

2024 USDA EXPLANATORY NOTES – OFFICE OF INSPECTOR GENERAL

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PREFACE

This publication summarizes the fiscal year (FY) 2024 Budget for the U.S. Department of Agriculture (USDA). Throughout this publication any reference to the “Budget” is in regard to the 2024 Budget, unless otherwise noted. All references to years refer to fiscal year, except where specifically noted. The budgetary tables throughout this document show actual amounts for 2021 and 2022, enacted levels for 2023, and the President’s Budget request for 2024. Amounts for 2023 estimated levels include: non-enacted amounts such as Full-Time Equivalent levels, fleet levels, information technology investment levels, recovery levels, transfers in and out, balances available end of year, and obligation levels.

Throughout this publication, the “2018 Farm Bill” is used to refer to the Agriculture Improvement Act of 2018. Most programs funded by the 2018 Farm Bill are funded through 2023. Amounts shown in 2024 for most Farm Bill programs reflect those confirmed in the baseline.

Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, sequestration is included in the numbers for mandatory programs in 2021, 2022, 2023 and 2024.

AGENCY-WIDE**PURPOSE STATEMENT**

The Office of Inspector General (OIG) carries out its mission pursuant to the Inspector General Act of 1978 (5 U.S.C. app. 3, as amended) (IG Act). OIG was established to conduct and supervise audits and investigations relating to U.S. Department of Agriculture (USDA) programs and operations; to provide leadership and coordination and recommend policies for activities designed to promote economy, efficiency, and effectiveness in the administration of USDA programs and operations, as well as to prevent and detect fraud and abuse in such programs and operations; and to provide a means to keep the Secretary and Congress fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress of corrective action.

OIG carries out these activities through the successful execution of audits, investigations, and reviews, and through appropriate reporting, all as mandated by the IG Act, which are funded through the OIG appropriation. OIG operates independently from the other agencies within the Department. OIG’s statutorily mandated duties and responsibilities are:

- To provide policy direction for and to conduct, supervise, and coordinate audits and investigations relating to programs and operations of USDA
- To review existing and proposed legislation and regulations relating to programs and operations of USDA and to make recommendations concerning the impact of such legislation or regulations on the economy and efficiency in the administration of USDA’s programs and operations, or the prevention and detection of fraud and abuse in such programs and operations
- To recommend policies for and to conduct, supervise, or coordinate other activities carried out or financed by USDA for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations
- To recommend policies for, and to conduct, supervise, or coordinate relationships between USDA and other Federal agencies, State and local government agencies, and nongovernmental entities with respect to all matters relating to the promotion of the economy and efficiency in the administration of, or the prevention and detection of fraud and abuse in, programs and operations administered or financed by USDA, or the identification and prosecution of participants in such fraud and abuse; and
- To keep the Secretary and the Congress fully and currently informed, by means of required reports or otherwise, concerning fraud and other serious problems, abuses, and deficiencies relating to the administration of programs and operations administered or financed by USDA, to recommend corrective action concerning such problems, abuses, and deficiencies, and to report on the progress made in implementing corrective action.

OIG’s workload capacity correlates to its funding level, while OIG typically achieves a “return on investment” that far exceeds its appropriation. For example, as reported in OIG’s Semiannual Report to Congress for the Second Half of 2022, OIG’s audit and investigative activities during all of 2022 resulted in a total dollar impact of \$487.5 million, or \$4.58 for every dollar in its 2022 appropriation.

OIG is headquartered in Washington, D.C., with regional offices in the following cities: Beltsville, Maryland; Atlanta, Georgia; Chicago, Illinois; Temple, Texas; Kansas City, Missouri; and Oakland, California. As of September 30, 2022, OIG had 421 permanent full-time employees.

OIG AND GAO REPORTS

OIG did not have any Government Accountability Office evaluation reports during the past year.

AVAILABLE FUNDS AND FTEs

Table OIG-1. Available Funds and FTEs (thousands of dollars, FTEs)

Item	2021		2022		2023		2024	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
Salaries and Expenses:								
Discretionary Appropriations	\$99,912	431	\$106,309	411	\$111,561	430	\$125,893	450
Supplemental Appropriations	-	-	8,322	-	4,716	-	4,716	-
Total Discretionary Appropriations	99,912	431	106,309	411	111,561	430	125,893	450
Total Supplemental Appropriations	-	-	8,322	-	4,716	-	4,716	-
Total Adjusted Appropriation	99,912	431	114,631	411	116,277	430	130,609	450
Balance Available, SOY	-	-	342	-	-	-	-	-
Recoveries, Other	-	-	31	-	-	-	-	-
Total Available	99,912	431	115,004	411	116,277	430	130,609	450
Lapsing Balances	-4,919	-	-1,709	-	-	-	-	-
Balance Available, EOY	-	-	-7,895	-	-	-	-	-
Total Obligations, OIG	94,993	431	105,400	411	116,277	430	130,609	450
Other USDA:								
Risk Management	500	-	500	-	500	-	500	-
Food and Nutrition Service	500	-	286	-	286	-	286	-
Forest Service	400	-	400	-	400	-	400	-
Rural Development	1,000	-	1,000	-	1,000	-	1,000	-
OCFO/WCF Audits	325	-	275	-	275	-	275	-
Total, Other USDA	2,725	-	2,461	-	2,461	-	2,461	-
Total, Agriculture Available	102,637	431	117,465	411	118,738	430	133,070	450
Other Federal Funds:								
FHFA	129	-	-	-	-	-	-	-
CIGIE	216	-	216	-	218	-	218	-
OMB Detail	-	-	114	-	24	-	-	-
PRAC	-	-	26	-	-	-	-	-
Total, Other Federal	345	-	356	-	242	-	218	-
Total Available, OIG	102,982	431	117,821	411	118,980	430	133,288	450

