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April 4, 2019

The Honorable Sonny Perdue
Secretary of the U.S. Department of Agriculture
Jamie L. Whitten Federal Building
1400 Independence Ave. S.W.
Washington, DC 20250

Priority Open Recommendations: U.S. Department of Agriculture

Dear Mr. Secretary:

The purpose of this letter is to provide an update on the overall status of the U.S. Department of Agriculture's (USDA) implementation of GAO's recommendations and to call your continued personal attention to open recommendations that should be given high priority.¹ In November 2018, we reported that on a government-wide basis, 77 percent of our recommendations made 4 years ago were implemented.² USDA's recommendation implementation rate during this same time period was 66 percent. As of March 26, 2019, USDA had 196 open recommendations. Fully implementing these open recommendations could substantially improve USDA's operations, among other benefits.

Since our letter from March 1, 2018, USDA has implemented 2 of 11 open priority recommendations. USDA took actions to improve its oversight of U.S. in-kind food aid. USDA also took actions that could help protect against emerging animal diseases.

USDA has 9 priority recommendations remaining from those we identified in our 2018 letter. We ask your continued attention on those 9 open priority recommendations. This year, we are adding 2 new recommendations as priorities, related to detecting contaminants in food and improving cybersecurity. This brings the total number of priority recommendations to 11. (See the enclosure for the list of these recommendations.)

These 11 priority recommendations fall into the following 5 areas:

Protect the Safety of the Food Supply

Three recommendations would improve USDA's oversight of food safety, which is included on GAO's High Risk List. In March 2018, we recommended that USDA and the Department of Health and Human Services' Food and Drug Administration (FDA) develop a mechanism to coordinate the development of methods to detect contaminants in food, including arsenic in rice. To fully implement this recommendation, USDA should work with FDA to develop a collaborative mechanism to comprehensively plan and proactively address joint research needs for developing detection methods for contaminants in food.

¹Priority recommendations are those that GAO believes warrant priority attention from heads of key departments or agencies. These recommendations are highlighted because, upon implementation, they may significantly improve government operation, for example, by realizing large dollar savings; eliminating mismanagement, fraud, and abuse; or making progress toward addressing a high risk or duplication issue.

²GAO, *Performance and Accountability Report: Fiscal Year 2018*, [GAO-19-1SP](#) (Washington, D.C.: Nov. 15, 2018).

In September 2017, we recommended that FDA and USDA’s Food Safety and Inspection Service (FSIS) officials coordinate and communicate regarding their disparate drug residue testing methods and maximum residue standards for imported seafood, including imported catfish. As of February 2019, FSIS said it will continue to coordinate with FDA when developing testing methods and determining health protective residue levels by sharing information on each other’s testing methods. FSIS plans to use FDA’s testing methods for two drugs in an effort to implement this September 2017 GAO recommendation with which it partially agreed. However, FSIS will continue to use its own multi-residue method for all other drugs when testing the products it regulates, including meat, poultry, and catfish, and the maximum residue levels that accompany that method. In addition, FDA will continue to use its own multi-residue method. FSIS’s multi-residue method can detect more drugs than FDA’s multi-residue method, but FDA’s method can detect drugs FSIS’s does not and can detect some drugs at lower levels. As part of the National Residue Program for meat, poultry, egg products, and catfish, FSIS coordinates with FDA and other agencies on which drugs should be included in testing methods for the residue program. FSIS should coordinate with FDA on (1) the development of testing methods that both agencies can use on imported seafood, including imported catfish, and on (2) maximum residue levels that will allow the agencies to consistently apply similar standards.

In December 2014, we concluded that USDA had made progress in addressing fragmentation in the government’s oversight of food safety but recommended that it could more fully address crosscutting food safety efforts in its individual strategic and performance planning documents. In the spring of 2018, USDA issued its fiscal year 2018-2022 strategic plan, but the new plan, like the prior one, contains limited details on the nature of USDA’s collaboration with other agencies to address fragmentation.³ To fully address our recommendation, USDA should provide additional detail in future strategic and performance planning documents on how the department is working with other agencies to achieve food safety-related goals and objectives.

