

## ASA Board Calls for USDA Investigation of National Soybean Checkoff Program

In the best interest of U.S. soybean farmers, the Board of Directors of the American Soybean Association (ASA) voted unanimously on December 9, to ask the Secretary of Agriculture to order an Office of Inspector General (OIG) investigation and financial audit of the National Soybean Checkoff Program. The ASA petition, filed with the U.S. Agriculture Secretary and the Inspector General of the U.S. Department of Agriculture (USDA), calls for an investigation of the United Soybean Board (USB) and the U.S. Soybean Export Council (USSEC) to ensure that soybean checkoff dollars are being managed and invested as prescribed by law.

"Serious ethical, legal, and financial allegations have been raised about how farmer checkoff funds and program activities are being conducted," said John Hoffman, then ASA President, now ASA Chairman, and a soybean producer from Waterloo, Iowa. "These significant allegations have caused ASA to ask the Inspector General to conduct an investigation and audit so that the basis of the allegations can be impartially investigated to find the truth."

Allegations include the improper and wasteful expenditure of both checkoff and federal funds; potential evasion of mandated salary and administrative spending caps by USB; conflicts of interests at USB; use of checkoff funds for prohibited purposes by USB; and wasteful and excessive spending by USB. There are additional allegations concerning improper USB oversight and tolerance of actions that have taken place at the USSEC, an entity created by USB and ASA in October 2005. These allegations include improper conduct by a USSEC employee at USSEC functions; the firing of whistleblowers; improper employee relationships; contracting violations; management malfeasance and the inability of ASA Directors serving on USSEC Board to obtain an independent and objective investigation of the allegations.

"With USB and USSEC, we are dealing with entities that are spending tens of millions per year in soybean farmer checkoff dollars and U.S. taxpayer funds," Hoffman said. "As the policy organization that represents U.S. soybean farmers, it is ASA's responsibility to ensure that the soybean checkoff, and other entities the checkoff has created, are operating in an

accountable and transparent manner in the best interest of soybean farmers."

ASA is the only national, non-governmental, non-profit trade organization that represents soybean farmers in the United States. It was ASA and its state affiliates that developed the concept for national soybean checkoff in the late 1980s and then worked with Congress and USDA to establish the national soybean checkoff in 1990. For more information about the soybean checkoff, see [www.soybeancheckoff.com](http://www.soybeancheckoff.com).

"ASA and its members believe that since federal taxpayer funds or the federally mandated checkoff funds comprise all of the operations of USB and USSEC, we are compelled to petition for an OIG investigation to ensure these allegations are examined in an unbiased and fair way, something that ASA has tried to do within the framework of USB and USSEC, but has been thwarted in so doing by USB Directors and their attorneys," Hoffman said.

"ASA believes the national soybean checkoff, as currently structured and operated, is no longer responsive and accountable to soybean farmers. The failure of USB leaders to take decisive action on these particular matters is indicative of how USB is no longer accountable and responsive to the very soybean farmers who are paying funds into the checkoff program," Hoffman said.

At the meeting on December 9, the ASA Board of Directors had the opportunity to review the allegations of improper activities that have surfaced and voted unanimously to take action in the best interest of U.S. soybean farmers and request the Inspector General investigation. ASA has shared a summary of its concerns and allegations with state and national soybean leaders and key industry stakeholders. The summary document is also available at [www.soygrowers.com/policy/oigsummary.pdf](http://www.soygrowers.com/policy/oigsummary.pdf)

"ASA does not take this action lightly but with great reluctance," Hoffman said. "ASA must do what is in the best interest of soybean farmers ethically, legally, and financially. ASA believes strongly in the need for a national soybean checkoff program — but one that is accountable, transparent and responsive to soybean farmers, and spends their dollars wisely."