

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

DAVID CANTU, <u>et al.</u> ,)	
)	
Plaintiffs,)	
)	
v.)	Case No. 1:11CV00541 (RBW/JMF)
)	
THE UNITED STATES OF AMERICA,)	
<u>et al.</u> ,)	
)	
Defendants.)	
_____)	

DEFENDANTS' STATUS REPORT

Defendants submit this status report regarding the voluntary alternative dispute resolution (ADR) program established for farmers who allege discrimination in making or servicing farm loans based on being Hispanic or female.

As of May 22, 2015, the Claims Administrator received a total of 53,803 claims in the ADR program.¹ After completing its review of these claims, the Administrator determined that 22,163 claims were timely and complete, and forwarded these claims to the Claims Adjudicator for consideration under the Framework’s eligibility terms for a potential cash award and debt and tax relief. The Administrator has notified each claimant in writing as to whether his or her claim was rejected as untimely or incomplete, or was determined to be timely and complete, including each plaintiff in the present case who elected to participate in the ADR program, and each such plaintiff in Love v. Vilsack, No. 1:00-cv-2502 (RBW/JMF) (D.D.C.), and Garcia v. Vilsack, C.A. No. 00-2445 (RBW) (D.D.C.).

¹ Some of these claims were submitted after the May 1, 2013 deadline, and a small number of late claims continue to be submitted.

For each timely and complete claim, under the terms of the Framework, the Adjudicator has made a final determination as to whether the claimant prevailed on the merits. The Administrator has notified each claimant in writing whether his or her claim was approved or denied, including each participating plaintiff in the present case and in Love and Garcia.

The Adjudicator approved 3,210 of the timely and complete claims (including claims filed by 2,504 female farmers and 706 Hispanic farmers), resulting in a total of more than \$200 million in cash awards, forgiveness by USDA of eligible farm loan debt, and tax relief. Attached hereto as Exhibit A is a chart that summarizes the number of successful claims and the total dollar amounts of cash awards and debt and tax relief.

The Adjudicator denied a total of 18,953 timely and complete claims, including 10,361 claims that were denied due to fraud concerns, see Framework § X(A)(1), and 691 claims that were denied because they were filed by individuals who asserted claims in other administrative or civil proceedings alleging lending discrimination by USDA during the Relevant Period, id. § XII(B). The remaining 7,901 claims were denied on the merits.

The Government has commenced the process of submitting prevailing claims to the Department of Treasury for review and payment by the Judgment Fund of cash awards and tax relief. USDA expects that, by mid-June 2015, payments from the Judgment Fund will have been issued for several hundred prevailing claimants, including most participating plaintiffs in the present case and in Love and Garcia. The Government continues to submit all additional prevailing claims to Treasury on a rolling basis.

As previously noted, pursuant to the Framework for the ADR program, the USDA Office of the Inspector General is conducting a performance audit of the ADR process. See Framework § X(A)(2).

Respectfully submitted,

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