Reduce Improper Payments

We have previously reported on improper payments—payments that should not have been made or were made in incorrect amounts—by USDA and other agencies.⁴ Our October 2016 report contains a priority recommendation that, if implemented, would help reduce improper payments to beneficiaries of the Food and Nutrition Service’s Supplemental Nutrition Assistance Program (SNAP), which accounted for an estimated \$4 billion in improper payments in fiscal year 2017.⁵ We recommended USDA collect and disseminate information among state SNAP agencies on promising practices that could help improve data matching processes—matching information about applicants and recipients against various data sources. To fully implement this recommendation, USDA needs to complete and disseminate the results of its multi-year study that will catalog and describe how state SNAP agencies are using or planning to use data matching strategies to reduce recipient fraud, payment errors, and administrative burden for both applicants and eligibility workers.

In addition, our August 2013 report contains a priority recommendation that, if implemented, would reduce improper payments in USDA farm and conservation programs and potentially save taxpayer dollars. We recommended that USDA’s Farm Service Agency (FSA) implement a process to verify accountants’ and attorneys’ statements regarding participants’ income, thereby helping to reduce payments to ineligible participants. Such a process would include checking

³USDA *Strategic Plan, FY 2018–FY 2022* (Washington, D.C.: May 2018).

⁴See, for example, GAO, *Improper Payments: CFO Act Agencies Need to Improve Efforts to Address Compliance Issues*, [GAO-16-554](#) (Washington, D.C.: June 30, 2016).

⁵This amount was estimated based on USDA’s reported national SNAP error rate of 6.3 percent for fiscal year 2017 and total SNAP benefit amount of \$64 billion for the same year.

the statements against supporting documentation for a sample of participants. USDA plans no action to implement our recommendation. USDA officials said they are reluctant to question accountants' and attorneys' professional judgement, but, given our findings, we believe a process to verify their statements is needed, and would be an appropriate action for the agency to take, to protect the integrity of these programs on behalf of the American people.

Strengthen Protections for Wage Earners

Our November 2017 report contains a priority recommendation that, if implemented, could help protect the safety and health of workers in the meat and poultry industry. Specifically, we recommended that FSIS should work with the Occupational Safety and Health Administration to assess the implementation of the agencies' joint memorandum of understanding (MOU) regarding worker safety at meat and poultry plants, make needed changes, and establish timeframes for periodic evaluations of the MOU. USDA neither agreed nor disagreed with the recommendation, and as of September 2018 had not indicated that it had taken any action to implement it. We continue to believe that strengthening the MOU and developing a mechanism to regularly evaluate it would help ensure that the goals of the MOU are met, and that leveraging FSIS's presence in plants provides the federal government with a cost-effective opportunity to protect worker safety and health.

Improve USDA's Oversight of Federal Assistance and Awards

Our February 2017 report contains four priority recommendations to two subagencies within USDA—Rural Development and the Food and Nutrition Service (FNS)—that, if implemented, can help reasonably assure the effective use of federal funds, reduce federal improper payments, and would improve oversight of the federal funds the department has awarded to nonfederal entities, including state and local governments, nonprofit organizations, and Indian tribal organizations. Nonfederal entities that receive awards from federal agencies such as USDA are required to undergo a single audit if their expenditures exceed a certain threshold. To fully address our recommendations, Rural Development and the Food and Nutrition Service should design or revise their policies and procedures to help ensure that they meet OMB's requirements for (1) award recipients to submit single audit reports and 2) management decisions related to single audit findings to contain the necessary elements and be issued in a timely manner.

Improve Cybersecurity

Our February 2018 report contains a priority recommendation that, if implemented, would enable USDA to better support the adoption of cybersecurity best practices amongst entities within the Food and Agriculture Sector.⁶ Specifically, as a sector-specific agency, USDA should focus attention on the recommendation, in cooperation with the co-sector specific agencies as necessary, to consult with respective sector partners—such as the Food and Agriculture Sector Coordinating Council and the Department of Commerce's National Institute of Standards and Technology (NIST), as appropriate—to develop methods for determining the level and type of adoption by entities across its respective sectors of NIST's Framework for Improving Critical Infrastructure Cybersecurity.

At the time of our review, USDA stated that it would attempt to develop a measurement mechanism as part of its annual data calls to the Food and Agriculture Sector. Additionally, the department stated that it was committed to providing its sector members with guidance on framework adoption in 2018. A more comprehensive understanding of the framework's use is

⁶The Food and Agriculture Sector is one of the nation's 16 critical infrastructure sectors designated by federal policy. Presidential Policy Directive 21 establishes USDA and the Department of Health and Human Services as the sector-specific agencies to take the lead roles in critical infrastructure protection efforts in that sector.

necessary if USDA, along with other entities, wants to ensure that its facilitation efforts are successful and determine whether organizations are realizing positive results by adopting the framework.

