



June 12, 2015

NOTICE TO THE TRADE RECOVERY AUDIT INITIATIVE

At the direction of the Secretary, the U.S. Department of Agriculture (USDA) began implementing a Supplier Credit and Recovery Audit Initiative (Initiative) in 2013. This Initiative arises out of two recent laws: the Improper Payments Elimination and Recovery Act of 2010, and the Improper Payments Elimination and Recovery Improvement Act of 2012. In response to this legislation, and in furtherance of the Administration's agenda, the Secretary has made the Initiative a priority, and tasked USDA's Office of the Chief Financial Officer (OCFO) with implementing it.

The Initiative is designed to identify and recover monies vendors may owe the Department. Vendor billing and revenue recording practices will be reviewed to identify credits that should have been applied to Departmental accounts; these funds may have "fallen through the cracks," during vendor account recording and as a result, have not been repaid to the Department. This Initiative will include review of monies related to agricultural commodity and commodity-related service contracts awarded by the Agricultural Marketing Service (AMS) and the Farm Service Agency (FSA).

The contractor hired by the OCFO, Gryphon Financial, acts on behalf of the Department by verifying credits and requesting validation from vendors. The Initiative to date has resulted in many recoveries of funds. The verification and validation process may take the form of telephone calls or postal mail to vendors, with the Gryphon Financial representatives identifying themselves as, "The Vendor Compliance Team." Gryphon Financial, and members of The Vendor Compliance Team, are contractors—acting as agents to USDA, but are not employees of USDA.

At this time, we are asking that all vendors respond to, and cooperate with, the Initiative; however, you are not obligated contractually to do so. Your cooperation with this effort, including funds recovered, has no bearing on current awarded contracts, or to any contracts that may be awarded in the future.

The scope of the effort, at this time, will be contract activity in fiscal years 2013, 2014 and 2015, and is based on information supplied by USDA to Gryphon Financial. The fact that you are being contacted by Gryphon Financial **does not imply in any way** that monies are owed or that there was any wrong doing on your part. The Initiative is not a punitive program, and merely aims to identify unrecovered funds that may have been missed or overlooked.



United States Department of Agriculture

If you have questions or concerns, please contact any of the following:

Office of Chief Financial Officer: Aaron Prose, OCFO.RecoveryAudit@cfo.usda.gov
AMS Contracting Officer: Felicitas Lofton, 202-720-9199, felicitas.lofton@ams.usda.gov
AMS Operations Branch Chief: Ron Ulibarri, 202-720-8764, ronald.ulibarri2@ams.usda.gov
FSA Contracting Officer: Dan Webber, 816-926-2847, dan.webber@kcc.usda.gov

A handwritten signature in black ink, appearing to read "D. Tuckwiller".

David Tuckwiller
Director
AMS, Commodity Procurement Staff

A handwritten signature in black ink, appearing to read "Patrick M. Dardis".

Patrick Dardis
Deputy Director
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