms or tracts listed on AD-1026A, item 12 on which they were listed as "OT." (6-CP, subparagraph 423 C)	48	69
AD-1026, item 7 did not list affiliated persons with farming interests, nor was "None" entered. (6-CP, subparagraph 433 B, step 2)	41	59
AD-1026A was not attached to the producer's AD-1026. (6-CP, subparagraph 419 A)	35	50
AD-1026 was not marked "VOID" when a revised AD-1026 is required. (6-CP, subparagraph 475 A)	32	46
The question, "Do the attached AD-1026A(s) list all your farming interest by county, and show current NRCS determinations?" on AD-1026 was not answered. (6-CP, subparagraph 433 A, item 4)	15	21
Producer did not sign AD-1026, item 13 after NRCS issued determination. (6-CP, subparagraph 467 A)	15	21
Affiliated persons with farm interests did not file AD-1026. (6-CP, subparagraph 404 D)	12	17
Questions on AD-1026 pertaining to wet areas that may have been or will be manipulated in any way to make crop production possible were not answered by the producer. (6-CP, subparagraph 447 C, step 2)	12	17

Notice COR-92

16 Payment Limitations

A

Scope of Review One hundred and one reports were issued in 28 States, plus the Virgin Islands, that included the review of Payment Limitations.

A sample of 4,179 CCC-502's was reviewed.

B

Common Findings This table shows the findings common to the reports issued in subparagraph A.

Description of Finding	Reports With Finding	
	# Reports With the Finding	% of Reports Issued
County Office did not notify producer of COC determination within 60 calendar days after the date CCC-502 was filed. (1-PL, subparagraph 463 B)	25	25
A change in farming operation occurred without an updated CCC-502 being filed. (1-PL, subparagraph 50 C)	20	20
Minor changes to previous CCC-502's have not been initialed and dated by the producer. (1-PL, subparagraph 50 D)	17	17
Notification letter did not include 30 calendar day appeal notification. (1-PL, subparagraph 464 A)	15	15
CCC-502 was not date stamped on the date received by the County Office. (61-FI, subparagraph 7 B)	15	15
Adequate documentation was not on file for COC to make proper determination. (1-PL, subparagraph 52 B)	28	28

Notice COR-92

17 EEO and Civil Rights Compliance

A

Scope of Review Sixty-eight reports were issued in 25 States, plus the Virgin Islands, that included the review of EEO and Civil Rights Compliance.

B

Common Findings This table shows the findings common to the reports issued in subparagraph A.

Description of Finding	Reports With Finding	
	# Reports With the Finding	% of Reports Issued
Special accommodations statement was not included semi-annually in County Office newsletters. (18-AO, paragraph 115)	16	33
The Public Information Progress Report (INFO-18R) was not completed on FSA-870. (1-INFO, subparagraph 67 E 5)	12	18
Sexual Harassment Poster was not displayed in the County Office. (19-PM, paragraph 188)	11	16

Notice COR-92

18 Direct Loan Application Processing

A

Scope of Review One hundred and one reports were issued in 31 States, plus the Virgin Islands, that included the review of Direct Loan Application Processing.

There was a total of 4,779 applications in the County Offices reviewed. A sample of 675 applications was reviewed.

B

Common Findings This table shows the findings common to the reports issued in subparagraph A.

Description of Finding	Reports With Finding	
	# Reports With the Finding	% of Reports Issued
Guide Letter 1910-A-3 was not sent to notify the applicant that the application was considered complete. (FmHA Instruction 1910-A, subparagraph 1910.4 (b))	43	42
Loan assessment of the farm operation was not completed before loan approval. (FmHA Instruction 1924-B, subparagraph 1924.55)	38	37
FSA 410-1 did not indicate the date it was considered complete. (Forms Manual Insert, Form FSA 410-1, item 28 B)	38	37
Application was not dated upon receipt by the County Office to indicate processing date. (FmHA Instruction 1910-A, subparagraph 1910.4 (b))	37	36
Copy of Current/Past Debt Inquiry Screen was not printed and placed in case file. (FmHA Instruction 1910-A, subparagraph 1910.4 (b) (18))	37	36
Income tax records were not stamped "Confidential" when received from borrower for loan servicing purposes. (FmHA Instruction 1951-S, subparagraph 1951.907 (e) (5) (ix))	33	32
Legal descriptions for rental/leasing land agreements were not found in the applicant's file. (FmHA Instruction 1910-A, subparagraph 1910.4 (b) (11))	31	30