PERMANENT POSITIONS BY GRADE AND FTEs

Table OIG-2. Permanent Positions by Grade and FTEs

Item	2021			2022			2023			2024		
	D.C.	Field	Total	D.C.	Field	Total	D.C.	Field	Total	D.C.	Field	Total
ES	1	-	1	1	-	1	1	-	1	1	-	1
SES	9	-	9	8	-	8	9	-	9	9	-	9
SL	-	-	-	-	-	-	-	-	-	-	-	-
GS-15	18	13	31	16	17	33	16	17	33	16	17	33
GS-14	24	61	85	24	69	93	24	69	93	25	71	96
GS-13	37	203	240	30	183	213	29	183	212	28	193	221
GS-12	11	36	47	9	38	47	9	38	47	9	43	52
GS-11	7	10	17	4	7	11	4	7	11	4	10	14
GS-10	-	-	-	-	-	-	-	-	-	-	-	-
GS-9	15	15	30	4	6	10	4	6	10	4	6	10
GS-8	1	5	6	1	4	5	1	4	5	1	4	5
GS-7	4	8	12	3	5	8	3	5	8	3	5	8
GS-6	-	1	1	-	-	-	-	-	-	-	-	-
GS-5	-	1	1	-	1	1	-	1	1	-	1	1
GS-4	-	2	2	-	-	-	-	-	-	-	-	-
Total Permanent	127	355	482	100	330	430	100	330	430	100	350	450
Unfilled, EOY	20	31	51	2	3	5	-	-	-	-	-	-
Total Perm. FT EOY	107	324	431	98	327	425	100	330	430	100	350	450
FTE	107	324	431	98	313	411	100	330	430	100	350	450

In addition to these numbers above, there are temporary positions as well.

VEHICLE FLEET

Motor Vehicle Fleet

The 2024 President's Budget proposes replacing 20 currently leased, but aging passenger motor vehicles and adding an additional 10 leased vehicles to our 2024 fleet to support the additional FTEs requested in the 2024 budget. OIG's motor vehicles are used for law enforcement purposes. These vehicles, which are assigned to Criminal Investigators, are utilized in the investigation and prevention of criminal activities, such as: fraud in subsidy, price support, benefits, and insurance programs; significant thefts of Government property or funds; bribery; extortion; smuggling; and assaults on employees. In addition, the fleet vehicles are used for investigations involving criminal activity that affects the health and safety of the public, such as meat packers knowingly selling hazardous food products and individuals who tamper with food regulated by USDA. Also, OIG Criminal Investigators are poised to provide emergency law enforcement response to USDA declared emergencies and suspected incidents of terrorism affecting USDA regulated industries as well as USDA programs, operations, personnel, and installations, in coordination with Federal, State, and local law enforcement agencies, as appropriate.

Replacement Criteria

OIG replaces leased vehicles based on GSA protocols and reported mileage and age of vehicle. For sedans, the criterion for replacement is 5 years and/or 60,000 miles. For SUVs, the replacement criteria are 7 years and/or 65,000 miles. OIG replaces vehicles with like vehicles, unless a need for a larger vehicle is justified by agency Management officials. Examples of such instances would be a Use of Force instructor needing a larger vehicle for equipment transportation, or an agent working investigations in a rural area with rough terrain.

Reductions to Fleet

There will be no reductions to the vehicle fleet in 2024.

Table OIG-3. Size, Composition, and Annual Costs of Motor Vehicle Fleet

	Sedans and Station Wagons	Vans	SUVs	Light Trucks 4X2	Light Trucks 4X4	Medium Duty Vehicles	Buses	Heavy Duty Vehicles	Total Vehicles	Annual Operating Costs
2018 End of Year Operating Inventory	66	17	59	3	2	-	-	-	147	\$754,000
2021 End of Year Operating Inventory	57	5	68	-	2	-	-	-	132	860,000
2022 Planned Acquisitions	-	1	4	-	1	-	-	-	6	
2022 Planned Disposals	4	-	-	-	-	-	-	-	4	
2022 End of Year Operating Inventory	53	6	72	-	3	-	-	-	134	910,000
2023 Planned Acquisitions	-	-	-	-	-	-	-	-	-	
2023 Planned Disposals	1	-	1	-	-	-	-	-	2	
2023 End of Year Operating Inventory	53	6	72	-	3	-	-	-	134	960,000
2024 Planned Acquisitions	5	-	5	-	-	-	-	-	10	
2024 Planned Disposals	-	-	-	-	-	-	-	-	-	
2024 End of Year Operating Inventory	58	6	77	-	3	-	-	-	144	1,010,000

Table OIG-4. Statement of Proposed Purchase of Passenger Motor Vehicles

Fiscal Year	Net Active Fleet, SOY	Disposals	Replacements	Additions	Total Acquisitions	Net Active Fleet, EOY
2021	129	3	6	-	6	132
2022	132	4	6	-	6	134
2023	134	20	20	-	20	134
2024	134	20	20	10	30	144

SHARED FUNDING PROJECTS

Table OIG-5.. Shared Funding Projects (thousands of dollars)

Item	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated
Working Capital Fund:				
Administrative Services:				
Material Management Service	\$79	\$35	\$32	\$34
Mail and Reproduction Services	100	130	162	160
Integrated Procurement Systems	79	73	57	58
Procurement Operations Services	3	1	2	2
Human Resources Enterprise Management Systems	6	7	5	6
Subtotal	267	246	258	260
Communications:				
Creative Media & Broadcast Center	3	6	7	19
AskUSDA Contact Center	-	-	15	15
Subtotal	3	6	22	34
Finance and Management:				
National Finance Center	127	123	127	131
Financial Management Systems	521	363	384	410
Internal Control Support Services	-	-	7	8
Personnel and Document Security Program	-	-	22	24
Subtotal	648	486	540	573
Information Technology:				
Client Experience Center	514	743	505	511
Department Administration Information Technology Office	-	14	10	11
Digital Infrastructure Services Center	444	406	307	308
Enterprise Network Services	784	716	1,452	1,349
Enterprise Data and Analytics Services	-	-	16	17
Subtotal	1,742	1,879	2,290	2,196
Office of the Executive Secretariat	15	19	30	32
Total, Working Capital Fund	2,675	2,636	3,140	3,095
Department-Wide Shared Cost Programs:				
Advisory Committee Liaison Services	-	-	-	-
Agency Partnership Outreach	32	30	35	35
Diversity, Equity, Inclusion and Accessibility	-	-	9	9
Human Resources Priority Goals Program	-	-	18	18
Human Resources Transformation	-	-	-	-
Intertribal Technical Assistance Network	-	-	-	-
Medical Services	24	29	32	32
Office of Customer Experience	45	42	14	14
National Capital Region Interpreting Service	-	6	19	19
Personnel and Document Security Program	74	74	-	-
Physical Security	20	20	20	20
Security Detail	22	21	22	22
Security Operations Program	30	29	30	30
TARGET Center	6	6	8	8
Talent Group	-	-	16	16
USDA Enterprise Data Analytics Services	25	21	-	-
Total, Department-Wide Reimbursable Programs	278	278	222	222

