

For: State and County Offices

**2017 Compliance Reviews and Spot Checks**

Approved by: Acting Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

To ensure the accuracy of payments and integrity of FSA programs, County Offices are required to conduct compliance reviews and spot checks for producers selected for review through the national compliance review and spot check process.

The National Office has made its selection of producers for 2017 compliance reviews and spot checks.

**B Purpose**

This notice informs State and County Offices of the following:

- the web address to view and print the list of producers selected for 2017 compliance reviews and spot checks
- additional guidance for performing 2017 compliance activities, including the following:
  - applicable programs
  - conducting FSA-578/Crop Acreage Compliance Reviews
  - availability of the 2017 compliance review database
  - deadline for completing reviews and recording in database.

**C Producer Selection List**

The list of producers selected for 2017 compliance reviews and spot checks is posted on the Intranet at <https://inside.fsa.usda.gov/program-areas/dafp/common-processes/compliance/index>.

Disposal Date	Distribution
April 1, 2018	State Offices; State Offices relay to County Offices

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### 1 Overview (Continued)

#### C Producer Selection List (Continued)

The 2017 producer list is broken down by State and county. Under each county, the following information will be displayed:

- producer's first and last name and/or business name
- TIN type ("E", entity or "S", Social Security).

Producers are listed in every State/county in which they are participating. County Offices must perform compliance reviews and spot checks on all producers listed in their county throughout the year for all applicable programs and activities.

### 2 Additional Guidance for Performing 2017 Compliance Activities

#### A Programs/Activities Included in the 2017 Compliance Review Process

The following programs/activities are included in the compliance review process for 2017:

- ARC/PLC
- BCAP
- CRP maintenance and practice checks
- ECP
- EFRP
- ELAP
- FSA-578's and HELC/WC compliance
- FSFL
- LDP's/MAL's
- LIP
- LFP
- MPP
- NAP
- RTCP
- TAP.

#### B Performing 2017 Compliance Reviews and Spot Checks

County Offices will follow procedure in 2-CP, Part 3, Section 2.5 when performing compliance reviews and spot checks for programs in subparagraph A. Questions for which responses must be documented during compliance reviews and spot checks for all applicable programs/activities are in 2-CP, paragraphs 349.5 through 357.14.

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**2 Additional Guidance for Performing 2017 Compliance Activities (Continued)**

**B Performing 2017 Compliance Reviews and Spot Checks (Continued)**

When conducting compliance reviews and spot checks, County Offices will check for:

- FSA-578 spot checks: the current year FSA-578, and any prior year FSA-578 that has been revised since the 2016 spot check list dated July 14, 2016
- all other programs: any application/contract that has been enrolled and/or approved for payment since the 2016 spot check list dated July 14, 2016.

**Note:** Any application/contract that is enrolled and/or approved for payment after the issuance of the annual Spot Check Producer List will be subject to the subsequent years National Compliance Review process.

**3 Additional Guidance for Conducting FSA-578/Crop Acreage Compliance Reviews**

**A Conducting Reviews for Large Number of Farms**

The following provides guidance for conducting acreage compliance reviews when more than 10 farms per administrative county are associated with the selected producer. County Offices will use ground compliance to determine acreage when digital imagery is not received or is not timely received.

<b>IF the producer selected for review is associated with...</b>	<b>THEN the County Office must complete the FSA-578/Crop Acreage Compliance review, including ground compliance visits, for...</b>		
10 or less farms	all farms.		
more than 10 farms	a random selection of a minimum of 10 farms.		
	<b>IF, for all the farms randomly selected, there are...</b>	<b>THEN...</b>	
	no crops out of tolerance or variance and no COC determinations of noncompliance	no further farms must be reviewed.	
	one or more crops are out of tolerance or variance or the COC determines noncompliance	randomly select and complete review on 1 additional farm for every 10 farms remaining on the list of associated farms.	
		<b>IF, for the additional farms randomly selected, there are...</b>	<b>THEN...</b>
	no crops out of tolerance or variance and no COC determinations of noncompliance	no further farms must be reviewed.	
	one or more crops out of tolerance or variance or the COC determines noncompliance	review all farms.	

