

COM-15-002: Risk Management Agency Improper Payments Reviews

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Date

May 6, 2015

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Heather Manzano, Deputy Administrator for Compliance /s/ Heather Manzano

Subject

Risk Management Agency Improper Payments Reviews

Background

The United States Department of Agriculture (USDA), Risk Management Agency (RMA) is required annually, in accordance with Appendix C of the Office of Management and Budget (OMB) Circular No. A-123, Requirements for Effective Estimation and Remediation of Improper Payments dated October 20, 2014, to estimate and report an improper payment rate using a randomly selected, statistically valid sample of policies for the Federal crop insurance program.

obamawhitehouse.archives.gov/sites/default/files/omb/memoranda/2015/m-15-02.pdf

The agency recently completed its field review of policies for the 2015 reporting period and is now initiating its review of policies for the 2016 reporting period.

Action

To comply with the above mandate for the 2016 reporting period, RMA has randomly selected a statistically valid sample of policies from across the program for review from the 2014 reinsurance year. The policies were selected without regard to the Approved Insurance Provider (AIP) that serviced the policy and will be reviewed to estimate an improper payment rate for the program as a whole.

Notifications will be transmitted on or about May 8, 2015, through the CARS SharePoint to each AIP servicing the selected policies. Regional Compliance Offices (RCO) will send notification letters to selected policyholders on or about May 18, 2015. AIPs will provide all applicable policyholder and AIP documentation to RMA through the CARS SharePoint by July 31, 2015. The AIP will be responsible for contacting their policyholders to gather any required documentation not currently on file with the AIP. The RCO will conduct a review of the information in accordance with current compliance policy and procedure to determine whether or not there is an improper payment. This will include a one year APH review of all policies sampled for the 2016 reporting period.

DISPOSAL DATE:

December 31, 2015