Item	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated
E-Gov:				
Budget Formulation and Execution Line of Business.....	1	1	-	-
Human Resources Line of Business.....	1	1	1	1
Integrated Acquisition Environment.....	3	1	1	1
Hiring Assessment Tool		1		
Total, E-Gov	5	4	2	2
Agency Total	2,958	2,918	3,364	3,319

ACCOUNT I: SALARIES AND EXPENSES

APPROPRIATIONS LANGUAGE

The appropriations language follows (new language underscored; deleted matter enclosed in brackets)

Salaries and Expenses

For necessary expenses of the Office of Inspector General, including employment pursuant to the Inspector General Act of 1978 (Public Law 95-452; 5 U.S.C. [APP.] 401 et seq.), [~~\$111,561,000~~]\$125,893,000, including such sums as may be necessary for contracting and other arrangements with public agencies and private persons pursuant to section 6(a)(9) of the Inspector General Act of 1978 (Public Law 95-452; 5 U.S.C. [APP.] 406(a)(9)), and including not to exceed \$125,000 for certain confidential operational expenses, including the payment of informants, to be expended under the direction of the Inspector General pursuant to the Inspector General Act of 1978 (Public Law 95-452; 5 U.S.C. [APP.] 401 et seq.) and section 1337 of the Agriculture and Food Act of 1981 (Public Law 97-98).

Change Description

The first change (lines 4, 6, and 9 of paragraph 1) bring the citations in line with the recent revisions to title 5, found at section 3(b) of P.L. 117-286.

LEAD-OFF TABULAR STATEMENT

Table OIG-6. Lead-Off Tabular Statement (In dollars)

Item	Amount
Estimate, 2023	\$111,561,000
Change in Appropriation	+ 14,332,000
Budget Estimate, 2024	<u>125,893,000</u>

PROJECT STATEMENTS

Table OIG-7. Project Statement on Basis of Appropriations (thousands of dollars, FTEs)

Item	2021		2022		2023		2024		Inc. or Dec.	FTE Inc. or Dec.	Chg Key
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE			
Discretionary Appropriations:											
Office of Inspector General	\$99,912	431	\$106,309	411	\$111,561	430	\$125,893	450	+\$14,332	+20	(1)
Another Program	-	-	-	-	-	-	-	-	-	-	-
Subtotal.....	99,912	431	106,309	411	111,561	430	125,893	450	+14,332	+20	
Supplemental Appropriations:											
Bipartisan Infrastructure Law	-	-	8,322	-	4,716	-	4,716	-	-	-	-
Subtotal.....	-	-	8,322	-	4,716	-	4,716	-	-	-	-
Total Adjusted Approp	99,912	431	114,631	411	116,277	430	130,609	450	+14,332	+20	
Add back:											
Rescission, Transfers In and Out ...	-	-	-8,322	-	-4,716	-	-4,716	-	-	-	-
Sequestration	-	-	-	-	-	-	-	-	-	-	-
Total Appropriations.....	99,912	431	106,309	411	111,561	430	125,893	450	+14,332	+20	
Transfers In:											
Bipartisan Infrastructure Law	-	-	8,322	-	4,716	-	4,716	-	-	-	-
Total Transfers In	-	-	8,322	-	4,716	-	4,716	-	-	-	-
Recoveries, Other	-	-	31	-	-	-	-	-	-	-	-
Bal. Available, SOY	-	-	342	-	-	-	-	-	-	-	-
Total Available	99,912	431	115,004	411	116,277	430	130,609	450	+14,332	+20	
Lapsing Balances	-4,919	-	-1,709	-	-	-	-	-	-	-	-
Bal. Available, EOY	-	-	-7,895	-	-	-	-	-	-	-	-
Total Obligations	94,993	431	105,400	411	116,277	430	130,609	450	+14,332	+20	

Table OIG-8. Project Statement on Basis of Obligations (thousands of dollars, FTEs)

Item	2021		2022		2023		2024		Inc. or Dec.	FTE Inc. or Dec.
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE		
Discretionary Obligations:										
Office of Inspector General	\$94,993	431	\$104,600	411	\$111,561	430	\$125,893	450	+14,332	+20
Subtotal Disc Obligations	94,993	431	104,600	411	111,561	430	125,893	450	+14,332	+20
Mandatory Obligations:										
American Rescue Plan	-	-	236	-	-	-	-	-	-	-
Subtotal Mand Obligations	-	-	236	-	-	-	-	-	-	-
Supplemental Obligations:										
Bipartisan Infrastructure Law	-	-	489	-	4,716	-	4,716	-	-	-
Disaster and Emergency	-	-	75	-	-	-	-	-	-	-
Subtotal Supp Obligations	-	-	564	-	4,716	-	4,716	-	-	-
Total Obligations	94,993	431	105,400	411	116,277	430	130,609	450	+14,332	+20
Add back:										
Lapsing Balances	4,919	-	1,709	-	-	-	-	-	-	-
Balances Available, EOY:										
Bipartisan Infrastructure Law	-	-	7,833	-	-	-	-	-	-	-
Disaster and Emergency	-	-	62	-	-	-	-	-	-	-
Total Bal. Available, EOY.....	-	-	7,895	-	-	-	-	-	-	-
Total Available	99,912	431	115,004	411	116,277	430	130,609	450	+14,332	+20
Less:										
Total Transfers In	-	-	-8,322	-	-4,716	-	-4,716	-	-	-
Recoveries, Other	-	-	-31	-	-	-	-	-	-	-
Bal. Available, SOY	-	-	-342	-	-	-	-	-	-	-
Total Appropriations.....	99,912	431	106,309	411	111,561	430	125,893	450	+14,332	+20

