



Department of Agriculture and Industries Montgomery, Alabama

October 1, 2019 through September 30, 2024

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ALABAMA DEPARTMENT OF
EXAMINERS of Public Accounts

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Honorable Rachel Laurie Riddle
Chief Examiner of Public Accounts
Montgomery, Alabama 36130

Dear Madam:

An examination was conducted on the Department of Agriculture and Industries, Montgomery, Alabama, for the period October 1, 2019 through September 30, 2024, by Examiners Kierra Burston and Braeden Mitchell. I, Kierra Burston, served as Examiner-in-Charge on the engagement, and under the authority of the *Code of Alabama 1975*, Section 41-5A-19, I hereby swear to and submit this report to you on the results of the examination.

Respectfully submitted,

A handwritten signature in blue ink that reads 'Kierra Burston'.

Kierra Burston
Examiner of Public Accounts

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Table of Contents

	<i>Page</i>
Examiner’s Summary	A
Contains items pertaining to the purpose, scope and results of the state legal compliance examination.	
Agency Overview	C
Contains information pertaining to the organization and operation of the Department of Agriculture and Industries.	
Schedule of State Legal Compliance and Other Findings	E
Contains detailed information about findings pertaining to state legal compliance and other findings.	
Other Information	1
Exhibit #1 Board Members and Official – a listing of the Board Members and Official.	2



Department of
Examiners of Public Accounts

EXAMINER'S SUMMARY

Department of Agriculture and Industries
October 1, 2019 through September 30, 2024

PURPOSE AND SCOPE OF EXAMINATION

This report presents the results of an examination of the Department of Agriculture and Industries (the "Department") and a review of the Department's compliance with applicable laws and regulations of the State of Alabama. This examination was conducted in accordance with the requirements of the Department of Examiners of Public Accounts under the authority of the *Code of Alabama 1975*, Section 41-5A-12. The examination was performed to determine whether the public officers, agents, and employees of the Department properly and lawfully accounted for all money and other public assets, or resources received, disbursed, or in the custody of the Department.

This examination included procedures to determine whether the Department complied with the state laws and regulations that pertain to its financial transactions; personnel; safeguarding of state-owned assets, property, and resources; information dissemination, processing, and retention; and official actions, rulemaking procedures, and meetings. The Department's internal control policies and procedures relating to the areas listed above were also reviewed; however, this examination did not encompass managerial and operational matters, such as whether the Department accomplished its mission or its regulatory, enforcement, investigative, or other oversight activities in an efficient, fair, timely, or legal manner.

The mission and purpose of the Department is described in the accompanying Agency Overview.

RESULTS OF THE EXAMINATION

Nonconsumable personal property in the custody of the Department was compared with the property records maintained by the Property Inventory Control Division of the State Auditor's Office as required by the *Code of Alabama 1975*, Section 36-16-9. Testing revealed no discrepancies.

Findings

The following instances of noncompliance with State laws and regulations and other matters were found during the examination, as shown on the Schedule of State Legal Compliance and Other Findings, and they are summarized below.

- ◆ 2024-001: The Department of Agriculture and Industries had not completed enrollment in the Systematic Alien Verification for Entitlements (SAVE) program used to verify documentation presented by non-citizen applicants. This was previously reported as Finding 2019-001.
- ◆ 2024-002: The Department is charging a bad check fee for which the specific amount is not set by law and for which there is no administrative rule setting the specific amount to be charged.

EXIT CONFERENCE

An exit conference was held on November 10, 2025. Individuals in attendance were Commissioner Rick Pate; Deputy Commissioner Patrick Moody; and Accounting Director Gwen Barrett; along with Daniel Dupree, Kierra Burston and Braeden Mitchell from the Department of Examiners of Public Accounts.



