

# FOIA MARKER

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**Ag Dept. Fraud Issue**  
**March 27, 1997**

The Houston Police Department held a press conference yesterday to announce the results of a food stamp recipient sting operation held from October 4 - December 18 in Houston that found local evidence of fraud in the electronic food stamp system. Recipients were abusing their benefits by going to stores and using their food stamp benefit cards to get back cash and other ineligible items instead of food.

**Points:**

- The Agriculture Department and the Texas Department of Human Services worked with the Houston Police department on this sting.
- The Department of Agriculture is committed to integrity in the Food Stamp Program. This operation was supported by the department and is an example of their commitment to ensure that benefits go to the people that need them.
- The transformation of the Food Stamp program into a streamlined electronic benefits transfer system is an exciting innovation that will improve service and reduce fraud. This case shows loud and clear that fraud will not be tolerated and when abuses are found action will be quickly taken.

MCKIERNAN  
Per Joanna Pierce, AG, 720-5555

pls file

12/13/96  
Agriculture**TALKING POINTS ON MEETING WITH THE NATIONAL BLACK FARMERS ASSOC.**

- Secretary Glickman and members of his staff, including the head of the USDA Civil Rights Action Team, met for 2 and a half hours with the board of directors of the National Black Farmers Association. The meeting was productive and extremely emotional for those involved.
- All of the farmers who met with the Secretary have some type of pending legal action against the department, so the Secretary made it clear that the meeting was just a listening session and he would not comment on individual cases.
- The Secretary asked each person in the room to talk about his or her experiences with USDA. All accused the department of racism and efforts to drive them off their farms.
- At the end of the meeting, the black farmers asked the Secretary to make some decisions on a few cases that have already gone through the legal process. The Secretary politely declined but promised to get back with the Black Farmers Association by next week to tell them how USDA will proceed.
- After the meeting, the Secretary held a joint media availability with the head of the association, Mr. John Boyd Jr. Both said it was a good and very productive meeting and pledged to work together to resolve the problem.
- This morning, the Secretary met with members of the new Civil Rights Action Team to follow up on the meeting and again emphasize his commitment to resolve the problems as quickly as possible.

Tom Amantree sent  
this over for you.



INTERNAL  
AKC  
MEB, BT  
CIVIL RIGHTS  
BLK/FA  
Agriculture  
12/13/96

THE SECRETARY OF AGRICULTURE  
WASHINGTON  
20250-0100

12-12-96

**MEMORANDUM TO THE PRESIDENT**

**FROM: Secretary Dan Glickman**

**SUBJECT: Civil Rights**

I want to let you know about the actions I have taken to address concerns about racial discrimination at the Department of Agriculture. USDA is a vast, decentralized Department that has an unfortunately long history of civil rights and program delivery problems. I am firmly committed to rooting out these problems, improving USDA's service to minorities and socially disadvantaged farmers and communities. There is not a simple solution, but I will get the job done.

This is an issue we have been struggling with for some time. For example, when I took office, the Department had a severe backlog of equal opportunity employment (EEO) complaints and we had completely inadequate systems in which to resolve these complaints. We have a focused, intensive effort to address this problem, and we are making significant progress, but obviously there are also other areas of concern that we must address.

In fact, the recent press reports provide me with the opportunity to fix these problems. I am using them as leverage against the institutional inertia that has hindered further progress.

Today I established a Civil Rights Action Team, which will be headed by Mr. Pearlie Reed. Pearlie is a 27 year veteran of the Department of Agriculture, currently the Associate Chief of the Natural Resource Conservation Service. Pearlie's reputation as a leader and a manager is impeccable and his selection gives strong credibility to this effort both within and outside the Department.

The Action Team will develop a plan by mid-February to address two fundamentally important issues -- (1) civil rights complaint and enforcement systems, and (2) improved program delivery to minorities and socially disadvantaged farmers. In preparing this action plan, Pearlie will meet with and listen to Departmental staff and constituency groups.

I announced this action in a meeting this morning of all subcabinet officers, their deputies, and agency administrators. I instructed them to give Pearlie their full support. There will be some resistance to this effort within the Department, but there will be consequences. I will hold the leadership of the Department personally accountable for their vigorous cooperation with this effort.