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As you know, in March 2019, we issued our biennial update to our High Risk List, which identifies government operations with greater vulnerabilities to fraud, waste, abuse, and mismanagement or in need of transformation to address economy, efficiency, or effectiveness challenges.⁷ Our High Risk List has served to identify and help resolve serious weaknesses in areas that involve substantial resources and provide critical service to the public.

One of our high-risk areas—improving federal oversight of food safety—focuses, in part, on USDA operations. Several other government-wide high-risk areas also have direct implications for USDA and its operations. These include (1) ensuring cybersecurity of the nation, (2) improving management of IT acquisitions and operations, (3) strategic human capital management, (4) managing federal real property, and (5) the government-wide personnel security clearance process. We urge your attention to the USDA and government-wide high-risk issues as they relate to USDA. Progress on high-risk issues has been possible through the concerted actions and efforts of Congress, Office of Management and Budget (OMB), and the leadership and staff in agencies, including USDA.⁸

Copies of this report are being sent to the Director of OMB and appropriate congressional committees; the Committees on Appropriations, Budget, and Homeland Security and Governmental Affairs, United States Senate; the Committees on Appropriations, Budget, and Oversight and Reform, House of Representatives. In addition, the report will be available at no charge on the GAO website at <http://www.gao.gov>.

I appreciate USDA's continued commitment to these important issues. If you have any questions or would like to discuss any of the issues outlined in this letter, please do not hesitate to contact me or Mark Gaffigan, Managing Director, Natural Resources and Environment, at gaffiganm@gao.gov or 202-512-3841. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Our teams will continue to coordinate with your staff on all of the 191 open recommendations, as well as those additional recommendations in the high-risk areas for which USDA has a leading role. Thank you for your attention to these matters.

Sincerely yours,



Gene L. Dodaro
Comptroller General

⁷GAO, *High-Risk Series: Substantial Efforts Needed to Achieve Greater Progress on High-Risk Areas*, GAO-19-157SP (Washington, D.C.: March 6, 2019).

⁸For a full discussion of the five high-risk areas that have direct implications for USDA and its operations, see pages 75-85, 123-127, and 170-184 of our 2019 high-risk report.

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Enclosure—1

cc: Stephen Censky, Deputy Secretary
Bertrand Smith, Cost Accountant, Agricultural Research Service
Amanda Musgrove, Audit Coordinator, FNS
Dan McGlynn, Deputy Director, FSA
Matthew Gonzales, Senior Program Analyst, FSIS
Greg Linden, Chief of Staff, Office of Homeland Security and Emergency Coordination

Enclosure -- Priority Open Recommendations to USDA

Protect the Safety of the Food Supply

Food Safety: Federal Efforts to Manage the Risk of Arsenic in Rice. GAO-18-199. Washington, D.C.: March 16, 2018.

Recommendation: The Secretary of Agriculture should work with FDA to develop a mechanism to coordinate the development of methods to detect contaminants in food, including arsenic in rice.

Action Needed: USDA and FDA agreed with the recommendation. To fully implement the recommendation, USDA and FDA should more clearly describe what steps they will take to develop a collaborative mechanism to proactively address joint research needs, in addition to sharing information on research the agencies have already approved. In its efforts, USDA should comprehensively address all of its research needs in this area, including those of all agencies sharing a strategic interest in developing such methods.

High-Risk Area: Federal Oversight of Food Safety

Director: Steve Morris

Contact information: morriss@gao.gov or (202) 512-3841

Imported Seafood Safety: FDA and USDA Could Strengthen Efforts to Prevent Unsafe Drug Residues. GAO-17-443. Washington, D.C.: September 15, 2017.

Recommendation: The Administrator of FSIS should coordinate and communicate with FDA in developing drug residue testing methods and corresponding maximum residue levels for imported catfish that may also be applicable to other imported seafood.