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Notice COR-92

18 Direct Loan Application Processing (Continued)

**B
Common
Findings
(Continued)**

Description of Finding	Reports With Finding	
	# Reports With the Finding	% of Reports Issued
FSA 410-1 did not show the type of assistance. (Forms Manual Insert, Form FSA 410-1, item 28 F)	31	30
FSA 410-1 did not have the initials of the employee receiving the credit report fee. (Forms Manual Insert, Form FSA 410-1, item 28 E)	29	28
FSA 410-1 did not indicate the amount of credit report fee collected. (Forms Manual Insert, Form FSA 410-1, item 28 C)	28	27
FSA 410-1 did not indicate the date the credit report fee was collected. (Forms Manual Insert, Form FSA 410-1, item 28 D)	28	27
FmHA Instruction 1910-A, Exhibit C was not sent to the borrower notifying them of their responsibilities. (FmHA Instruction 1910-A, subparagraph 1910.4 (g))	26	25
FSA 410-1 did not indicate the date it was received. (Forms Manual Insert, Form FSA 410-1, item 28 A)	26	25
Incorrect data was entered in MRS for applications received. (FmHA Instruction 1910-A, subparagraph 1910.4 (b))	24	24
FmHA 1940-22 was not completed before loan approval. (FmHA Instruction 1910-A, subparagraph 1910.4 (b) (20))	25	24
Financial records for the past 5 years were not obtained from the applicant. (FmHA Instruction 1910-A, subparagraph 1910.4 (b) (5))	23	23

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Notice COR-92

18 Direct Loan Application Processing (Continued)

**B
Common
Findings
(Continued)**

Description of Finding	Reports With Finding	
	# Reports With the Finding	% of Reports Issued
Guide Letter 1910-A-1 was not sent to notify the applicant that the application was incomplete. (FmHA Instruction 1910-A, subparagraph 1910.4 (d) (3) (i))	23	23
Calculations on FmHA 1945-26 were not verified by a second employee. (FmHA Instruction 1945-D, subparagraph 1945.183 (a) (3))	20	20
All debts listed on the application for direct loan assistance have not been verified. (FmHA Instruction 1910-A, subparagraph 1910.4 (b) (12))	18	18
RD-1910-5 was not completed by the applicant to verify off-farm employment, if any. (FmHA Instruction 1910-A, subparagraph 1910.4 (b) (8))	17	17
Inadequate documentation on file that applicant could not obtain credit elsewhere. (FmHA Instruction 1910-A, subparagraph 1910.4 (b) (4))	16	16
FmHA 1924-27 was not obtained when waiver of borrower training was granted. (FmHA Instruction 1924-B, subparagraph 1924.74 (b) (2))	16	16
Applicant was not notified in writing of eligibility. (FmHA Instruction 1910-A, subparagraph 1910.6 (a))	15	15
FmHA 1940-22 was not signed by concurring official. (FmHA Instruction 1940-G, subparagraph 1940.316 (c))	15	15
FmHA 1924-23 did not include concurring official's signature. (Forms Manual Insert, Form FmHA 1924-23, item 8)	15	15

Notice COR-92

19 Direct Loan Processing and Closing

A

Scope of Review Ninety-six reports were issued in 32 States, plus the Virgin Islands, that included the review of Direct Loan Processing and Closing.

There was a total of 3,360 closed loans in the County Offices reviewed. A sample of 589 loans was reviewed.

B

Common Findings This table shows the findings common to the reports issued in subparagraph A.

Description of Finding	Reports With Finding	
	# Reports With the Finding	% of Reports Issued
RD 1940-1, item 47 did not include loan official's initials. (Forms Manual Insert)	24	25
FSA 1962-1 does not show that all recorded planned disposition of chattels have been entered. (RD Instruction 1962-A, subparagraph 1962.16 (b))	22	23
No evidence that crop insurance was on file when required. (FmHA Instruction 1941-B, subparagraph 1941.88)	18	19
FmHA 1940-17, items 28 and 29 were not completed to show advances of loan amounts. (Forms Manual Insert)	18	19
The conditions on FmHA 1940-1 were not met by the producer. (FmHA Instruction 1941-A, subparagraph 1941.33 (b) (2) (i))	15	16

Notice COR-92

20 Direct Loan Account Servicing

A

Scope of Review Eighty-five reports were issued in 28 States, plus the Virgin Islands, that included the review of Direct Loan Account Servicing.