Office of Inspector General

A fully funded OIG is vitally important to ensure the prevention and detection of fraud, waste and abuse in USDA programs and operations. We achieve significant results with an efficient, lean staff, with approximately one OIG employee for every 211 USDA employees. The requested 2024 Budget of \$125,893,000 will ensure our organization's ability to conduct critical ongoing oversight work and ensure we retain a highly skilled workforce.

The numbers and letters of the following listing relates to values in the Change (Chg) Key column of the Project Statement:

- (1) An increase of \$14,332,000 and 20 FTEs (\$111,561,000 and 430 FTEs available in 2023).

The funding change is requested for the following items:

- A) An increase of \$4,378,000 for 2024 Pay.

This increase will support the annualization of the 2023 4.6 percent Cost of Living pay increase and the 2024 5.2 percent Cost of Living pay increase. Without additional funding, OIG would absorb the decrease in funding by reducing headcount through attrition and implementation of a hiring freeze.

- B) An increase of \$3,954,000 in Office of Inspector General meet increasing demands on identify fraud, waste, and abuse.

The OIG requests funding to respond to the increasing demand for oversight, accountability, and to expand our capacity to address the concerns of OIG stakeholders including Congress, the Administration, and the American public. The requested funding would be utilized to hire additional personnel required to fill 20 vacancies in key area of audit, investigations, and mission support. Without additional resources, OIG is challenged to provide oversight of key high-risk and critical impact USDA programs that secure agricultural and Departmental resources; strengthen the integrity, effectiveness, and results-oriented performance of USDA programs; and advance the Administration's priorities. This request would also ensure OIG performs oversight into special USDA programs for which OIG has not received specific additional funding, such as the Inflation Reduction Act. As the OIG looks forward to 2024, we anticipate our work will include addressing climate change and disaster assistance, reducing improper payments, enhancing cybersecurity, and ensuring equitable delivery of USDA financial assistance.

- C) An increase of \$6,000,000 in Office of Inspector General to provide training and technical assistance to promote and retain an expert law enforcement workforce and continue funding critical programs.

To ensure effective and safe law enforcement operations, OIG must purchase and/or acquire certain mission-related equipment and/or services to facilitate the execution of our law enforcement activities under the IG Act. Without additional appropriated funding, the OIG would be significantly challenged to continue providing the current level of critical oversight to the number and types of programs within its responsibility while undertaking necessary investments in our workforce. Despite static budgets in recent years, OIG has been able to fund critical investigative oversight operations by utilizing asset forfeiture associated petition funds for expenses related to specialized software, equipment, and contract support that directly supports criminal investigations. Any funding received utilizing asset forfeiture is subject to criminal, civil judicial or administrative forfeiture procedures. OIG does not have control of the actual amount and timing of when these funds are received. Therefore, OIG cannot guarantee the level of available petition funds, and as result OIG will need to fund these law enforcement mission-critical expenses using annual appropriated funds.

On May 25, 2022, the President issued the Executive Order on Advancing Effective, Accountable Policing and Criminal Justice Practices to Enhance Public Trust and Public Safety, which outlines provisions for Federal law enforcement agencies to establish new policing standards and promote trust, accountability, and transparency within law enforcement. The OIG will require additional funding in to provide necessary technical support and equipment to staff as well as necessary and mandatory training. Insufficient resources jeopardize our ability to build and retain the most highly qualified and diverse professional workforce and to provide professional and responsible law enforcement services to the American public.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs

Table OIG-9. Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTEs)

State/Territory/Country	2021		2022		2023		2024	
	Actual	FTE	Actual	FTE	Estimated	FTE	Estimated	FTE
California.....	\$9,477	43	\$9,926	39	\$10,685	41	\$12,760	46
District of Columbia	20,497	93	24,941	98	25,561	100	27,939	100
Georgia	10,359	47	12,216	48	11,206	43	13,314	48
Illinois.....	7,934	36	8,908	35	9,642	37	11,750	42
Maryland.....	14,326	65	15,016	59	15,636	60	18,800	65
Missouri.....	20,057	91	21,124	83	23,976	92	27,738	100
Texas.....	12,343	56	12,469	49	14,855	57	13,592	49
Obligations.....	94,993	431	104,600	411	111,561	430	125,893	450
Lapsing Balances	4,919	-	1,709	-	-	-	-	-
Total, Available	99,912	431	106,309	411	111,561	430	125,893	450

CLASSIFICATION BY OBJECTS

Table OIG-10. Classification by Objects (thousands of dollars)

