



April 11, 2013

MAP 13-003

United States  
Department of  
Agriculture

Farm and  
Foreign  
Agricultural  
Services

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Service

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Washington, DC  
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**SUBJECT: Fraud Prevention Program Procedures for Program Year 2013**

**TO: All Market Access Program (MAP) Participants**

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### **Background**

Fraud has the potential to cause considerable losses to the government. The revised Market Access Program regulations were published on May 17, 2012, and are effective beginning with program year 2013. Section 1485.31(a) requires MAP Participants to submit a fraud prevention program annually to FAS.

Fraud prevention programs should be developed to be useful to the MAP Participant. Proposals should be concise and straight-forward. It is important that the procedures in such proposals can be reasonably executed by the MAP Participant. During their reviews, the Compliance Review Staff will determine if the program has been implemented as approved.

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### **Fraud Prevention Program Procedures – All MAP Participants**

- 1) At a minimum, the fraud prevention program submission must include:
  - a) An annual review of physical controls and weaknesses;
  - b) A standard process for investigating and remediation of suspected fraud cases;
  - c) Training in risk management and fraud detection for all current and future employees;
  - d) The internal process for determining whether or not a suspicious situation needs to be reported to USDA personnel as described in 1485.31(a)(2);
  - e) The internal process for reporting an allegation or information that could give rise to a reasonable suspicion of misrepresentation or fraud that could rise to a claim by CCC, as described in 1485.31(a)(2).
  
- 2) The level of detail in the fraud prevention program may differ between MAP Participants due to a variety of factors, including, but not limited to: size of program, overseas operations, number of employees, and brand programming. It should be reasonable and executable.
  
- 3) For Participants whose program year began January 1, 2013, the fraud prevention plan should be submitted to FAS by May 15, 2013. For those

Participants whose program year begins July 1, 2013, the fraud prevention program should be submitted to FAS by June 14, 2013. Exceptions to these deadlines will be considered on a case by case basis.

- 4) The fraud prevention program should be emailed to [podadmin@fas.usda.gov](mailto:podadmin@fas.usda.gov). FAS will endeavor to assess the fraud prevention program and notify Participants of approval or disapproval within 30 days.

**Additional Fraud Prevention Program Procedures – MAP Participants that Administer Brand Programs (1485.31(b))**

- 5) MAP Participants may charge a fee to brand participants to cover the cost of the fraud prevention program.
- 6) A MAP Participant that is not strictly adhering to its approved fraud prevention program may be held liable for fraudulent claims submitted by brand participants. Thus, it is critically important that the details of the approved fraud prevention program be well known to **all** staff and administrative contractors of any MAP Participant with a brand program.

/s/ Lynne Reich for

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