There was a total of 10,737 loans in the County Offices reviewed. A sample of 1,161 loans was reviewed.

B

Common Findings This table shows the findings common to the reports issued in subparagraph A.

Description of Finding	Reports With Finding	
	# Reports With the Finding	% of Reports Issued
No documentation that annual classification of borrowers' accounts was completed. (FmHA Instruction 2006-W, subparagraph 2006.1103 (a))	38	45
County Offices have not completed required year-end analysis. (FmHA Instruction 1924-B, subparagraph 1924.55 (d))	34	40
Limited resource reviews were not completed timely. (RD Instruction 1951-A, subparagraph 1951.25 (a))	31	36
Guide Letter 1951-F-8 reminding borrowers of the graduation requirements was not sent. (RD Instruction 1951-F, subparagraph 1951.262 (a))	25	29
Annual inspections of chattel were not completed. (RD Instruction 1962-A, subparagraph 1962.16 (a))	24	28
Graduation review was not completed. (RD Instruction 1951-F, subparagraph 1951.262 (c))	22	26
Lender was not sent prospectus information when required by procedure. (RD Instruction 1951-F, subparagraph 1951.262 (f) (3))	18	21
Annual review of delinquent real estate taxes was not completed. (RD Instruction 1925-A, subparagraph 1925.3 (c))	16	19

Continued on the next page

Notice COR-92

20 Direct Loan Account Servicing (Continued)

B
Common
Findings
(Continued)

Description of Finding	Reports With Finding	
	# Reports With the Finding	% of Reports Issued
Reminder letters were not sent to borrowers 60 days before expiration or end of the business year. (FmHA Instruction 1924-B, subparagraph 1924.56 (a) (1))	15	18
COC did not certify that borrower's account was classified. (FmHA Instruction 2006-W, subparagraph 2006.1103 (c) (4))	15	18
Copies of income tax records were not found in the borrower's case file. (FmHA Instruction 1951-S, subparagraph 1951.907 (e) (5) (ix))	14	16
Current FSA 1962-1 was not on file for loans secured by chattel. (RD Instruction 1962-A, subparagraph 1962.17 (a) (2))	14	16

Notice COR-92

21 Guaranteed Loan Application Processing

A

Scope of Review Sixty reports were issued in 26 States that included the review of Guaranteed Loan Application Processing.

There was a total of 1,466 applications in the County Offices reviewed. A sample of 337 applications was reviewed.

B

Common Findings This table shows the findings common to the reports issued in subparagraph A.

Description of Finding	Reports With Finding	
	# Reports With the Finding	% of Reports Issued
Lenders were not notified in writing that the application was considered complete. (2-FLP, subparagraph 96 C)	24	40
Known relationships that may cause an actual or potential conflict of interest were not addressed. (2-FLP, subparagraph 32 A)	17	28
The date the application was completed is not documented on FSA-1980-25. (2-FLP, subparagraph 96 B)	17	28
The initial notification letter requesting additional application information was not sent to the lender. (2-FLP, subparagraph 97 A)	12	20
FmHA 1940-22 was not completed for categorical exclusions regarding environmental concerns. (FmHA Instruction 1940-G, subparagraph 1940.315 (d))	9	15
Current/Past Debt Inquiry Screen was not printed and placed in the case file. (FmHA Instruction 1910-A, subparagraph 1910.4 (b) (18))	9	15

Notice COR-92

22 Guaranteed Loan Processing and Closing

A

Scope of Review Sixty-two reports were issued in 27 States that included the review of Guaranteed Loan Processing and Closing.

There was a total of 1,160 loans in the County Offices reviewed. A sample of 296 loans was reviewed

B

Common Findings This table shows the findings common to the reports issued in subparagraph A.

Description of Finding	Reports With Finding	
	# Reports With the Finding	% of Reports Issued
The lender was not informed of the approval decision for guaranteed loan in writing. (2-FLP, subparagraph 244 C)	10	16
Lender did not indicate on FSA-1980-15 whether conditions were approved or rejected. (2-FLP, subparagraph 246 A)	10	16
RD 1940-3, item 39 was not initialed and dated by the approval official. (Forms Manual Insert)	9	15

Notice COR-92

23 Guaranteed Loan Servicing

A

Scope of Review Sixty reports were issued in 22 States that included the review of Guaranteed Loan Servicing.

There was a total of 3,828 loans in the County Offices reviewed. A sample of 681 loans was reviewed.

