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DEPARTMENT OF AGRICULTURE

Federal Crop Insurance Corporation

7 CFR Part 400

General Administrative Regulations; Sanctions

RIN 0563-AB10

AGENCY: Federal Crop Insurance Corporation.

ACTION: Final rule.

SUMMARY: The Federal Crop Insurance Corporation ("FCIC") hereby amends its general administrative regulations relating to sanctions. The intended effect of this amendment is to set out the sanctions made available under the Federal Crop Insurance Act (the "Act"), as amended by the Federal Crop Insurance Reform Act of 1994, with respect to civil fines and disqualification for willfully and intentionally providing false or inaccurate information and ineligibility to participate in any program administered under the Act as a result of the adoption of a material scheme or device to obtain benefits or indebtedness to FCIC or an insurance company.

EFFECTIVE DATE: July 20, 1995.

FOR FURTHER INFORMATION CONTACT: Diana Moslak, Federal Crop Insurance Corporation, Regulatory and Procedural Development Staff, U.S. Department of Agriculture, Washington, DC 20250. Telephone (202) 254-8314.

SUPPLEMENTARY INFORMATION: This action has been reviewed under United States Department of Agriculture ("USDA") procedures established by Executive Order 12866 and Departmental Regulation 1512-1. This action constitutes a review as to the need, currency, clarity, and effectiveness of these regulations under those procedures. The sunset review

date established for these regulations is December 1, 1999.

This rule has been determined to be "not significant" for the purposes of Executive Order 12866 and, therefore, has not been reviewed by the Office of Management and Budget ("OMB").

In accordance with the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 *et seq.*), no information collection or record-keeping requirements are found in this rule.

It has been determined under section 6(a) of Executive Order 12612, Federalism, that this rule does not have sufficient federalism implication to warrant the preparation of a Federalism Assessment. The requirements and procedures contained in this rule will not have a substantial direct effect on states or their political subdivisions, or on the distribution of power and responsibilities among the various levels of government.

This regulation will not have a significant impact on a substantial number of small entities. This action does not increase the paperwork burden on the insured producer or the reinsured company. Therefore, this action is determined to be exempt from the provisions of the Regulatory Flexibility Act (5 U.S.C. 605), and no Regulatory Flexibility Analysis was prepared.

This program is listed in the Catalog of Federal Domestic Assistance under No. 10.450.

This program is not subject to the provisions of Executive Order 12372 which require intergovernmental consultation with state and local officials. See the Notice related to 7 CFR part 3015, subpart V, published at 48 FR 29115, June 24, 1983.

The Office of the General Counsel has determined that these regulations meet the applicable standards provided in subsections 2(a) and 2(b)(2) of Executive Order 12778. The provisions of this rule will preempt state and local laws to the extent such state and local laws are inconsistent herewith. This rule does not have retroactive effect and administrative appeals as established under 7 CFR part 400 subpart J or under regulations established under subtitle H of the Department of Agriculture Reorganization Act of 1994 (Pub. L. 103-354) must be exhausted before judicial action may be brought.

This action is not expected to have any significant impact on the quality of

the human environment, health, and safety. Therefore, neither an Environmental Assessment nor an Environmental Impact Statement is needed.

On Friday, January 13, 1995, FCIC published a proposed rule in the **Federal Register** at 60 FR 3106 to amend, in accordance with the Federal Crop Insurance Reform Act of 1994, the General Administrative Regulations (7 CFR part 400). The proposed rule revised the penalty for giving false or inaccurate information and added a new section to provide that any participant in the program who knowingly adopts a material scheme or device should lose all benefits under the program.

Following publication of the proposed rule, the public was afforded 60 days to submit written comments, data and opinions, but none were received. Therefore, the proposed rule as published on January 13, 1995, at 60 FR 3106 is hereby adopted as a final rule with minor change.

List of Subjects in 7 CFR Part 400

Administrative practice and procedure, Claims, Crop insurance, Reporting and recordkeeping requirements.

Final Rule

For the reasons set out in the preamble, subpart R, part 400 of chapter IV of title 7 of the Code of Federal Regulations is amended as follows:

PART 400—GENERAL ADMINISTRATIVE REGULATIONS

Subpart R—Sanctions

1. The authority citation for 7 CFR part 400, subpart R, is revised to read as follows:

Authority: 7 U.S.C. 1506(l).

2. Paragraph (a) of § 400.454 is revised to read as follows:

§ 400.454 Civil penalties.

(a) Any person who willfully and intentionally provides any materially false or inaccurate information to FCIC or to any approved insurance provider reinsured by FCIC with respect to an insurance plan or policy issued under the authority of the Federal Crop Insurance Act, as amended, (7 U.S.C. 1501 *et seq.*) may be subject to a civil fine of up to \$10,000 and disqualification from participation in: