

**For:** State and County Offices

**FY 2012 National CORP Review for Improper Payments for NAP**

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



**1 CORP Findings for FY 2012**

**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.

The FY 2012 improper payment rate for NAP is 7.0 percent, down from the 8.97 percent error rate reported in FY 2011.

Program	Year	Error Rate
NAP	2011	8.9 percent
	2012	7.0 percent

**B Purpose**

This notice:

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

**Disposal Date**

January 1, 2013  
 9-11-12

**Distribution**

State Offices; State Offices relay to County Offices

## Notice NAP-150

### 1 CORP Findings for FY 2012 (Continued)

#### C Action

SED's shall ensure that:

- applicable State Office division chiefs and specialists review this notice in detail to develop Corrective Action Plans (CAP's), as needed, to ensure that County Offices 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 divisions 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 Payments for NAP

The following provides CORP NAP improper payment findings for FY 2011 payments and procedure reference and policy for each finding.

<b>Program Area</b>	<b>Description of Findings</b>	<b>Procedure Reference</b>
Producer Eligibility	Acceptable acreage report is not on file for the crop receiving payment.	1-NAP, paragraph 151
	Payee exceeded AGI requirements.	1-NAP, paragraph 33.5
Notice of Loss and Application for Payment	CCC-576, Notice of Loss, filed late.	1-NAP, subparagraphs 401 B and D
	Payment was made on ineligible loss.	1-NAP, paragraph 21.5
	CCC-576, Application for Payment, filed late.	1-NAP, subparagraph 502 A
	CCC-576, Parts D through F are not properly completed.	1-NAP, Exhibit 43, paragraph A, parts D-F
	LA or FSA representative did not sign CCC-576, Part G.	1-NAP, Exhibit 43, paragraph A, item 60 A
	CCC-576 is not on file for crop receiving payment	1-NAP, subparagraph 502 B
Production Evidence	Production evidence is not on file.	1-NAP, subparagraph 323 A
	Appraisal/Production Report not complete when required.	1-NAP, subparagraph 323 A



**Notice NAP-150**

**1 CORP Findings for FY 2012 (Continued)**

**D CORP Review Improper Payments for NAP (Continued)**

<b>Program Area</b>	<b>Description of Findings</b>	<b>Procedure Reference</b>
Payment Calculation	Incorrect planting period used to calculate payment.	1-NAP, Exhibit 43, paragraph A, item 28
	Incorrect crop type used to calculate payment.	1-NAP, Exhibit 43, paragraph A, item 29
	Payee share is incorrect.	1-NAP, Exhibit 43, paragraph A, item 31
	Incorrect crop acreage was used to calculate payment.	1-NAP, Exhibit 43, paragraph A, item 32
	Incorrect practice used to calculate payment.	1-NAP, Exhibit 43, paragraph A, item 33
	Incorrect total production used to calculate payment.	1-NAP, Exhibit 43, paragraph A, item 35
	Incorrect intended use was used to calculate payment.	1-NAP, Exhibit 43, paragraph A, item 36
Approved Yield Calculation	Approved yield is not properly calculated.	1-NAP, paragraph 251