B

Common Findings This table shows the findings common to the reports issued in subparagraph A.

Description of Finding	Reports With Finding	
	# Reports With the Finding	% of Reports Issued
The review of the lender’s outstanding guaranteed loans was not conducted annually as required. (2-FLP, subparagraph 267 B)	20	33
Lender did not submit to FSA an annual financial analysis of the borrower. (2-FLP, subparagraph 265 C)	15	25
County Office has not initiated a tracking system for guaranteed lender reviews. (2-FLP, subparagraph 267 B)	15	25
FSA-1980-44 was not submitted by the lender semi-annually as required. (2-FLP, subparagraph 266 B)	11	18

Notice COR-92

24 Livestock Assistance Program

A

Scope of Review Seventy-nine reports were issued in 11 States that included the review of the Livestock Assistance Program.

There was a total of 16,036 CCC-740's in the County Offices reviewed. A sample of 1,428 CCC-740's was reviewed.

B

Common Findings This table shows the findings common to the reports issued in subparagraph A.

Description of Finding	Reports With Finding	
	# Reports With the Finding	% of Reports Issued
No documentation of second party review of LAP applications after all information was entered into the automated system. (1-DAP, subparagraph 709 D)	25	32
AD-1026 was not on file before LAP payment was made. (1-DAP, subparagraph 736 D)	24	30
CCC-502 was not on file before LAP payment was made. (1-DAP, subparagraph 736 E)	21	27
Acreage entered in automated system differs from manual CCC-740. (1-DAP, subparagraph 729 B)	17	22
Employee who entered CCC-740 data into automated system did not sign and date computer-generated application. (1-DAP, subparagraph 732 B)	16	20
Grazing acreage certified by producer was not accurately transferred from FSA-578 to CCC-740. (1-DAP, subparagraph 701 C)	15	19
CCC-740, item 4 does not contain an application number. (1-DAP, subparagraph 710 A)	12	15
CCC-740, item 5 C does not indicate whether the producer has livestock interests in other States. (1-DAP, subparagraph 710 A)	12	15
CCC-740, item 5 E does not indicate whether the producer has livestock on other farms. (1-DAP, subparagraph 710 A)	12	15

Notice COR-92

25 Crop Loss Disaster Assistance Program

A

Scope of Review Two hundred and twenty-five reports were issued in 46 States that included the review of the Crop Loss Disaster Assistance Program.

There was a total of 37,444 CCC-540's in the County Offices reviewed. A sample of 3,321 CCC-540's was reviewed.

B

Common Findings This table shows the findings common to the reports issued in subparagraph A.

Description of Finding	Reports With Finding	
	# Reports With the Finding	% of Reports Issued
CCC-541 was not completed acknowledging the crop insurance purchase requirement. (1-DAP, subparagraph 1001 A)	71	32
CCC-540A did not include FSN's associated with unit. (1-DAP, subparagraph 1022 A, item 5)	53	24
CCC-540A did not include what cultivation practices were employed on damaged crop/low yield crop acreage. (1-DAP, subparagraph 1022 A, item 13)	47	21
Production evidence was not date stamped. (1-DAP, subparagraph 1063 A, step 1)	46	20
Producer certified to total gross revenue for 1998 instead of 1997 on CCC-540. (1-DAP, subparagraph 1006 B, item 10)	45	20
CCC-540A did not indicate whether inputs or land preparation was purchased, delivered, or arranged for. (1-DAP, subparagraph 1022 A, item 12)	45	20
CCC-540A did not include what was done on prevented planted or damaged crop acreage. (1-DAP, subparagraph 1022 A, item 14)	45	20
CCC-502 is not on file that describes the producer's 1998 farming operation. (1-DAP, subparagraph 1003 B)	41	18
CCC-540A did not include the unit number. (1-DAP, subparagraph 1022 A, item 3)	37	16

Continued on the next page

25 Crop Loss Disaster Assistance Program (Continued)

B
Common
Findings
(Continued)

Description of Finding	Reports With Finding	
	# Reports With the Finding	% of Reports Issued
CCC-540A does not include the total production. (1-DAP, subparagraph 1022 A, item 20)	37	16
CCC-540A does not include the disaster period or specific date the disaster occurred. (1-DAP, subparagraph 1022 A, item 7 b)	36	16
CCC-540A does not include planted acreage. (1-DAP, subparagraph 1022 A, item 11)	34	15
