

COM-16-003: Risk Management Agency Improper Payments Reviews

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Date

April 20, 2016

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 statistically selected, statistically valid sample of policies for the Federal crop insurance program.

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

The agency recently completed its field review of policies for the 2016 reporting period and is now initiating its review of policies for the 2017 reporting period.

ACTION

To comply with the above mandate for the 2017 reporting period, RMA has statistically selected a valid sample of policies from across the program for review from the 2015 reinsurance year. The policies, 680 in all, were selected with 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 as well as for each AIP.

Notifications were transmitted on or about April 13, 2016, through the Compliance Activities Results System SharePoint to each AIP servicing the selected policies. Regional Compliance Offices (RCO) sent notification letters to selected policyholders on or about April 18, 2016. AIPs will provide all applicable policyholder and AIP documentation to RMA through the CARS SharePoint by June 6, 2016.

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.

DISPOSAL DATE

December 31, 2016