



441 G St. N.W.
Washington, DC 20548

Comptroller General
of the United States

Accessible Version

June 16, 2022

The Honorable Thomas J. Vilsack
Secretary of Agriculture
U.S. Department of Agriculture
1400 Independence Avenue, SW
Washington, D.C. 20250

Priority Open Recommendations: Department of Agriculture

Dear Secretary Vilsack:

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 attention to areas where open recommendations should be given high priority.¹ In November 2021, we reported that, on a government-wide basis, 76 percent of our recommendations made 4 years ago were implemented.² USDA's recommendation implementation rate was 75 percent. As of May, USDA had 135 open recommendations. Fully implementing these open recommendations could significantly improve agency operations.

I appreciate your leadership and commitment since my July 2021 letter to strengthening USDA's efforts to implement our recommendations, including establishing a working group to address priority and other open recommendations. As a result, the department has increased its implementation rate by 29 percent from the prior year.

USDA has implemented four of 11 open priority recommendations. Specifically, USDA

- revised certain policies and procedures for two recommendations related to ensuring effective oversight of the federal funds it has awarded to nonfederal entities;³

¹Priority recommendations are those that GAO believes warrant priority attention from heads of key departments or agencies. They 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 2021*, [GAO-22-4SP](#) (Washington, D.C.: Nov. 15, 2021). GAO set a target goal of 80 percent for its 4-year recommendation implementation rate.

³GAO, *Single Audits: Improvements Needed in Selected Agencies' Oversight of Federal Awards*, [GAO-17-159](#), (Washington, D.C.: February 16, 2017).

- issued its Cybersecurity Risk Management Strategy in June 2021, which contains the key practices for establishing an agency-wide cybersecurity risk management program;⁴ and
- affirmed the Chief Financial Officer’s commitment to improve its processes related to improper payment corrective actions.⁵

We ask that you direct your attention to the remaining priority recommendations. We are also adding six new recommendations related to protecting food safety, reducing improper payments, improving oversight of federal assistance programs, and improving information technology and cybersecurity. This brings the total number of priority recommendations to 13. (See the enclosure for the list of recommendations.)

The 13 priority recommendations fall into the following five areas:

Protect the Safety of the Food Supply.

1. USDA’s mission includes protecting public health by ensuring the safety of the food supply. Implementing our two priority recommendations in this area would enable USDA to minimize potential fragmentation and overlap in federal oversight of cell-cultured meat and strengthen its efforts to prevent unsafe drug residue in imported seafood.

Reduce Improper Payments.

2. Reducing the \$281 billion government-wide improper payments for fiscal year 2021 is key to saving taxpayer money. By implementing our three priority recommendations, USDA will better confirm eligibility for supplemental farmer assistance and nutrition programs and ensure it accurately distributes potentially billions of dollars of payments to participants and recipients.

Strengthen Protections for Wage Workers.

3. Meat and poultry slaughter and processing is one of the most hazardous industries for workers in the United States. Implementing our priority recommendation in this area would enable USDA’s Food Safety and Inspection Service, with the U.S. Department of Labor, to improve outreach, collaboration, and information sharing among agencies to help protect workers in this industry.

Improve USDA’s Oversight of Federal Assistance and Awards.

4. Improving oversight of federal assistance is critical for agencies to more effectively award billions of dollars in federal funds. Our three priority recommendations in this area will help USDA improve its oversight of the federal assistance and awards it gives non-federal entities to provide education and support, such as crop insurance premium subsidies, for local agriculture economies.

⁴GAO, *Cybersecurity: Agencies Need to Fully Establish Risk Management Programs and Address Challenges*, [GAO-19-384](#) (Washington, D.C.: July 25, 2019)

⁵GAO, *Payment Integrity: Selected Agencies Should Improve Efforts to Evaluate Effectiveness of Corrective Actions to Reduce Improper Payments*, [GAO-20-336](#) (Washington, D.C.: Apr. 01, 2020).

Improve Information Technology and Cybersecurity.

5. The food and agriculture sector is part of the nation's critical infrastructure that provides essential services that underpin American society. Recent high-profile cyberattacks targeting the public and private sectors further highlight the urgent need to take these critical actions, including by addressing weaknesses in federal cybersecurity programs. By fully implementing our four priority recommendations in this area, USDA would improve coordination among stakeholders within its cybersecurity and enterprise risk management functions and maximize efficiencies and reduce IT duplication and overlap.

