

For: State and County Offices

2007 Compliance Activities - Additional Information

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

Notice CP-617 notified State and County Offices of the:

- new process for selecting producers for 2007 compliance reviews and spot checks
- policy and procedure for conducting 2007 compliance reviews.

After the issuing Notice CP-617, the National Office held a teleconference with the States to:

- clarify some of the issues outlined in Notice CP-617
- to answer any questions and concerns.

While the teleconference was helpful and clarified many issues, the National Office has received numerous questions and requests for guidance on Notice CP-617.

B Purpose

This notice provides:

- answers to some commonly asked questions about the 2007 compliance review and spot check process outlined in Notice CP-617
- a statement that may be used in newsletters to notify producers of the 2007 compliance review and spot check selection process.

Disposal Date	Distribution
July 1, 2008 6-29-07	State Offices; State Offices relay to County Offices

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2 Additional Information

A Questions and Answers

The following are provided in response to questions and concerns the National Office has received about the 2007 compliance review and spot check process.

Item	Question	Answer
1	A county did not have any FSA employees, COC, or STC members selected on the national spot check selection list. Does the County Office need to perform any spot checks or reviews on them?	No. If no employees were selected, the County Office would not have to perform any checks or reviews on them unless they had valid concerns that would warrant such a review.
2	In 2-CP, there are a lot of inspections (CRP and HELC inspections and NAP and APH spot check). Do the questions in Notice CP-617 replace those requirements?	County Offices shall follow procedure in Notice CP-617 for conducting spot checks for CRP and HELC, and NAP APH. The National Office is in the process of updating the applicable handbooks.
3	If no producers were selected for a county, does the County Office need to perform any compliance activities for 2007?	If no producers were selected in a county, the County Office is still required to perform spot checks on all late filed acreage reports filed for crops according to 2-CP, subparagraph 21 A.
4	What action should a County Office take if a selected producer has no interest in farms in that county?	Because producers were selected, based in part, on previous years' payment records, a producer who is not farming in 2007 may have been selected. If that is the case, then the County Office will not perform spot checks and reviews for that producer. A notation shall be made on the producer selection list. The County Office will also notate in the National Compliance Review database that the producer was not participating in FSA programs in 2007.
5	What action shall a County Office take if it goes out to perform a spot check on a producer's crop and it has already been harvested and no evidence of the crop is in the field?	Make a notation that the 2007 compliance process was not implemented in time to identify the crop. There will be a comment section in the database to record this.

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2 Additional Information (Continued)

A Questions and Answers (Continued)

Item	Question	Answer
6	Can a County Office spot check a representative sample of each crop on a farm, instead of spot checking the entire crop acreage for the crop? In some counties, producers may operate well over 25,000 acres. Since most States will not be receiving aerial imagery, it will be much more time consuming when spot checking an entire farm.	No. The entire acreage for the crop must be spot checked.
7	What if the selected producer is a member of a partnership, corporation, LLC, etc., but was selected as an individual (individual tax ID number). Counties would obviously spot check the individual interest but would they spot check the producer's other farming interests as well.	No. If the producer was selected as an individual, only speck check or review farms, loans, LDP, etc., the producer has an interest in as an individual.
8	When an employee goes to measure crops for a selected producer, he/she may pass a farm (enrolled in CRP) but owned and/or operated by another producer. Should the employee spot check the CRP farm since it may be the only CRP that receives spot check in the county?	No, unless the County Office has reason to believe there is a problem.
9	Does the national producer selection list show all counties and/or States in which a multi-county/State producer is participating?	Yes, producers should be listed under all States/counties they are participating, unless a producer has added and/or changed counties in 2007. When the list was generated, it picked up all counties the producer was linked to in SCIMS. For future years, the National Office will run the producer selection list periodically throughout the year to ensure that any additions/changes to producer farming operations are captured.

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2 Additional Information (Continued)

A Questions and Answers (Continued)

Item	Question	Answer
10	How and in what format does the National Office want County Offices to record and maintain spot check and review findings? Can the State and/or County Offices develop a form to use?	The National Office is not concerned about the format County Offices use when recording their findings. What matters is that all of the questions for each program area (outlined in Notice CP-617, Exhibit 1) are answered. The National Office will leave it to the State and/or County Offices to decide whether or not to develop a form to record the findings. Ultimately, the findings will need to be recorded in the National Compliance Review database.
11	What action shall a County Office take if an individual is selected but does not participate in any programs in the county?	Notate on the producer selection list and the National Compliance Review database that the individual is not participating in that county.
12	Will DD's still be required to complete FSA-577 for all County Offices according to 2-CP, paragraph 332?	Yes.
13	If a producer on the list is a field rent tenant or a landowner on a farm that has several tenants and landowners, does the County Office spot check the FSA-578 for the entire farm or just the acreage they have an interest in?	County Offices must check all of the crop that the tenant or landowner has an interest in, not all crops on the farm. Example: Producer A is a tenant on the farm and only has control of 10 acres on which he has planted corn. Producer A is selected for spot check. In this case, the County Office has to check all the corn on the farm. The County Offices does not have to check any other crops on the farm unless Producer A plants another crop.
14	Are the handbooks for each program included in this process going to incorporate the changes made in Notice CP-617?	Yes, the National Office is in the process of updating the applicable handbooks. Note: CRP spot checks other than those outlined in Notice CP-617, such as those required on contracts where Emergency Haying and Grazing has been approved or on cost-share receipts, must be completed as required by 2-CRP.

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2 Additional Information (Continued)

B Notifying Producers of Compliance Selection Process

Notice CP-617, subparagraph 4 B required County Offices to notify producers, through newsletters, of the 2007 compliance review and spot check selection process. States have requested that the National Office provide a statement to use when notifying producers. State and/or County Offices may publicize the following article in newsletters and other media to inform producers of the 2007 compliance review and spot check selection process.

FSA's 2007 National Compliance and Spot Check Review

FSA is committed to delivering accurate program payments to America's agricultural producers. The accuracy of payments not only benefits farmers and ranchers, but also maximizes taxpayer dollars and government efficiency.

As part of the 2007 National Compliance Review, FSA's national office is requiring local FSA county offices to conduct compliance reviews and spot checks of certain producers selected by the national office through a statistical sampling method. A statistical sample of FSA employees, County Committee (COC) and State Committee (STC) members have also been selected for review using this same process.

FSA may review a producer's operations in multiple states and counties, depending on the scope of the producer's operations. FSA will review both the accuracy of the representations made by the selected producers in connection with participation in FSA programs as well as the producer's compliance with applicable program requirements. The reviews may need to be conducted at various times throughout the year depending on the FSA programs in which the producer is participating. FSA appreciates the cooperation of its customers as the agency continues to enhance its operations.

FSA's goal is to ensure that program dollars are delivered effectively and efficiently so America's farmers and ranchers can provide safe and abundant food, fiber and fuel for consumers at home and abroad.

Note: If a State/County has already issued a similar statement about the 2007 compliance review and spot check selection process, they are **not** required to issue this article.