The creation of this Action Team does not relieve the Department's leadership of their personal

responsibility and accountability for proactively dealing with civil rights and program delivery issues in their mission areas. There is no more important issue facing the Department.

Earlier in the week, I issued the attached statement directing all USDA agencies, including State offices, to establish an Outreach Office, reporting directly to the administrator or State Director. I also laid out a plan for a National Dialogue to address both civil rights concerns as well as ways in which to improve our partnerships with and program delivery to minority and socially disadvantaged farmers, an idea which was developed in meetings with Ralph Paige of the Federation of Southern Cooperatives. Finally, I asked the Office of the Inspector General to investigate the particular issues recently raised in the press regarding our farm loan programs and civil rights complaints.

I subsequently issued the attached memorandum to our State offices to express my deep concern about this issue. Given the decentralized nature of the Department, I also expect to take additional action to make sure that my message of commitment, responsibility, and accountability reaches down to every county in the Nation.

I want to reiterate my commitment to addressing these problems, and I will continue to keep you apprised of our actions.

# NEWS

UNITED STATES DEPARTMENT OF AGRICULTURE  
Office of Communications News Room 460-A  
Washington, DC 20250-1300  
Internet: News @usda.gov Phone: 202-720-9035  
World Wide Web Home Page: <http://www.usda.gov>

Release No. 0631.96

## Statement

by  
Secretary of Agriculture Dan Glickman  
on Program Delivery and Customer Service at USDA  
December 10, 1996

"During my tenure as Secretary, I have actively sought to ensure that Department of Agriculture (USDA) programs effectively serve minority and socially disadvantaged farmers. Today, I am initiating a national dialogue on USDA's service to these communities as part of an intensified effort to more effectively help socially disadvantaged and minority farmers continue their family traditions and stay on the land.

"First, I am directing each USDA agency that serves farmers to establish an outreach office that reports directly to the administrator. I am directing the state offices of the Natural Resource Conservation Service (NRCS), Rural Development (RD), and the Farm Service Agency (FSA) to establish outreach offices that report directly to the state directors and state conservationists. These outreach offices will work directly with constituency groups to improve the department's outreach and service to minority and socially disadvantaged producers.

"Second, I will hold a national forum early next year on the delivery of USDA programs. All USDA farm program agencies, including Extension, will be involved in the forum, as will headquarters, state, and county office personnel. The forum will provide an opportunity for minority and socially disadvantaged farmers to discuss their concerns about USDA program delivery. More importantly, it will identify new ways we can build partnerships and improve the department's outreach and service.

"Third, the state offices of NRCS, RD, and FSA will hold simultaneous statewide forums so that minority and socially disadvantaged farmers in every state can participate in this national dialogue. The outreach offices of each agency will work with our constituencies and partners in setting up these statewide meetings. Following the national forum, each state will submit a joint report to headquarters with recommendations for future action, including ways to build more effective partnerships among socially disadvantaged and minority producers and USDA leadership, including state officials.

-more-

"Fourth, I am requesting that USDA's Office of Inspector General begin an immediate investigation of the status of discrimination complaints against FSA and recommend a plan for promptly resolving these complaints. I am also asking him to investigate the level of participation of minorities and socially disadvantaged farmers in FSA's farm loan programs as well as FSA's effectiveness in serving these communities. I also will be directing other USDA agencies to launch comprehensive analyses of their service to minority and socially disadvantaged farmers and of their civil rights complaint and enforcement systems.

"I am committed to creating an environment in which every customer who comes to one of our offices is treated fairly, effectively, and efficiently. Improving program delivery and customer service means reaching *all* Americans. It means making sure that minority and socially disadvantaged farmers have equal information about and access to farm loans, commodity programs and crop insurance. It means using our outreach grants for these farmers as effectively as possible.

"We have already made real progress. Those initiatives include committing millions of dollars to outreach and training for minority and socially disadvantaged farmers through colleges, universities, and community organizations serving primarily minority and socially disadvantaged populations. In addition, we have targeted loan funds specifically to members of minority groups to encourage farm ownership and production.

"But we can and will do better. The actions I am announcing today are the first steps to ensure that we do everything possible in the area of civil rights."