Item No.	Item	2021 Actual	2022 Actual	2023 Estimated	2024 Estimated
	Personnel Compensation:				
	Washington D.C.....	\$12,320	\$13,493	\$14,994	\$16,846
	Personnel Compensation, Field	41,068	40,479	42,983	47,474
11	Total personnel compensation.....	53,388	53,972	57,977	64,320
12	Personal benefits	25,206	23,212	27,163	29,600
13.0	Benefits for former personnel.....	13	21	22	24
	Total, personnel comp. and benefits.....	78,607	77,205	85,162	93,944
	Other Objects:				
21.0	Travel and transportation of persons	1,003	671	3,058	4,222
22.0	Transportation of things	47	83	123	140
23.1	Rental payments to GSA	5,121	5,125	5,454	5,600
23.2	Rental payments to others	22	1	26	40
23.3	Communications, utilities, and misc. charges	1,071	2,470	2,523	2,510
24.0	Printing and reproduction.....	22	308	356	376
25.1	Advisory and assistance services.....	1,129	12,808	13,541	16,282
25.2	Other services from non-Federal sources	391	-	-	-
25.3	Other goods and services from Federal sources	130	1,634	1,723	1,520
25.4	Operation and maintenance of facilities	5,301	126	130	140
25.5	Research and development contracts.....	782	-	-	-
25.7	Operation and maintenance of equipment	651	2,472	2,888	3,460
26.0	Supplies and materials.....	347	170	619	918
31.0	Equipment	347	2,316	674	1,457
42.0	Insurance Claims and Indemnities.....	22	11	-	-
	Total, Other Objects	16,386	28,195	31,115	36,665
99.9	Total, new obligations	94,993	105,400	116,277	130,609
	DHS Building Security Payments (included in 25.3)	\$867	\$875	\$883	\$891
	Position Data:				
	Average Salary (dollars), ES Position	\$179,118	\$183,361	\$187,945	\$193,584
	Average Salary (dollars), GS Position.....	\$122,807	\$128,459	\$131,670	\$135,621
	Average Grade, GS Position	13.09	12.9	12.9	12.9

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STATUS OF PROGRAMS

OIG's audit, investigative, and data analytics work for 2022 is summarized under OIG's three strategic goals:

- safety and security measures to protect public health and resources
- integrity of benefits and entitlements programs and
- USDA's management improvement initiatives.

SAFETY AND SECURITY—Strengthen USDA's Ability to Protect Public Health and Safety and to Secure Agricultural and Department Resources

OIG's independent audits, investigations, inspections, data analytics, and other reviews focus on issues such as the ongoing challenges of agricultural inspection activities, the safety of the food supply, homeland security, animal welfare, and information technology security and management.

Selected Examples of Recent Progress-Audit Work:

The OIG evaluated and tested USDA's virtualization platforms for compliance with controls found in National Institute of Standards and Technology (NIST) and industry best practices to determine the status of USDA's overall management and security of Information Technology (IT) resources. We interviewed the Department and mission areas' IT personnel, examined documentation of the virtualization environment, assessed policies and procedures, obtained, and evaluated vulnerability scan results, reviewed security settings, and tested for compliance. We found that the Department and mission areas did not fully implement Federally mandated controls. The Office of the Chief Information Officer (OCIO) agreed with our recommendations, and we have reached corrective actions to address them. (For Informational Purposes: Secure Configuration of USDA's Virtualization Platforms, Inspection Report 50801-0003-12.)

USDA continues to take positive steps to improve its IT security posture, but many weaknesses remain. Out of 25 previously open recommendations identified during the Fiscal Year (FY) 2020 and 2021 Federal Information Security Modernization Act of 2014 performance audits, we determined USDA successfully closed 8 recommendations during our fieldwork that ended on June 30, 2022. We have also issued seven new recommendations based on security weaknesses identified in 2022. OMB establishes standards for an effective level of security and considers "Managed and Measurable" to be a sufficient level. However, we found the Department's maturity level to be at the "Consistently Implemented" level. Based on OMB's criteria, the Department's overall score indicates an ineffective level of security. The Department and its agencies must develop and implement an effective plan to mitigate security weaknesses identified in the prior fiscal year recommendations.

The USDA Food Safety and Inspection Service (FSIS) is the public health agency responsible for protecting the public's health by ensuring the safety of the Nation's commercial supply of meat, poultry, and processed egg products. In June 2018, FSIS adopted and implemented the USDA Anti-Harassment Policy to maintain a harassment free workplace. The USDA Anti-Harassment Policy reinforces FSIS' commitment to ensure a harassment free workplace. FSIS utilizes various methods to inform employees of their rights and responsibilities pursuant to USDA's anti-harassment policies, including but not limited to training, webinars, workplace postings, and brochures. Overall, we determined that the actions taken by FSIS in response to reported allegations of sexual misconduct and harassment in the workplace during the period audited were in accordance with Departmental and agency policy. Further, we determined that FSIS' adoption and implementation of the USDA Anti-Harassment Policy assisted in its ability to ensure reported allegations of sexual misconduct and harassment in the workforce were addressed in a timely, efficient, and effective manner. Lastly, FSIS' program area processes, policies, and directives, which detail the required actions to be implemented when an allegation of sexual misconduct or harassment is reported, were in line with Departmental policy, which requires that immediate appropriate corrective action be taken upon receiving a report of a harassment allegation. Because the actions taken by FSIS in response to reported allegations of sexual misconduct and harassment in the workplace during the period audited were in accordance with Departmental and agency policy, we are not making any recommendations in this report. We did not identify any issues that would warrant recommendations; therefore, we did not make any recommendations in this report.

Selected Examples of Recent Progress- Investigative Work:

Recently in North Carolina, an individual was sentenced to 123 months in prison for dogfighting and in possession of a firearm charges. Previously, the individual had pled guilty to one count of possession of a firearm and one count of conspiracy to violate the animal fighting prohibitions of the Animal Welfare Act (AWA). This investigation began when a county sheriff's office contacted USDA OIG about potential dogfighting in North Carolina. USDA

OIG met with the county sheriff's office, a local police department, and another county sheriff's department, all of which corroborated information about the dogfighting activity. The investigation revealed further evidence of dogfighting. USDA OIG subsequently obtained two additional Federal search warrants for a residence in North Carolina and a suspect. The search warrants were executed with the assistance of a county sheriff's office, the North Carolina State Bureau of Investigation, United States Marshal Service, and Bureau of Alcohol Tobacco and Firearms (ATF). ATF arrested the individual on an outstanding arrest warrant for possession of a firearm. The individual was sentenced to a total of 123 months in prison, the statutory maximum, 48 months of which are to be served consecutively, for one count of possession of a firearm and one count of conspiracy to violate the animal fighting prohibitions of the AWA.

