

Part 1 Basic Provisions

1 Overview

A

Background

The Agricultural Risk Protection Act 2000 (2000 Act) requires FSA and RMA to:

- work together to improve program compliance and integrity of the Federal Crop Insurance Program
 - develop a coordinated plan for implementation.
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B

Oversight and Coordination

The following offices are conducting oversight and coordination of this effort in consultation with OIG and crop insurance companies:

- FSA, PECD
 - RMA RCO's
 - RMA RO's
 - RMA, Deputy Administrator for Research and Development.
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C

Handbook Purpose

This handbook provides FSA and RMA offices procedure based on the joint work plans developed as a result of the 2000 Act. The areas covered by this handbook include the following:

- referrals and investigations
 - claims audit
 - consultation with STC's
 - data reconciliation.
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2 Sources of Authority and Related Handbooks

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Statutory Authority

The statutory authority for FSA and RMA to improve program integrity is Subtitle B, Section 121 of the 2000 Act.

B

STC Authority to Supplement This Handbook

Because this handbook is a joint effort between FSA and RMA, STC's do **not** have the authority to modify this handbook. Any recommendations for amendment must be submitted to the National Office for concurrence by both FSA and RMA.

C

Related Handbooks

FSA and RMA handbooks related to program compliance include the following:

- 9-AO for handling audits and investigations
 - *--1-AS for filing guidance for directives--*
 - 1-CM for name, address, and producer ID number verification
 - 3-CM for farm records management
 - 2-CP for verifying acreage and completing field visits
 - FCIC Loss Adjustment Manual and specific crop insurance Loss Adjustment Standard manuals
 - 5-LP for bin measurements
 - 1-PL for reviewing farm operating plans
 - 22-PM for determining and handling conflict of interest.
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3 Publication Requirements

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Overview

With the passage of the 2000 Act, FSA and RMA are:

- required to coordinate a plan to identify, address, and reconcile discrepancies of all relevant producer-derived information
- directed to coordinate a monitoring program, which includes fact finding relative to allegations of program fraud, waste, and abuse.

As a key preventative measure, it is important that the agricultural community be made fully aware of FSA's and RMA's joint efforts to reduce fraud, waste, and abuse.

B

When to Provide Information

At a minimum, County Offices shall notify all producers twice a year of the monitoring efforts by FSA and RMA to prevent fraud, waste, and abuse in the Federal Crop Insurance Program.

This notification shall be publicized at the beginning of the calendar year and again during the crop growing season.

Note: It may be appropriate to publicize this information more than twice, depending on the planting and harvest seasons for different crops in a county.

C

What Information to Provide

County Offices shall notify producers that:

- FSA will be assisting RMA and insurance providers in monitoring crop conditions throughout the growing season
 - FSA will refer all suspected cases of fraud, waste, and abuse about the Federal Crop Insurance Program to RMA
 - producers may report suspected cases of fraud, waste, and abuse to their local County Office, RMA office, or OIG
 - FSA will assist RMA with auditing claims.
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3 Publication Requirements (Continued)

D

Methods of Notification

County Offices shall notify all producers of the efforts to reduce fraud, waste, and abuse of the Federal Crop Insurance Program by any means of communications, including, but not limited to, the following:

- news releases
 - newsletters
 - radio and television spots
 - fact sheets.
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4 Points of Contact

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Designating FSA POC

Each SED shall establish a POC and alternate who shall:

- serve as the primary contact for all functions associated with implementing the 2000 Act within their State
 - be responsible for maintaining the lines of communication between RMA and FSA at the Regional and State levels
 - be responsible for POC responsibilities in this handbook.
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B

Designating RMA POC

Each RCO shall establish a POC and alternate who shall:

- serve as the primary contact for all functions associated with implementing the 2000 Act within its region
 - be responsible for maintaining the lines of communication between RMA, FSA, and the insurance provider at the Regional and State levels
 - perform the duties required under these procedures.
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5 FSA Access to Insured Records

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FSA Authority to Access Farms and Records

7 CFR Part 457 grants FSA the authority, by RMA, at any time during the record retention period to have access to:

- any records relating to insurance at any location where these records may be found or maintained
 - the farm.
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6 Freedom of Information

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Requests Submitted Under FOIA

The name, policy number, and identification number on the RCO spot check list will be withheld under FOIA according to 5 U.S.C., Section 522 (b)(6), “Personal Privacy”, unless the requestor is a producer on the list.

***--Note:** If the requestor is a producer on the list through FOIA, the only information that can be released is that information specifically about the requestor. No other names can be released.

Any information obtained and gathered through the fact-finding process and documented on AD-2007 or AD-2027 will be protected according to--* 5 U.S.C. 552 and 552a, “Freedom of Information Act” and “The Privacy Act of 1974”.

Requests for information or copies regarding oversight and compliance shall be made in writing by the requestor and processed by FSA State and County Office employees responsible for processing FOIA and Privacy Act requests.

Any questions and requests for guidance can be addressed to the FSA FOIA and Privacy Act Specialist at 202-720-5534.

***--7 Conflict of Interest**

**A
Procedure for
Conflicts of
Interest**

State and County Offices shall follow 22-PM, paragraphs 402, 407, and 408 for determining and handling conflict-of-interest situations.

Note: For those cases involving spouses or family members that are either employed by the insurance company or employed by or under contract as agents or LA's, County Office employees shall not be involved in the referral or spot-check process for that relative's book of business. The State POC shall be responsible for:

- providing guidance
 - coordinating work related to these situations.
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8 FSA Employees Requested as Witnesses

**A
Overview**

Because of FSA's responsibility in identifying, investigating, observing, and fact finding cases of fraud, waste, and abuse, there may be instances where FSA employees are requested or subpoenaed to be witnesses for RMA or the insurance company.

Example: RMA RCO notified the Darlington County Office through the State POC that a complaint was filed that Stuart Clayton was planting his cotton crop 35 calendar days after the final planting date. A Darlington County FSA field representative went out and verified that Mr. Clayton was currently in the process of planting his cotton. Because Mr. Clayton completed planting his crop before the insurance company representative visited the farm, the only eyewitness to Mr. Clayton planting his cotton crop after the final planting date is the Darlington County field representative. If in the process of denying Mr. Clayton's claim for loss he files suit against the insurance company, the Darlington County field representative may be called as an eyewitness in support of the insurance company denying the claim.--*

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***--8 FSA Employees Requested as Witnesses (Continued)**

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**County Office
Action**

If an FSA county representative is subpoenaed or requested to testify for RMA or the insurance company, the County Office shall immediately notify their State Office of the request. The County Office shall provide a copy of the subpoena and any pertinent information to the State Office for their review.

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**State Office
Action**

If a County Office employee is called as a witness to a court proceeding, the State Office shall immediately notify ALG for guidance. ALG will work with OGC in determining the validity of the request.--*

9-19 (Reserved)