#

NOTE: USDA news releases and media advisories are available on the Internet. Access the USDA Home Page on the World Wide Web at <http://www.usda.gov>



**DEPARTMENT OF AGRICULTURE  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20250**

DEC 9 1996

Honorable Roger Viadero  
Inspector General  
U.S. Department of Agriculture  
Washington, D.C. 20250

Dear Roger:

I have had a growing concern regarding the effectiveness of the Department of Agriculture's (USDA) work with socially disadvantaged and minority farmers and ranchers. Part of this concern is based on recent allegations that USDA discriminates against African American farmers in its delivery of its farm loan programs, as well as by concerns about the adequacy of our programmatic civil rights complaint systems.

I will not tolerate any discrimination during my tenure as Secretary of Agriculture, and I am committed to doing everything in my power to address these issues. Accordingly, I am requesting that your office begin an immediate investigation into the Farm Service Agency (FSA) delivery of its farm loan programs to minority and socially disadvantaged farmers as well as its civil rights complaint systems.

I ask that you address the following issues:

1. Determine the number of outstanding complaints which allege discrimination in farm loan programs, including the dates filed and status in complaint investigation and resolution process; determine the number of full time equivalents committed to resolving these complaints; and recommend a plan of action for prompt resolution of these complaints.
2. Assess participation of minorities and socially disadvantaged persons in FSA's farm loan programs; determine whether the percentage of participation correlates to the total population, by Nation, State, and county.
3. Determine if FSA offices provide sufficient technical assistance to help these farmers apply for and receive program benefits and if FSA processes minority farm loan applications and servicing requests in the same manner as loan applications and servicing requests from white farmers.

These issues are of very high priority to me and I respectfully request your assistance in expediting the Office of Inspector General's investigation of these issues. I would appreciate having a preliminary report on your findings as soon as possible.

Please let me know if you have any questions or concerns regarding this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Glickman". The signature is fluid and cursive, with a large initial "D" and "G".

DAN GLICKMAN  
Secretary



DEPARTMENT OF AGRICULTURE  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20250

MEMORANDUM FROM SECRETARY GLICKMAN

TO: State Executive Directors and State Committee Chairwomen and Chairmen,  
Farm Service Agency  
State Directors, Rural Development  
State Conservationists and Regional Directors, Natural Resources  
Conservation Service

SUBJECT: Civil Rights

The attached reports on discrimination and civil rights complaints filed against the Department of Agriculture are very troubling to me personally.

I am devoted to solving the Department's civil rights problems. As state leaders of the Department, it is your responsibility to place the same high priority on this issue. Your performance, and those of your employees, will be judged in part by the demonstration and commitment to full and enthusiastic compliance with this goal.

You should convey the importance of solving civil rights problems to all of your employees in the strongest possible terms. I expect this to be done immediately.

If any of you or any employee experiences any resistance in furthering our efforts, it must be reported at once to the appropriate agency's civil rights division or the Office of the Inspector General's hotline number, 1-800-424-9121.

Only together can we abolish all traces of any discriminatory behavior within our ranks and become a leader in civil rights protection for our employees and customers.

# NEWS

12-11-96  
*Agriculture*  
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Sincerely,

A handwritten signature in black ink, appearing to read "Dan Gluckman". The signature is written in a cursive, flowing style with a large initial "D".

DAN GLUCKMAN  
Secretary

Black Farmers, 0849

Ag Department says it will resolve discrimination complaints

WASHINGTON (AP) Faced with a lawsuit and new evidence of unfair treatment of black farmers, the Agriculture Department said Tuesday it will take steps to settle longstanding discrimination complaints.

The announcement came as black farmers from the Southeast planned to demonstrate in front of the White House, contending the Clinton administration has done nothing to remedy past discrimination despite admitting a legal duty.

The complaint focuses on allegations of discrimination by the old Farmers Home Administration, the department's lending agency, now called the Farm Service Agency. Blacks have complained over the past two decades that unequal treatment has aided in the decline of black agriculture.

On Tuesday, Agriculture Secretary Dan Glickman said he has asked the Office of Inspector general to investigate immediately the status of the complaints. The inspector general is to recommend a plan to resolve those complaints.

Moreover, Glickman said, the inspector general will examine minority participation in lending programs and have other agencies investigate their service to black and socially disadvantaged farmers.

"I am committed to creating an environment in which every customer who comes to one of our offices is treated fairly, effectively and efficiently," Glickman said. He also announced national and statewide forums on program delivery and the creation of special "outreach" offices to work with minorities.

From 1982 to 1987, the number of farms run by blacks dropped 30 percent, according to Census numbers cited in a 1990 report by the House Committee on Government Operations less than 1 percent of all farms. The number had peaked at about 950,000 in the 1920s. The Commission on Civil Rights first called attention to the situation in 1982.

On Friday in Washington, U.S. District Judge Thomas Flannery will hear arguments on whether a lawsuit brought last year by six black and Hispanic farmers against the department should be widened to include hundreds of alleged victims of discrimination.

The Justice Department has argued against turning the lawsuit into a class action. It says there is no way to sort out who would be covered without reviewing hundreds of detailed complaints that would force a probe into personal financial management and dealings with thousands of county-level officials.

However, attorney James W. Myart Jr. of San Antonio said in court papers that a study recently done for the department found a common thread to the discrimination complaints.

Also, a 36-page report done in April 1993 by the Virginia Farmers Home Administration found common complaints. Neither had been disclosed by the government during earlier requests for evidence.

Black farmers complained they have been given smaller loans than their white counterparts, making it harder to keep financially afloat. Other allegations say loans are granted late in the crop season, aggravating debt problems; black farmers are denied equal help with loan applications, and in some cases the applications are shelved by county officials or false numbers are entered.

An Associated Press analysis of lending records from 1980 to 1992 found that black farmers received about 51 cents for every dollar lent to whites. While the number of loans to white farmers dropped by 66 percent over that period, the number of loans to black farm borrowers tumbled by 82 percent.

The department has said at the time the AP study was done in late 1992 that the smaller loans were due largely to smaller farms.

In some instances, the department has acknowledged discrimination. But the lawsuit says the department has refused to award damages or provide other relief, such as reversing foreclosures, even though it has acknowledged a legal obligation to do so.

"He's saying he's asking the inspector general to do something three or four months down the line," Myart said in response to Glickman's announcement. "This issue has been with the administration for four years. The administration is just now proposing to conduct a study to determine how to do it."

Still, he praised the administration for taking a "first good step."

Myart also spoke as representative of the National Black Farmers Association, a group formed with about 50 of his clients, mostly in southern Virginia. The group plans a demonstration Thursday in front of the White House.

A settlement could prove expensive. And the department is already under pressure from Congress to curb the billions of dollars in losses from loans made to all farmers.

Myart said in court papers that former Agriculture Secretary Mike Espy tried to settle one case for \$570,000 in December 1994, just before his resignation, but the settlement was rejected by Glickman.

(PROFILE

(CAT:Agriculture;)

(CAT:Business;)

(CAT:Crime;)

(SRC:AP; ST:US;)

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:SUBJECT: AGRI LENF CONW

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## USDA moves to help minority farmers

WASHINGTON, Dec 10 (Reuter) - The U.S. Agriculture Department moved Tuesday to help minority and poor farmers participate in its farm programs after complaints of discrimination.

"I am committed to creating an environment in which every customer who comes to one of our offices is treated fairly, effectively and efficiently," Agriculture Secretary Dan Glickman said in a statement.

The department manages dozens of programs offering loans or loan guarantees to the nation's farmers. Black producers have long complained that they were not treated fairly, alleging among other things, that their loan applications are not processed as swiftly as those of white farmers. A group of minority farmers planned a protest in Washington on Thursday.

Glickman said he had instructed the department's Office of Inspector General to investigate the status of discrimination complaints against the Farm Service Agency and to recommend a plan for resolving them.

The secretary said the inspector general would also look at how many minorities and socially disadvantaged farmers participate in the department's farm loan programs.

In 1992, the latest year for which figures are available, the Census Bureau tallied approximately 18,000 minority farmers nationwide.

Glickman said his department would hold a national summit as well as statewide forums on program delivery early next year and set up "outreach" offices to improve services.

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