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**3 Additional Guidance for Conducting FSA-578/Crop Acreage Compliance Reviews (Continued)**

**A Conducting Reviews for Large Number of Farms (Continued)**

**Example:** Producer A selected for spot check and has 32 associated farms administered by County Office X. County Office X randomly selects 10 farms for review. The COC determined the producer is in noncompliance due to unreported FAV. County Office X must randomly select an additional 2 farms for review. No additional issues are discovered; therefore, no additional farms must be reviewed for the producer in County Office X.

**B Conducting Reviews for Large Farms**

The following provides guidance for conducting acreage compliance reviews when than 2500 acres are associated with the selected farm(s).

<b>IF a farm chosen for spot check for the selected producer has.</b>	<b>THEN the County Office must complete ground compliance reviews on...</b>		
less than 2500 acres certified on the FSA-578	all acreage on the chosen farm(s).		
more than 2500 acres certified on the FSA-578	a randomly selected 50 percent of the acres certified on the FSA-578, beginning with the annually planted crops and CRP acreage.		
	<b>IF, for the first 50 percent of the acres selected, there are...</b>	<b>THEN...</b>	
	no crops out of tolerance or variance and no COC determinations of noncompliance	no further acreage for the chosen farm must be reviewed.	
	one or more crops out of tolerance or variance or the COC determines noncompliance	complete ground compliance on a randomly selected additional 25 percent of the remaining acres or all acreage if less than 1500 acres remain.	
		<b>IF, for the additional chosen acreage, there are...</b>	<b>THEN...</b>
no crops out of tolerance or variance and no COC determinations of noncompliance		no further acreage must be reviewed.	
one or more crops out of tolerance or variance or the COC determines noncompliance	review all acreage for the chosen farm.		

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### 3 Additional Guidance for Conducting FSA-578/Crop Acreage Compliance Reviews (Continued)

#### B Conducting Reviews for Large Farms (Continued)

**Example:** Farm 100 selected for spot check has 2800 certified acres (1000 acres annually planted crops/CRP and 1800 haying/grazing acres). County Office X reviews all 1000 acres of the annually planted/CRP certified acreage and randomly selects 400 acres of the haying/grazing land to review. The producer is determined out of tolerance on CRP acres. County Office X must review the balance of the acreage on the farm, as less than 1500 acres remain to be reviewed.

#### C Using NAIP Imagery When Conducting Reviews

County Office may use NAIP imagery from the current (spot check) year in lieu of a ground compliance if the NAIP imagery is available and can be used to verify the existence and acreage of the reported crop. The County Office must conduct ground compliance if the NAIP imagery does not allow for clear identification of the reported crop and acreage.

In addition, the County Office may use NAIP imagery from the prior year if the acreage being reviewed is a perennial crop and was reported in the prior year or is a crop rolled to the current year acreage report using the continuous certification provisions. The prior year NAIP imagery must clearly show the existence and acreage of the crop. The County Office must conduct ground compliance if the prior year NAIP imagery does not allow for clear identification of the reported crop and acreage.

### 4 Guidance for Documenting Reviews in National Compliance Review Database

#### A Availability of 2017 National Compliance Review Database

Because of modifications, the National Compliance Review Database created by the National Agricultural Statistics Service (NASS) is **not** available to load 2017 results. The database is tentatively scheduled to be opened in August 2017. Until further notice, County Offices will maintain written documentation of all 2017 compliance review and spot check results in the County Office.

The National Office will issue a subsequent notice advising when the 2017 National Compliance Review Database is available for data entry. Instructions for loading review results in the National Compliance Review Database are provided in 2-CP, paragraphs 359 through 361.

#### B Review Deadlines

County Offices must complete 2017 compliance reviews and spot checks and load the spot check results in the National Compliance Database by November 30, 2017.

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### 5 Contact

#### A Contact Information

For any problems or concerns with the National Compliance Review process or this notice:

- County Offices shall contact their State Office compliance specialist
- State Office specialists shall contact Gwen Uecker by either of the following:
  - e-mail at **[gwen.uecker@wdc.usda.gov](mailto:gwen.uecker@wdc.usda.gov)**
  - telephone at 701-893-2209.