

For: State and County Offices

FY 2005 Marketing Assistance Loan (MAL) COR Findings

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

The FY 2005 COR Report has been reviewed. The report includes 2 common errors concerning MAL's. COR's reviewed 81 County Offices in which 11,589 MAL's were reviewed.

The COR FY 2005 Report disclosed that County Offices that were reviewed are not:

- ensuring that producers verify the measurement results before a measured loan is completed
- signing the CCC-677-1 for CCC.

Note: A finding is defined as a procedural error applicable to a specific operation or program reported during FY 2005 County Office reviews.

B Purpose

This notice provides State and County Offices the following:

- an overview of the problems COR's found while reviewing MAL's
- established policy and procedure references for each problem found.

Disposal Date	Distribution
September 1, 2006	State Offices; State Offices relay to County Offices

Notice LP-2023

2 FY 2005 COR Report MAL Findings

A Verification of Measurement Service

Problem: Measurement results are not verified by the producer before a measurement loan is completed.

Policy: 8-LP, subparagraph 427 E, step 4 instructs the County Office employees to ensure that the producer verify the measurement results by initialing and dating the CCC-677-1, item 31 before MAL is complete.

B CCC-677-1

Problem: CCC-677-1 is not signed for CCC.

Policy: 8-LP Exhibit 7, paragraph C, item 41 A instructs County Office employees to sign and date CCC-677-1 for CCC.

3 Action

A State Office Action

State Offices shall ensure that County Office personnel understand and follow MAL program requirements before administering and disbursing MAL's to producers.

B County Office Action

County Offices shall:

- continue to follow all policy and procedure in 8-LP
- ensure all required forms and documents are completed and approved before disbursement of MAL's.

C DD Action

DD's shall continue to monitor, on a monthly basis, County Office activities and provide results of findings to SED's and STC.