In California, an individual was sentenced to 16 months in prison and 24 months of supervised release. The individual was also ordered to pay a \$25,000 fine for conspiring to sell, buy, possess, train, transport, deliver, and receive game fowl intended to be used in animal fighting ventures. OIG received information indicating a California resident advertised fighting cocks for sale. The investigation revealed physical alterations and/or modifications performed on the game fowl, which were done to enhance their fighting abilities. Additional evidence was recovered, including cockfighting paraphernalia, live game fowl, medicines used to enhance the fighting abilities of the game fowl, various journals, and ledgers, and approximately \$8,000 in cash. In total, OIG seized 367 game fowl roosters, while the remaining game fowl, including 334 hens, were donated to an animal sanctuary. A grand jury indicted the individual for conspiracy to violate the animal fighting prohibitions of the AWA, unlawful possession of animals for animal fighting ventures, and unlawful sale of animals for animal fighting ventures. Subsequently, the individual pled guilty to conspiracy to violate the animal fighting prohibitions of the AWA. This was a joint investigation with the USDA Animal and Plant Health Inspection Service (APHIS); Internal Revenue Service Criminal Investigation (IRS-CI); Department of Homeland Security, Homeland Security Investigations (DHS-HSI); Forest Service (FS); and a California sheriff's office.

Another OIG investigation resulted in four principals of a seafood importer sentenced for their roles in a smuggling conspiracy. OIG initiated this investigation based on allegations that a New York seafood importer smuggled various catfish products into the United States from prohibited countries. The Federal Meat Inspection Act (FMIA) requires inspection of fish of the order Siluriformes (including species commonly referred to as "catfish") by USDA's FSIS. The FMIA also restricts importing Siluriformes from countries in which the inspection systems do not reflect standards equivalent to those applied in the United States. Siluriformes can pose a human consumption risk due to their potential exposure to a variety of chemical and microbiological contaminants, including heavy metals, pesticides, and antimicrobials. This investigation revealed shipping containers with uninspected Siluriformes from prohibited countries hidden in incorrectly marked packages and not manifested on shipping documents. As a result, the site inspections conducted at the importer's warehouse revealed Siluriformes from two prohibited countries. Four principals of the seafood importer were each indicted on one count of smuggling, and each of the four pled guilty to one count of conspiracy. One principal was sentenced to 36 months of probation and ordered to pay a \$25,000 fine. The other three principals were each sentenced to 24 months of probation and ordered to pay a \$5,000 fine. This was a joint investigation with the National Oceanographic and Atmospheric Administration Fisheries, Office of Law Enforcement; and DHS HSI.

INTEGRITY OF BENEFITS—Strengthen USDA's Ability to Deliver Program Assistance with Integrity and Effectiveness.

Our focus includes assessing internal controls and identifying risk indicators that should increase both OIG's and USDA's ability to detect and prevent program abuse and criminal activity. Integrity in the various benefit and entitlement programs of USDA, including programs that provide payments directly or indirectly to individuals and/or entities, is a primary investigative focus.

Selected Examples of Recent Progress-Audit Work:

The Pandemic Electronic Benefits Transfer (P-EBT), administered by the USDA's Food and Nutrition Service (FNS), provided benefits loaded on EBT cards for the purchase of food in lieu of the meals that the children would have received in school. The Families First Coronavirus Response Act authorized the establishment of P-EBT temporary assistance for households with children affected by school closures due to the coronavirus disease 2019 (COVID-19) pandemic. The Secretary authorized \$37.1 billion to the States from P-EBT's March 18, 2020, inception through March 31, 2021, with the Office of Management and Budget's (OMB) approval. We also found that during the period reviewed, FNS conducted outreach activities—such as webinars, phone calls, and written documentation—to maximize State participation in P-EBT assistance. Finally, FNS did not develop formal

procedures to distribute P-EBT funds because P-EBT provided temporary emergency assistance benefits. Instead, FNS used the legislative eligibility requirements to develop State plan templates and released guidance for State agencies to submit their proposed plans to FNS for approval. We did not identify any issues that would warrant recommendations; therefore, we did not make any recommendations in this report.

The USDA's Foreign Agricultural Service (FAS) awarded \$300 million in Agricultural Trade Promotion Program (ATP) funding to applicants who may not have been the most meritorious based on the announced criteria and program regulations. This occurred because FAS did not make establishing controls over its grant programs a priority even though FAS agreed to do so in response to recommendations (OIG) made in 2014. Additionally, FAS did not maintain sufficient documentation about the reviews performed on applications and the selections made, which impaired our ability to fully evaluate those reviews and selections. FAS officials explained ATP was developed very quickly. FAS officials stated that the best way to develop the new program quickly was to model it on similar market development programs that were already in use and to use analysis that had recently been conducted for these same potential applicants. The issues we identified in this audit were significant enough that we are unable to attest to the merits of the 59 ATP grants FAS awarded in 2019, totaling \$300 million. FAS agreed with our recommendations, and we have reached agreement on the corrective actions to address them.

The Emergency Food Assistance Program (TEFAP) is a USDA program that provides supplemental food assistance to persons in need. TEFAP provides federally purchased commodities (USDA-foods) to States and territories (States) to distribute to Eligible Recipient Agencies (ERA) serving low-income households and individuals. TEFAP also provides administrative funds to cover States' and ERAs' costs associated with the processing, storage, and distribution of USDA-foods and foods provided through private donations. We concluded that State agencies made 107 requests to the USDA's Food and Nutrition Service (FNS) for flexibilities to provide food to people in need during the pandemic. However, in 6 of 107 instances, State agencies did not request flexibilities in writing as required by Federal regulation. For 14 of 107 requests, FNS regional office personnel did not ensure they provided written approval of the State agencies' requests prior to implementation, as directed by the FNS National Office. Additionally, FNS approved a State agency's request to implement an unallowable flexibility. This occurred because FNS did not have the necessary written procedures, without which FNS has reduced assurance that the flexibilities State agencies implemented are allowable and documented. Finally, we found that the management evaluation (ME) reviewers did not support their determinations of State agency and ERA compliance or non-compliance with Federal and FNS program requirements in their workpapers. FNS National Office personnel could not identify a specific reason why the ME reviewers did not adhere to the ME review guidance documentation requirements to support their determinations. As a result, FNS does not have reasonable assurance that the ME reviewers adequately assessed State agency and ERA compliance with Federal and FNS program requirements. FNS agreed with our findings and recommendations, and we have reached agreement on the corrective actions to address them.

