



For Immediate Release
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FCA board approves criminal referral booklet

McLEAN, Va., Jan. 14, 2021 — At its monthly meeting today, the Farm Credit Administration board approved a booklet that provides additional guidance to Farm Credit System institutions on implementing the FCA criminal referral regulations in part 612, subpart B.

The regulations were published in 1997 and require System institutions to file an FCA Criminal Referral Form notifying federal law enforcement agencies of known or suspected criminal violations that meet certain reporting thresholds. Known or suspected criminal violations are reportable when there is a reasonable basis to conclude a criminal violation has occurred or is ongoing, and the amount of the actual or potential loss to the institution meets specific reporting thresholds.

This booklet responds to the various questions the agency has received from System institutions related to the FCA criminal referral regulations. The booklet addresses such topics as the following:

- How an institution should determine there is known or suspected criminal activity
- Whether an institution can use its discretion not to file a criminal referral form
- Whether and when an institution should file a criminal referral form when the institution was used as a conduit
- Whether an institution can file a suspicious activity report in place of a criminal referral form

The booklet requires the electronic filing of the criminal referral form, which is consistent with other federal financial regulators. FCA has launched a new [criminal referral platform](#) on fca.gov to simplify and expedite the filing process. The system also enhances the agency's ability to analyze the referrals received.

FCA believes that these clarifications will provide some regulatory relief, reduce the number of nominal value criminal referrals filed when an institution is used as a conduit, and provide valuable data.

Bookletters are documents that communicate the agency's position on specific issues. Links to all the agency's bookletters are listed at [FCA bookletters](#), a page on the FCA website under the "Law & regulations" tab.

Report on fiscal year 2020 financial statements

The board also heard the auditor's report on the audit of FCA's financial statements as of Sept. 30, 2020 and 2019.

FCA's inspector general contracted with Harper, Rains, Knight & Company, P.A., an independent accounting firm, to perform the financial audit. The firm issued an unmodified opinion on the agency's financial statements. It concluded that the financial statements presented fairly, in all material respects, the financial position of FCA as of Sept. 30, 2020 and 2019, in conformity with generally accepted accounting principles.

In addition, the firm did not identify any deficiencies in internal control over financial reporting considered to be material weaknesses. It also found no instance of noncompliance with selected provisions of applicable laws, regulations, contracts, and grant agreements required to be reported.

FCA's inspector general provided oversight of the audit firm's performance, and the review disclosed no instances in which the firm did not comply, in all material respects, with auditing standards.

Closed session

During the closed session, the FCA board held an executive meeting with the auditor.

The board also received a report on the 2020 Federal Information Security Modernization Act (FISMA) audit. FCA's inspector general contracted with Williams, Adley and Company, an independent accounting firm, to perform the FISMA audit.

Notational votes

Since the Dec. 10 FCA board meeting, four notational votes have occurred. Notational votes are actions taken by the FCA board between board meetings.

- On Jan. 8, the board authorized the chief financial officer to reallocate funds from the Office of Regulatory Policy to the Office of Data Analytics and Economics.
- On Dec. 21, the board established Nov. 18 as the date for the November 2021 board meeting.
- On Dec. 16, the board determined not to object to a proposed offering circular of Capital Farm Credit, ACA, for the issuance of up to \$200 million in preferred stock.
- On Dec. 14, the board approved the FCA 2021 compensation program.

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The Farm Credit Administration is the safety and soundness regulator of the Farm Credit System. The System consists of two government-sponsored enterprises — a nationwide network of cooperative banks and associations established in 1916, and a secondary market entity known as the Federal Agricultural Mortgage Corporation (Farmer Mac), which was established in 1988. The System's borrower-owned banks and associations provide credit to farmers, ranchers, residents of rural communities, agricultural and rural utility cooperatives, and other eligible and creditworthy borrowers. Farmer Mac provides a secondary market for agricultural real estate loans, rural housing mortgage loans, and certain rural utility loans. FCA news releases are available on the web at www.fca.gov.