- - - - -

As you know, in March 2021, we issued our biennial update to our [High-Risk List](#), which identifies government operations with greater vulnerabilities to fraud, waste, abuse, and mismanagement or the need for transformation to address economy, efficiency, or effectiveness challenges.⁶

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](#),⁷ (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-centered and other 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, OMB, and the leadership and staff in agencies, including within USDA. In March 2022, we issued a report on key practices to successfully address high-risk areas, which can be a helpful resource as your agency continues to make progress to address high-risk issues.⁸

Copies of this report are being sent to the Director of the Office of Management and Budget and appropriate congressional committees, including the Committees on Agriculture, Appropriations, Budget, and Homeland Security and Governmental Affairs, United States Senate, and the Committees on Agriculture, Appropriations, Budget, and Oversight and Reform, House of Representatives. In addition, the report will be available 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 135 open recommendations, as well as those additional

⁶GAO, *High-Risk Series: Dedicated Leadership Needed to Address Limited Progress in Most High-Risk Areas*, [GAO-21-119SP](#) (Washington, D.C.: Mar. 2, 2021).

⁷With regard to cybersecurity, we also urge you to use foundational information and communications technology supply chain risk management practices set forth in our December 2020 report: GAO, *Information Technology: Federal Agencies Need to Take Urgent Action to Manage Supply Chain Risks*, [GAO-21-171](#) (Washington, D.C.: Dec. 15, 2020).

⁸GAO, *High-Risk Series: Key Practices to Successfully Address High-Risk Areas and Remove Them from the List*, [GAO-22-105184](#) (Washington, D.C.: Mar. 3, 2022).

recommendations in the high-risk areas for which USDA has a leading role. Thank you for your attention to these matters.

Sincerely yours,

A handwritten signature in black ink that reads "Gene L. Dodaro". The signature is written in a cursive style with a large, prominent "D" at the end.

Gene L. Dodaro
Comptroller General
of the United States

Enclosure(s) – 1

cc: The Honorable Justin Maxson, Deputy Under Secretary, Rural Development
The Honorable Zachary Wayne Ducheneaux, Administrator, FSA
The Honorable Cindy Long, Administrator, FNS
The Honorable Paul Kiecker, Administrator, FSIS
The Honorable Oscar Gonzales Jr., Assistant Secretary for Administration, USDA
The Honorable Shalanda Young, Director, Office of Management and Budget

Enclosure Priority Open Recommendations to the U.S. Department of Agriculture (USDA)

Protect the Safety of the Food Supply

Food Safety: FDA and USDA Could Strengthen Existing Efforts to Prepare for Oversight of Cell-Cultured Meat. [GAO-20-325](#). Washington, D.C.: April 7, 2020.

Recommendation: As the three cell-cultured meat working groups move forward, the Secretary of Agriculture, in coordination with the Commissioner of the Food and Drug Administration (FDA), should more fully incorporate the seven leading practices for effective collaboration, such as identifying specific outcomes and a way to monitor and evaluate progress toward outcomes.

Action Needed: USDA agreed with this recommendation. As of May 2022, USDA and FDA had informally incorporated some of the seven leading principles into the working groups' actions, according to USDA officials. To fully implement this recommendation, USDA needs to (1) take steps to develop a system to track all tasks for which the agency is responsible, and (2) with FDA, demonstrate how the working groups will assess what their needed resources are and opportunities to leverage resources across agencies. By incorporating all seven leading practices for collaboration into their interagency agreement, USDA and FDA would be better positioned to sustain and enhance their collaborative efforts.

Director: Steve D. Morris

Contact Information: morriss@gao.gov, (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 the Food Safety and Inspection Service (FSIS) should coordinate and communicate with the FDA in developing drug residue testing methods and corresponding maximum residue levels (MRLs) 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. In February 2022, FSIS said that it does not have plans to work on a multi-residue method that both it and FDA can use on imported seafood, including catfish, as we have recommended.

We think more needs to be done. While FSIS's multi-residue method can detect more drugs than FDA's, FDA's method can detect drugs FSIS's does not and can detect some drugs at lower levels. To fully implement our recommendation, USDA 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) MRLs that allow the agencies to consistently apply similar standards. Without coordinating and communicating on their development of drug residue testing methods and corresponding MRLs for imported seafood, including catfish, the agencies do not have reasonable assurance that they are taking a consistent approach to ensuring consumer safety from unsafe drug residues.

High-Risk Area: Federal Oversight of Food Safety

Director: Steve D. Morris

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

Reduce Improper Payments

USDA Market Facilitation Program: Oversight of Future Supplemental Assistance to Farmers Could Be Improved. [GAO-22-104259](#). Washington, D.C.: January 4, 2022.

Recommendation: The Administrator of the Farm Service Agency (FSA) should issue guidance directing the agency to assess risk characteristics and take a more complete risk-based approach in selecting samples for future compliance reviews of supplemental assistance programs. This approach could include focusing on farming operations that received substantially large payments and new customers for which FSA does not have other information to corroborate eligibility for program participation.

Actions Needed: In commenting on our draft report, FSA agreed with this recommendation. Specifically, FSA stated that the agency would “collaborate with supporting agency divisions to identify and assess risk characteristics that may include payment eligibility as well as program eligibility for a more complete risk-based approach in selecting samples.” We will continue to assess the agency’s efforts. Such enhanced oversight could improve farming operations’ compliance with eligibility requirements for such programs and help ensure that FSA’s payments are accurate.

Director: Steve D. Morris

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

Payment Integrity: Selected Agencies Should Improve Efforts to Evaluate Effectiveness of Corrective Actions to Reduce Improper Payments. [GAO-20-336](#). Washington, D.C.: April 1, 2020.

Recommendation: The Administrator of the Food and Nutrition Service (FNS) should develop and implement a process, documented in policies and procedures, to analyze the Supplemental Nutrition Assistance Program (SNAP) state-level root causes to identify potential similarities among the states and develop and implement SNAP agency-level corrective actions, if appropriate, to help address them.

Actions Needed: USDA generally agreed with the recommendation. In December 2020, USDA’s FNS stated that it analyzes the SNAP state-level root causes, provides states with extensive technical assistance, and has included SNAP agency-level corrective actions in the agency’s fiscal year 2020 priority plan. However, as of March 2022, FNS has yet to develop and implement an analysis of root causes and corrective actions that are included in its policies and procedures.

To fully address our recommendation, FNS should develop and implement a process that (1) analyzes SNAP state-level root causes to identify similarities among states, and (2) develop and implement corrective actions that address them. We will continue to assess the agency’s efforts. Unless FNS develops corrective action plans that correspond to the root causes of improper payments and implement processes to effectively monitor progress and measure its effectiveness, its ability to ensure that its actions will reduce improper payments will be limited.

Director: M. Hannah Padilla

Contact Information: padillah@gao.gov, (202) 512-5683

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. As of April 2022, USDA officials told us the department would develop a process to verify that accountants' and attorneys' statements accurately reflect participants' incomes as reported on income tax returns. Officials stated that they have taken initial steps and would continue to work internally to secure approval and resources to implement the process. For us to consider our recommendation fully addressed, USDA needs to provide us documentation that it has implemented such a process. Without monitoring reviews and verification of statements, errors in FSA's reviews of tax returns and statements and in its payments to some ineligible participants are likely to persist.

Director: Steve D. Morris

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

Strengthen Protections for Wage Workers

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 (OSHA) to assess the implementation of their agencies' joint memorandum of understanding (MOU) regarding worker safety at meat and poultry plants 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. As of March 2022, OSHA and FSIS had a draft MOU under review that would clarify agency responsibilities and coordination activities and reflects current procedures. According to FSIS officials, the agencies plan to finalize the MOU and continue meeting routinely to determine whether it needs adjustments. To fully implement this recommendation, FSIS should finalize the MOU and establish time frames to evaluate it regularly. Evaluating the implementation of the MOU and making any needed changes would help ensure the agencies better collaborate to protect workers in the meat and poultry industry.

Director: Thomas M. Costa

Contact Information: costat@gao.gov, 202-512-4769

Improve USDA's Oversight of Federal Assistance and Awards

Crop Insurance: Opportunities Exist to Improve Program Delivery and Reduce Costs. [GAO-17-501](#). Washington, D.C.: July 26, 2017.

Recommendation: To reduce year-to-year fluctuations in the administrative and operating expense subsidies that companies receive at the crop, state, and county levels, the Secretary of

Agriculture should direct the Administrator of the Risk Management Agency (RMA) to consider adjusting the administrative and operating expense subsidy calculation method in a way that reduces the effects of changes in premiums caused by changes in crop prices or other factors when it renegotiates the standard reinsurance agreement.

Actions Needed: RMA stated it would take steps to implement this recommendation. According to a USDA official, to take action on this recommendation, USDA would need to renegotiate its agreement with insurance companies. However, as of February 2022, USDA had not taken action to implement our recommendation and it is unclear when USDA will renegotiate the agreement. To fully implement our recommendation, USDA and RMA should consider adjusting the calculation method to account for changes caused by fluctuations in crop prices or other factors. For us to consider this recommendation implemented, USDA needs to provide documentation that it considered whether to make the adjustment. Such an adjustment could generate significant cost savings for the program.

Director: Steve D. Morris

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

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

Recommendations: The Secretary of Agriculture should:

- (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 Office of Management and Budget (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;

Action Needed: FNS neither agreed nor disagreed with our recommendations. As of February 2022, officials from FNS said they had taken some steps to address these recommendations such as revising their guide. To fully implement the recommendations, FNS needs to design policies and procedures to (1) ensure staff follow the revised policies to ensure award recipients submit single audit reports as required by statute and (2) revise policies and procedures to ensure management decisions related to single audit findings conform to OMB guidance. We will continue to assess the agency's efforts. Without an effective design of policies and procedures, FNS cannot reasonably ensure it is conducting the required effective oversight of the federal funds it has awarded.

Director: Jim Dalkin

Contact Information: dalkinj@gao.gov, (202) 512-3133

Improve Information Technology and Cybersecurity

IT Modernization: USDA Needs to Improve Oversight of Farm Production and Conservation Mission Area. GAO-21-512. Washington, D.C.: September 23, 2021

Recommendations: The Secretary of Agriculture should:

- (1) Ensure that the Under Secretary for Farm Protection and Conservation (FPAC) directs the Assistant Chief Information Officer to have the FPAC mission area develop a strategic plan,

in alignment with departmental policies and procedures, to include performance goals and measures for maximizing efficiencies and reducing IT duplication and overlap; and

- (2) Ensure that the Under Secretary for FPAC directs the Assistant Chief Information Officer to have the FPAC mission area monitor IT program performance against efficiency goals and measures documented in its plan for maximizing efficiencies and reducing IT duplication and overlap.

Actions Needed: USDA concurred with the recommendations and described actions to implement them. For example, in February 2022, USDA officials noted that FPAC plans to complete a 5-year IT plan and begin conducting quarterly reviews on progress against the plan to reduce IT duplication and overlap in the second quarter of fiscal year 2022. However, USDA had not yet developed an IT strategic plan that includes performance goals and measurements.

To fully implement our recommendations, FPAC needs to (1) develop a strategic plan that includes performance goals and measures for maximizing efficiencies and reducing IT duplication and overlap, and (2) monitor IT program performance against the goals and measurements established in the strategic plan. The department will need to provide evidence of these actions for us to consider this recommendation implemented. Including appropriate goals and measures to reduce duplication and overlap in its IT strategic plan could provide further efficiencies and savings.

Director: David B. Hinchman

Contact Information: hinchmand@gao.gov, (214) 777-5719

Cybersecurity: Agencies Need to Fully Establish Risk Management Programs and Address Challenges. GAO-19-384. Washington, D.C.: July 25, 2019.

Recommendation: The Secretary of Agriculture should establish and document a process for coordination between cybersecurity risk management and enterprise risk management functions.

Action Needed: USDA did not state whether it concurred with our recommendation. USDA stated that it planned to establish a governance framework for its Enterprise Risk Management (ERM) that would provide a platform to increase coordination between stakeholders within the cybersecurity and enterprise risk management functions. As of March 2022, USDA had not provided documentation of its process for cybersecurity and ERM coordination. For us to consider this recommendation implemented, USDA needs to provide evidence of these actions. Without a comprehensive risk management strategy, USDA may lack an organization-wide understanding of acceptable risk levels and appropriate risk response strategies to protect its system and data.

High-Risk Area: Ensuring the Cybersecurity of the Nation

Director: Jennifer R. Franks

Contact Information: franksj@gao.gov, (404)-679-1831

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 (HHS), should take steps to consult with respective sector partner(s), such as the Food and Agriculture Sector Coordinating Council, Department of Homeland Security, and National Institute of Standards and Technology, 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, but stated that it would attempt to develop a measurement mechanism as part of its annual data calls to the Food and Agriculture Sector. As of January 2022, USDA had taken initial steps to determine framework adoption across the sector by distributing a request for information to sector members. Officials from USDA's Office of Homeland Security noted that this effort did not generate enough responses to be useful. As a result, USDA and HHS were not able to determine adoption across the sector. As of February 2022, agency officials told us that USDA was taking additional steps to educate staff and hoped these education efforts would result in more responses to the 2021 annual report's request for information.

While USDA has been encouraging and supporting the use of the framework, to protect critical infrastructure, the agency needs to implement our recommendation so it can gain a more comprehensive understanding of the framework's use.

High-Risk Area: Ensuring the Cybersecurity of the Nation

Director: David B. Hinchman

Contact Information: hinchmanD@gao.gov, (214) 777-5719

(Jobcode: 105601)