Selected Examples of Recent Progress-Investigative Work:

A significant portion of OIG's investigative resources is dedicated to ensuring the integrity of USDA's food assistance programs. For example, an investigation, conducted jointly with two Arizona police departments and the Arizona Department of Economic Services, a storeowner was sentenced to 12 months in prison, 36 months of supervised probation, and 360 hours of community service. The storeowner also was ordered to pay \$1,625 in restitution. The sentencing followed the storeowner's guilty plea to two counts of unlawful use of Supplemental Nutrition Assistance Program (SNAP) benefits and one count each of possession of narcotic drugs, conspiracy to commit possession of dangerous drugs for sale, and possession of dangerous drugs for sale. A second storeowner was sentenced to 36 months of supervised probation and 360 hours of community service following a guilty plea to one count each of unlawful use of SNAP benefits, possession of narcotic drugs for sale, and possession of dangerous drugs for sale. The two individuals also were ordered to pay \$7,178 in restitution to USDA, jointly. OIG initiated this investigation after being informed of approximately 100 SNAP transactions with store personnel, during which \$6,289 in SNAP benefits was exchanged for various controlled substances. The store was not an authorized SNAP retailer, and the store owners used the SNAP funds to purchase items for resale at their store and/or for personal use. The storeowners were indicted on multiple offenses, including fraudulent schemes and artifices, money laundering, illegal control of an enterprise, theft, assisting a criminal syndicate, sale or transportation of dangerous drugs, unlawful use of SNAP benefits, sale or transportation of narcotic drugs, possession of a dangerous drug for sale, and possession of a narcotic drug for sale.

Another portion of OIG's investigative resources are dedicated to ensuring the integrity of USDA's loan programs. An individual was sentenced to 12 months of supervised probation and was ordered to pay restitution of \$94,261 for one count of false statements in connection with farm indebtedness. USDA OIG received a request for investigation

from the Kansas Farm Services Agency (FSA) State office regarding an alleged misuse of loan proceeds and conversion. Earlier, an individual had filed a Request for Direct Loan Assistance with FSA to apply for a \$41,000 loan for livestock purchases and a \$124,000 loan for machinery and equipment to support a cattle operation. However, the investigation revealed that approximately \$68,000 worth of personal expenditures unrelated to a cattle operation were funded by FSA loan monies, including large sums spent at camera and outdoor recreation retailers. Further investigation revealed images of the equipment purchased with the FSA loan monies, including a tractor with attached food plot equipment and a utility task vehicle that were used to plant food plots for deer hunting. The individual paid \$94,261 in restitution at the time of sentencing.

Selected Examples of Recent Progress – Office of Analytics and Innovation Work:

OIG has strategically integrated data analytics into its core mission of combatting fraud, waste, and abuse. Our Office of Analytics and Innovation (OAI) team builds tools that analyze USDA, law enforcement, and other data to identify areas of risk and indicators of fraud. OIG has launched a new data product called Data Stories. This product's purpose is to enhance transparency of significant USDA programs using data analytics, Geographic Information System (GIS) mapping and visualizations while integrating data storytelling methods. The first in this series focuses on USDA's Farmers to Families Food Box Program (Food Box Program), <https://storymaps.arcgis.com/stories/c4e54ab8587f44cc8feca9aae4b2690a>. Using unaudited data from USDA's Agricultural Marketing Service (AMS), U.S. Census Bureau data, Housing and Urban Development Opportunity Zone data, and other data sources, OIG explores the program (distributors, food boxes, and recipients) and invites the reader to examine the data in different ways.

The second in the data story series focuses on the USDA Coronavirus Food Assistance Program (CFAP) <https://usdaoig.oversight.gov/pandemic-oversight#pandemic>. This product utilized data analytics, visualizations, and data storytelling methods to enhance transparency of how the CFAP 1 and CFAP 2 programs evolved over time. CFAP 1 and CFAP 2 provided payments to agricultural producers to help address the economic hardships created when COVID-19 disrupted the agricultural supply chain. This CFAP Data Story, <https://experience.arcgis.com/experience/94cf2a8efcca43d99b75d42d2bb9f314/> invites the reader to explore both programs and how they evolved from inception to the end of February 2022 in response to changing pandemic conditions.

MANAGEMENT IMPROVEMENT INITIATIVES—Strengthen USDA's Ability to Achieve

Results-Oriented Performance

OIG's audits, investigations, and other reviews focus on areas such as improved financial management and accountability, research, real property management, and employee integrity. As part of this goal, we work with USDA to make program operations more efficient and improve customer service.

Selected Examples of Recent Progress – Audit Work:

USDA received an unmodified opinion from OIG's audit of the Department's financial statements. We determined that USDA's consolidated financial statements present fairly, in all material respects, USDA's financial position as of September 30, 2022, and were prepared in accordance with accounting principles generally accepted in the United States. The four stand-alone reports for CCC, Natural Resources Conservation Service (NRCS), RD, and FCIC/RMA contain an unmodified opinion on the agencies' financial statements for FYs 2022 and 2021, as well as an assessment of the agencies' internal controls over financial reporting and compliance with laws and regulations.

