

Amendment 3530 – Prohibits federal farm assistance for deceased farmers

The U.S. Department of Agriculture (USDA) has paid out over a billion dollars to the estates of farmers after they had passed away.

The amendment would prohibit federal agencies from distributing agricultural subsidies to dead farmers.

“The U.S. Department of Agriculture distributed \$1.1 billion over seven years to the estates or companies of deceased farmers”

According to an exhaustive Government Accountability Office (GAO) study of farm payments, “USDA has made farm program payments to estates more than 2 years after recipients died.”^[1]

From 1999-2005, USDA made \$1.1 billion in farm programs payments to 172,801 deceased individuals. Of these deceased individuals, 5,081 received multiple payments annually, either as part of multiple farm entities and/or individual operations. Forty percent of the individuals had been dead for more than three years and 19 percent had been dead for more than seven years.

GAO also found that USDA did not, as regulations require, determine whether estates that received payments met payment eligibility requirements.

“In a selection of 181 cases from 1999 to 2005,” the *Washington Post* wrote, “[GAO] found that officials approved payments without any review 40 percent of the time.”^[2] The *Washington Post* article cited numerous cases in which estates or corporations received payments long after their eligibility expired:

An Indiana corporation that was owned entirely by one person never notified the government of the owner's death in 1993 and continued

^[1] [“USDA Needs to Strengthen Management Controls to Prevent Improper Payments to Estates and Deceased Individuals”](#), Government Accountability Office, July 24, 2007

^[2] [“Deceased Farmers Got USDA Payments”](#), Washington Post, July 23, 2007

to collect unspecified payments for a decade before new owners filed for farm benefits. The government made \$567,000 in payments to an Alabama estate over seven years on behalf of an owner who died in 1981. Another estate continued to receive unspecified payments on behalf of a person who died in 1973 -- more than three decades ago - - without any investigation or review.

USDA “does not have management controls...to verify that it is not making payments to deceased individuals”

While there are certain conditions under which payments to deceased recipients can be made up to two years following death, GAO found that in many instances, some estates were kept open for the sole purpose of receiving agricultural subsidies.

In those cases, according to the *Washington Post*, “GAO said it found that five executors of estates had simply told the government they wanted to keep the estates open, without further explanation.” As a result, GAO recommended in its July 2007 report that USDA implement management controls to verify whether or not estates were eligible to receive payments more than two years after the death of the original recipient.

Between 1999 and 2005, USDA “unknowingly paid \$1.1 billion in farm program payments in the names of 172,081 deceased individuals,” GAO found. One of the reasons for the massive amount of payments to dead farmers is that USDA has no way of verifying whether or not farmers are eligible for continued payments.

Instead, according to GAO, USDA “relies on self-certifications by farming operations that the information provided is accurate and that the operations will inform [USDA] of any changes, including the death of an operation’s member.”

Payments are allowed, under certain conditions, for two years following the death of a recipient

For most farm program payments, USDA regulations allow an estate to receive payments for the first two years after the death of the individual if the estate meets certain eligibility requirements for active engagement in farming. In short, the estate cannot remain open for the sole purpose of receiving farm payments from the government.

Under this amendment, once a person dies, farm program payments may continue to that person's estate for no longer than one year.

This ensures fairness to the surviving family members of farmers, to other farmers who rely on federal assistance, and to taxpayers who fund federal farm programs.