

# INFORMATIONAL MEMORANDUM: COM-17-002

DATE April 28, 2017

TO: All Approved Insurance Providers  
All Risk Management Agency Field Offices  
All Other Interested Parties

FROM: Heather Manzano /s/ Heather Manzano Deputy Administrator for Compliance /s/  
4/28/2017

SUBJECT: Risk Management Agency Improper Payments Review

## 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.

The agency is now initiating its review of policies for the 2018 reporting period.

## Action

To comply with the above mandate for the 2018 reporting period, RMA has statistically selected a valid sample of policies from across the program for review from the 2016 reinsurance year. The policies, 473 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.

Notifications were transmitted on or about April 27, 2017 through the Compliance Activities Results System SharePoint to each AIP servicing the selected policies. Regional Compliance Offices (RCO) will send notification letters to selected policyholders on or about May 3, 2017. AIPs will provide all applicable policyholder and AIP documentation to RMA through the CARS SharePoint by June 14, 2017.

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.