In 2014, USDA's Economic Research Service (ERS) established the Data Product Review Council (DPRC) to provide comprehensive evaluations of the agency's data products to ensure that the agency adheres to the highest standards of quality and transparency, and to provide feedback and guidance to data product authors and their managers and identify areas for improvement. DPRC reviews are designed to evaluate how these products adhere to the six OMB data quality standards and attributes of: purpose, utility, objectivity, integrity, transparency, and accessibility. However, we found that ERS has not performed any DPRC reviews since July 2019. An ERS official stated that this occurred because ERS did not have the staff available to perform DPRC reviews when the agency experienced a loss of approximately 75 percent of its personnel after USDA announced that it would relocate ERS' daily operations to Kansas City, Missouri. Meanwhile, ERS did not have a compensating control for the lack of DPRC reviews. While an ERS official stated that peer reviews ensured all data products met the highest level of data quality standards, this official could not provide us with documentation to support that peer reviews ensured that the agency's data products were reviewed against these OMB data quality standards. As a result, ERS has reduced assurance that the products released during the period met the six OMB quality attributes and standards those

reviews are designed to evaluate. ERS agreed with our three recommendations, and we have reached agreement on the planned corrective actions to address them.

The purpose of the Geospatial Data Act (GDA) is to minimize duplication of geospatial activities across agencies and improve collaboration, reduce waste, codify previous executive actions, and give Congress an oversight role for the Federal Government’s multibillion-dollar investments in geospatial data. USDA is 1 of 16 covered agencies under the GDA. Within USDA Office of Chief Information Officer (OCIO), the Enterprise Geospatial Management Office (EGMO) oversees, coordinates, and facilitates USDA’s implementation of geospatial policies, directives, requirements, and data management. Although we recognize that USDA has made progress toward complying with certain aspects of the GDA, we found that it was not compliant with 6 of the 13 covered agency responsibilities. Additionally, we determined that the designated oversight entity, EGMO, did not have an accurate inventory of geospatial assets. As a result, USDA agencies inconsistently implemented the GDA. Without consistency, USDA is not completely fulfilling its role of improving Federal management, coordination, and utilization of geospatial data, which can negatively impact mission-critical business requirements of the Department’s infrastructure and emergency response capabilities nationwide. OCIO generally concurred with our six recommendations, and we continue to work to reach agreement on the corrective actions to address the recommendations.

Selected Examples of Recent Progress – Investigative Work:

A recent investigation led to the conviction of a former FSIS employee who was sentenced to 10 months in prison and 24 months of supervised release. The former employee also was ordered to pay \$37,555 restitution. OIG initiated this investigation to determine whether an FSIS employee applied for and received Pennsylvania Pandemic Unemployment Assistance while being gainfully employed as an FSIS Consumer Safety Inspector. The investigation determined the FSIS employee falsely claimed to be unemployed due to the pandemic or a major disaster and received benefits based on this false claim for about 1 year. The FSIS employee reaffirmed this unemployment status on a weekly basis and ultimately received \$37,555 in fraudulently obtained unemployment benefits. The FSIS employee ultimately resigned and pled guilty to a criminal information charging the employee with wire fraud. This was a joint investigation with the Department of Labor (DOL) OIG.

A former NRCS employee was sentenced to 9 months in prison, followed by 3 years of supervised release. The former employee also was ordered to pay a \$600 special assessment. The sentencing followed the former employee’s guilty pleas to one count of theft of government property, one count of false statements, and four counts of interception of communications. The former employee’s spouse was sentenced to 2 years of supervised release and ordered to pay a \$100 special assessment after pleading guilty to one count of possession of a firearm.

USDA referred this investigation of Wiretap Act violations involving an NRCS employee to OIG. The employee used a voice-activated audio recorder disguised as a thumb drive to surreptitiously record their boss and coworkers in the office, as well as their spouses at their home. A review of the device revealed hundreds of recordings made in the office and at the employee’s residence. The investigation also revealed that the employee broke into a locked cabinet in a victim’s office, downloaded several years’ worth of emails and other documents to a flash drive, then put them on a home personal computer. Following the investigation, search warrants were executed at the employee’s residence and NRCS office. The recording device was recovered, along with other evidence of the employee’s criminal activity. Also found during the search were several firearms; the employee’s spouse is a convicted felon and prohibited from possessing firearms. In November 2020, the employee resigned from NRCS.

Furthermore, OIG continues to leverage our available Sensitive Investigations Office and Investigation Forensics Technologies Division resources in conducting or supporting investigations of senior management misconduct, whistleblower reprisal complaints, and other statutorily mandated requirements/investigations.

Selected Examples of Recent Progress – Office of Analytics and Innovation Work:

The OIG community includes 75 different OIGs, and those organizations are using analytics tools and practices at varying levels. Our team meets frequently with other OIGs, the Pandemic Response Accountability Committee, and various law enforcement agencies on data analytics issues, either tied to joint work or as part of meetings and conferences to discuss best practices.

This past year, OAI launched the U.S. Department of Agriculture (USDA) Coronavirus Disease 2019 (COVID-19) Funding Dashboard, <https://usdaoig.oversight.gov/> which allows stakeholders to explore an overview of the sources and uses of USDA’s COVID-19 funding. This interactive dashboard displays the amounts of USDA COVID-19

funding enacted, budgeted, obligated, and spent, by appropriations act, agency, program area, and use of funds, as identified by USDA’s Office of Budget and Program Analysis and by the Forest Service.

The COVID-19 Funding Dashboard allows users to see how much of the funding has been obligated; search for funding under particular appropriations acts or agencies or program areas; or explore how much of the funding has been, or remains to be, spent. The unaudited data include the amounts budgeted where the appropriations acts specified only “such sums as may be necessary”.

OAI is developing processes and infrastructure for importing and storing or connecting with the large datasets critical to evidence-based decision making. The team implemented modern data management tools, such as a data catalog, which enables the OIG to efficiently manage and catalog our large data sets. Tools like a data catalog reduce duplication and increase knowledge and access for our auditors, investigators, and analytics staff. The exponential growth of digital information used for data analytics, computer forensics, and evidence-based decision-making will require investment in increasingly large amounts of cloud storage and data management capabilities. Storing data with a cloud provider will enable OIG to provide “storage on demand” for specific projects and allow the OIG to cost effectively retain data for long periods for historical analysis.