

**For:** State and County Offices

**FY 2010 National CORP Review for Improper Payments for DCP**

**Approved by:** Acting Deputy Administrator, Farm Programs



**1 CORP Findings for FY 2010**

**A Background**

The Improper Payments Information Act (IPIA) of 2002 requires Federal Agencies to evaluate programs to determine whether internal controls are sufficient to prevent issuing improper payments.

These IPIA reviews enable FSA to have reliable and statistical data to determine the effectiveness of programs and whether adequate management controls are in place to conform to IPIA requirements. OMB defines an improper payment as any payment that should **not** have been issued or was issued for an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements. Incorrect amounts include both overpayments and underpayments.

During the FY 2010 CORP review, the DCP/ACRE error rate was 0.96 percent, up from 0.42 percent for the FY 2009 review.

<b>Program</b>	<b>Year</b>	<b>Error Rate</b>
ACRE/DCP	2009	0.42
	2010	0.96

**B Purpose**

This notice:

- is being issued as part of FSA’s corrective action plan as required under IPIA
- informs State and County Office employees of CORP findings about DCP
- directs followup action within each State to ensure that all offices review the errors and take any needed corrective action.

<b>Disposal Date</b>	<b>Distribution</b>
December 1, 2011	State Offices; State Offices relay to County Offices

**Notice DCP-251**

**1 CORP Findings for FY 2010 (Continued)**

**C Action**

SED's shall ensure that:

- applicable State Office program chiefs and specialists review this notice in detail to develop Corrective Action Plans (CAP's), as needed, to ensure that County Office employees follow applicable program procedures issued through National notices and program handbooks
- additional internal control procedures are developed to avoid findings indicated by CORP reviews
- applicable State Office program areas provide additional program training, where needed, and implement CAP's to reduce improper payments
- DD's review this notice with CED's and PT's within their respective districts.

**D CORP Review Improper Payment Findings for DCP**

The following provides CORP DCP improper payment findings for FY 2009 payments and procedure requirements.

<b>Program Area</b>	<b>Description of Findings</b>	<b>Procedure Reference</b>
DCP Contract Operations	Payee did not have interest in enough acres on farm to support claimed share of base acres.	1-DCP (Rev 3), paragraphs 352 and 355
	Payment is based on incorrect base acres because a base reduction is required.	1-DCP (Rev 3), paragraph 64
	Not all required signatures were obtained before contract year deadline.	1-DCP (Rev 3), paragraph 394
	Contract was revised after the contract year deadline.	1-DCP (Rev 3), paragraph 398
Producer Eligibility	Farm operating plan is not on file.	1-DCP (Rev 3), subparagraph 352 K
Acreage Reports	Acreage report for all cropland on farm is not on file.	1-DCP (Rev 3), subparagraph 11 B
Payments	Payment was not properly reduced for FAV's or wild rice planted on base acres.	1-DCP (Rev 3), paragraph 469 and 4-CP, Part 3