

Exhibit 1

PART 2012 - AUDITS AND INVESTIGATIONS

Subpart B - Investigations and Whistleblower (Hotline) Complaints

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§ 2012.56(b) (Con.)

(9) For investigative matters that involve servicing actions by the CSC, the MCO will work in conjunction with the CSC to coordinate the inquiry and any actions needed. The MCO will notify OIG, with a copy to the Rural Development Liaison Officer, of any administrative actions taken and request closure. (See § 2012.58 of this Instruction.)

(c) Employees will not make any comments or take action that might harm or prejudice the Government's interest in a criminal or civil court case. For example, when there is a reasonable belief that a borrower, employee, or other person may have committed a criminal act, friendly comments such as "maybe we can work something out", may later be used in court and jeopardize successful prosecutions.

(d) Requests for investigations of extremely sensitive or unusual situations shall be directed to the AIG-I or the Inspector General.

§ 2012.57 Administrative guidelines.

(a) If a fiscal problem is the result of misconduct listed in § 2012.55(a) and (b) of this Instruction by an employee, the State Director will decide if an investigation by OIG is needed or if the State Director will handle the case. For fiscal problems caused by an employee's action, the State Director will notify the National Office, Attention: HPSD. (See § 2012.104(a) of RD Instruction 2012-C.)

(b) For allegations of unauthorized political activity by employees, report the incident directly to the USDA, OHRM, 14th and Independence Avenue, SW, Washington, DC 20250-0796. A copy of the referral will be sent to the SAC, at the applicable address listed in Exhibit A of RD Instruction 2012-A, along with a copy to the Assistant Administrator for Human Resources and the Rural Development Liaison Officer.

(c) All program complaints of discrimination against a person or class, or an applicant or recipient of a Rural Development loan or grant, by a Rural Development employee should be forwarded immediately to the National Office, Attention: Director, Civil Rights Staff (CRS). State, Area and Local Office employees may take no action on such complaints until authorized by the CRS. Employees may not deny benefits or service, nor refuse to process applications for benefits, to anyone because a complaint of discrimination has been filed. When a complaint has been filed, all adverse actions (i.e., foreclosure, liquidations, etc.) must be suspended until the case has been resolved by the Department's Office of Civil Rights.

Exhibit 2

220 Criteria for Complaints (Continued)

C

Freedom From Retaliation or Reprisal

This table contains the protection individuals are entitled to, according to the regulations.

IF individuals involved are...	THEN they will be free from...	IF they have...
complainants, witnesses, representatives, or investigators	threat, coercion, retaliation, reprisal, adverse action, or intimidation	<ul style="list-style-type: none"> • filed a charge of discrimination • assisted in the investigation • participated in the investigation.

Therefore, employees may not do either of the following:

- deny benefits or service
- refuse to process applications for benefits to any complainant.

If a complaint has been filed, all adverse action, such as foreclosure, liquidation, etc., must be suspended until the case has been resolved by CR.

Note: FLP stops acceleration and foreclosure but is required to make adverse loan/servicing decisions so that appeal rights can be provided.

Continued on the next page

*Agency Exhibit 9
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Exhibit 3

TX NOTICE AO-693
Notice AO-1174

2 Discrimination Complaint Process (Continued)

D Filing a Complaint

A customer may file a program discrimination complaint with the Director, OCR at the following address.

Director, Office of Civil Rights
1400 Independence Avenue, SW.
Room 326-W, STOP 9878
Washington, DC 20250

A program discrimination complaint may also be filed with the office having some connection with the program or matter that is the subject of the complaint.

The complaint shall include the following:

- description of the decision and action believed to be discriminatory
- date and location of the incident believed to constitute discrimination
- names of the people involved in the incident
- name of the agency and/or program involved in the incident.

Note: A complaint may be filed verbally or in writing.

A verbal complaint may be filed with any FSA employee. If a complainant makes an allegation in person, or through a telephone conversation, and is unable or unwilling to put the allegation in writing, the employee to whom the allegation is made must put the particulars of the complaint in writing.

A written complaint may be filed with the Director, OCR:

- in the form of a letter
- by completing AD-1126 (Exhibit 1)

Notes: Refer to the Program Discrimination Complaint Brochure (Exhibit 2) on how to file a complaint.

AD-1126 (AD1126.WPD or AD1126.PDF) and the Program Discrimination Complaint Brochure (DISBROCH.PDF) are available on the BBS in the Forms Library.

- by telephone at 202-720-5964 (voice and TDD) during normal business hours from 8 a.m. to 5 p.m. e.s.t.
- by e-mail. This is currently not available, and is under development by OCR.

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