

For: State and County Offices

Reviews of Payments to Producers Identified as Deceased

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

1-CM provides procedures for County Offices to use when reviewing payments issued to deceased individuals. The procedure requires County Offices to conduct quarterly reviews of individuals identified on the “Payments to Individuals Identified as Deceased” Report and to code payments as proper or improper according to 1-CM, subparagraphs 1005 A and B.

GAO recently conducted an audit on USDA controls over payments to deceased producers. As part of the review, an evaluation of whether FSA had sufficient procedures in place to prevent potentially improper payments was made. A random sample of payments to deceased individuals that FSA identified as proper revealed that 9 percent did not have sufficient support to be coded as proper. GAO determined that FSA’s process of reviewing payments against the Social Security Administration’s death master file has been effective in identifying thousands of individuals that may have been improperly paid after death and commended FSA for its measures to safeguard payments. However, GAO noted that FSA could further reduce the error rate identifying improper payments by ensuring that County Office findings of proper or improper payments are supported by documentation.

B Purpose

This notice reminds State and County Offices:

- of the importance of conducting thorough reviews of payments issued to deceased individuals
- to ensure that findings of proper and improper payments are supported by documentation and accurately coded in the “Payments to Producers Identified as Deceased” web-based system.

Disposal Date	Distribution
February 1, 2014	State Offices; State Offices relay to County Offices

Notice CM-729

2 Action

A County Office Action

County Offices shall:

- continue to conduct quarterly reviews for individuals identified on the “Payments to Individuals Identified as Deceased” Report
- ensure that findings of proper or improper payments are supported by applicable documentation and coded according to 1-CM, paragraph 1005.

B State Office Action

State Offices shall ensure that:

- County Offices are aware of the contents of this notice
- County Office reviews of payments to deceased individuals are conducted according to 1-CM and findings are accurately documented and supported by substantial documentation.