Action Needed: FSIS partially agreed with the recommendation and FDA agreed with it. As of February 2019, FSIS said it will continue to coordinate with FDA when developing testing methods and determining health protective residue levels by sharing information on each other's testing methods. FSIS plans to use FDA's testing methods for two drugs in an effort to implement this September 2017 GAO recommendation with which it partially agreed. However, FSIS will continue to use its own multi-residue method for all other drugs when testing the products it regulates and the maximum residue levels that accompany that method. In addition, FDA will continue to use its own multi residue method. FSIS's multi-residue method can detect more drugs than FDA's multi-residue method. To fully implement this recommendation, FDA and USDA should coordinate on (1) the development of testing methods that both agencies can use on imported seafood, including imported catfish and on (2) maximum residue levels that will allow the agencies to consistently apply similar standards.

High-Risk Area: Federal Oversight of Food Safety

Director: Steve Morris

Contact Information: morriss@gao.gov or (202) 512-3841

Federal Food Safety Oversight: Additional Actions Needed to Improve Planning and Collaboration. GAO-15-180. Washington, D.C.: December 18, 2014.

Recommendation: To help ensure that their food safety goals are complementary and strategies are mutually reinforcing, the Secretary of Agriculture and the Secretary of Health and Human Services should continue to build upon their efforts to implement GPRA Modernization Act of 2010 requirements to address crosscutting food safety efforts, including by more fully

describing in their strategic and performance planning documents how they are working with other agencies to achieve their food safety-related goals and objectives.

Action Needed: USDA and the Department of Health and Human Services (HHS) agreed with our recommendation. In response, HHS took steps to update its strategic and performance planning documents to better address crosscutting food safety efforts, and we closed the recommendation to HHS as implemented. In the spring of 2018, USDA issued its fiscal year 2018-2022 strategic plan, but the new plan, like the prior one, contains limited details on the nature of USDA's collaboration with other agencies. To fully address our recommendation, USDA should provide additional detail in future strategic and performance planning documents on how, specifically, it is working with other agencies to achieve food safety-related goals and objectives.

High-Risk Area: Federal Oversight of Food Safety

Director: Steve Morris

Contact Information: morriss@gao.gov or (202) 512-3841

Reduce Improper Payments

Supplemental Nutrition Assistance Program: More Information on Promising Practices Could Enhance States' Use of Data Matching for Eligibility. GAO-17-111. Washington, D.C.: October 19, 2016.

Recommendation: The Secretary of Agriculture should take additional steps to collect and disseminate information on promising practices that could help improve data matching processes among state SNAP agencies, including broad and timely dissemination of information on results of recent relevant pilots or demonstrations.

Actions Needed: USDA agreed with this recommendation. To fully implement it, FNS should collect and disseminate information on promising uses of data matching that could improve states' administration of SNAP and reduce the likelihood of improper payments to beneficiaries. In August 2018, FNS officials confirmed that the agency is continuing to implement this recommendation through a multi-year study that will catalog and describe how state SNAP agencies are using or planning to use data matching strategies to reduce recipient fraud, payment errors, and administrative burden for both applicants and eligibility workers. FNS officials stated that this study will be completed in March 2019, at which time, they will share a final report with state agencies and we will assess whether it has the information needed to fully address our recommendation.

Director: Kathryn Larin

Contact Information: larink@gao.gov or (202) 512-7215

Farm Programs: Additional Steps Needed to Help Prevent Payments to Participants Whose Incomes Exceed Limits. GAO-13-741. Washington, D.C.: August 29, 2013.

Recommendation: To further improve agency controls that help prevent payments to participants whose incomes exceed eligibility limits, the Secretary of Agriculture should direct the Administrator of FSA to implement a process to verify that accountants' and attorneys' statements accurately reflect participants' incomes as reported on income tax returns and supporting documentation or other equivalent documents.

Actions Needed: USDA agreed with this recommendation at the time of our report in August 2013, but changed its position as of April 2017 due to the sensitive nature of questioning accountants' and attorneys' professional judgement. However, we believe doing so would reduce the likelihood of improper payments. To fully implement this recommendation, FSA

should improve its income verification process by obtaining supporting documentation for a sample of accountants' and attorneys' statements.

Director: Steve Morris

Contact Information: morriss@gao.gov or (202) 512-3841

Strengthen Protections for Wage Earners

Workplace Safety and Health: Better Outreach, Collaboration, and Information Needed to Help Protect Workers at Meat and Poultry Plants. GAO-18-12. Washington, D.C.: November 9, 2017.

Recommendation: The FSIS Administrator should work with the Occupational Safety and Health Administration to assess the implementation of the MOU and make any needed changes to ensure improved collaboration; and set specific timeframes for periodic evaluations of the MOU.

Action Needed: USDA neither agreed nor disagreed with the recommendation. FSIS stated that it already has directives in place to recognize and report hazards affecting FSIS employees, and acknowledged that the MOU was designed to additionally have FSIS employees report hazards affecting plant employees due to the regular presence of its inspectors in plants. We continue to believe more is needed. To address this recommendation, FSIS should work in conjunction with the Assistant Secretary of Labor for Occupational Safety and Health to assess how the two agencies' joint MOU has been implemented, make changes to enhance collaboration, and determine timeframes for periodic evaluations of the MOU implementation.

Director: Cindy Brown Barnes

Contact Information: brownbarnesc@gao.gov or 202-512-7215

Improve USDA's Oversight of Federal Assistance and Awards

Single Audits: Improvements Needed in Selected Agencies' Oversight of Federal Awards. GAO-17-159. Washington, D.C.: February 16, 2017.

Recommendations:

We recommend that the Secretary of Agriculture:

- (1) Direct the Under Secretary for Food, Nutrition, and Consumer Services to design policies and procedures to reasonably assure that all award recipients required to submit single audit reports do so in accordance with OMB guidance;
- (2) Direct the Under Secretary for Food, Nutrition, and Consumer Services to revise policies and procedures to reasonably assure that management decisions contain the required elements and are issued timely in accordance with OMB guidance;
- (3) Direct the Under Secretary for Rural Development to design policies and procedures to reasonably assure that all award recipients required to submit single audit reports do so in accordance with OMB guidance; and
- (4) Direct the Under Secretary for Rural Development to revise policies and procedures to reasonably assure that management decisions contain the required elements and are issued timely in accordance with OMB guidance.

Action Needed: The Food and Nutrition Service neither agreed nor disagreed with our recommendations and Rural Development agreed with our recommendations. Officials from both the Food and Nutrition Service and Rural Development told us they are revising their guidance in response to our recommendations. Officials from the Food and Nutrition Service

told us they plan to issue the guidance in fiscal year 2019. Rural Development did not indicate when its guidance will be issued. To fully implement the recommendations, both subagencies should ensure that award recipients submit single audit reports as required and that management decisions related to single audit findings conform to OMB guidance.

Director: Beryl H. Davis

Contact Information: davisbh@gao.gov or (202) 512-2623

Improve Cybersecurity

Critical Infrastructure Protection: Additional Actions Are Essential for Assessing Cybersecurity Framework Adoption. GAO-18-211. Washington, D.C.: February 15, 2018.

Recommendation: The Secretary of Agriculture, in cooperation with the Secretary of Health and Human Services, should take steps to consult with respective sector partner(s), such as the sector coordinating council (SCC), Department of Homeland Security (DHS), and NIST, as appropriate, to develop methods for determining the level and type of framework adoption by entities across their respective sector.

Action Needed: USDA neither agreed nor disagreed with the recommendation in our report, but stated that it would attempt to develop a measurement mechanism as part of its annual data calls to the Food and Agriculture Sector. Additionally, the department stated that it was committed to providing its sector members with guidance on framework adoption in 2018. USDA, in cooperation with the co-sector specific agencies as necessary, should consult with respective sector partners, such as the Food and Agriculture Sector Coordinating Council and NIST, as appropriate, to develop methods for determining the level and type of adoption by entities across its respective sectors of NIST's Framework for Improving Critical Infrastructure Cybersecurity. USDA stated it routinely shared cybersecurity guidance provided by DHS, and discussed the framework as part of its monthly Sector conference calls and biannual Sector Meetings. The agency stated Sector members generally focus on non-cyber concerns such as intentional adulteration of food products and insider threats. Additionally, the department stated that the USDA Office of Homeland Security has not been appropriated funds to develop methods for determining the level and type of framework adoption by entities across the Food and Agriculture Sector. A more comprehensive understanding of the framework's use by government entities is necessary if USDA, along with other entities, wants to ensure that its facilitation efforts are successful and determine whether organizations are realizing positive results by adopting the framework.

High-Risk Area: Ensuring the Cybersecurity of the Nation

Director: Nick Marinos

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