Department of Examiners of Public Accounts

AGENCY OVERVIEW

Department of Agriculture and Industries October 1, 2019 through September 30, 2024

The Department of Agriculture and Industries (the “Department”) operates under the provisions of the *Code of Alabama 1975*, Sections 2-1-1 through 2-32-17. The Department’s mission is to provide timely, fair and expert regulatory control over product, business entities, movement, and application of goods and services for which applicable state and federal law exist and strive to protect and provide service to Alabama consumers.

The Department received appropriations from the State General Fund that were used for general operations. Additionally, in fiscal year 2024, the Department received an appropriation from the State’s Education Trust fund that was used for the general operations of the Department. Further, the Department utilized the following Special Revenue Funds maintained in the State Treasury during this examination period.

- ◆ **Shipping Point Inspection Fund** – This fund was established by the *Code of Alabama 1975*, Section 2-9-20 is used to receive and disburse funds for peanut inspection, grain inspection, weighing, commodity sampling, aflatoxin analysis, and fruit/vegetable/tree nut inspection.
- ◆ **Agriculture Fund (Operating Fund)** – This fund was established by the *Code of Alabama 1975*, Section 2-3-20. The Department’s operating funds are derived from fees collected by the Board in carrying out its licensing and regulatory duties. The Department is subject to the State’s normal budget procedures and cannot expend funds without legislative appropriation. Unexpended funds at the end of the fiscal year are retained by the Department for future operations.
- ◆ **Farmer’s Market Authority Fund** – This fund was established by the *Code of Alabama 1975*, Section 2-5A-12, to administer the Federal Senior Farmer’s Market Nutrition Program (SFMNP). The SFMNP is a federally funded program administered by the Alabama Department of Agriculture and Industries’ Farmers Market Authority Section. The SFMNP provides eligible seniors with a \$50 benefit card to purchase fresh fruits and vegetables from certified farmers at farmers markets and farm stands in the State of Alabama.

- ◆ **Hurricane Michael Disaster Relief Fund** – This fund was established to administer the Federal Disaster Relief Program related to Hurricane Michael.

The Board members and the Official in charge of governance for the Department are shown on Exhibit 1. Additional information on the Department of Agriculture and Industries can be found on their website at www.agi.alabama.gov.

*Schedule of State Legal
Compliance and Other Findings*

Schedule of State Legal Compliance and Other Findings
October 1, 2019 through September 30, 2024

Ref. No.	Finding/Noncompliance
2024-001	<p><u>Finding:</u></p> <p>During the examination period, the Department of Agriculture and Industries (the “Department”) had not completed enrollment in the Federal, Systematic Alien Verification for Entitlements (SAVE) program used to verify documentation presented by non-citizen applicants. As a result, the Department of Agriculture and Industries was not in compliance with the Systematic Alien Verification for Entitlements (SAVE) program and could enter into public records transactions with or on behalf of an alien not lawfully present in the United States. This was previously reported as Finding 2019-001.</p> <p>The <i>Code of Alabama 1975</i>, Section 31-13-7(i), states in part, “the verification that an alien seeking state or local public benefits is an alien lawfully present in the United States shall be made through the Systematic Alien Verification for Entitlements (SAVE) program.”</p> <p>The <i>Code of Alabama 1975</i>, Section 31-13-29(a), states in part, “public records transaction means applying for or renewing a motor vehicle license plate, applying for or renewing a driver's license or nondriver identification card, applying for or renewing a business license, applying for or renewing a commercial license or applying for or renewing a professional license.”</p> <p>The <i>Code of Alabama 1975</i>, Section 31-13-29(b), states “An alien not lawfully present in the United States shall not enter into or attempt to enter into a public records transaction with the state or a political subdivision of the state and no person shall enter into a public records transaction or attempt to enter into a public records transaction on behalf of an alien not lawfully present in the United States.”</p> <p>The <i>Code of Alabama 1975</i>, Section 31-13-29(h), states “if the state or a political subdivision thereof is notified by the federal government that a person is an alien unlawfully present in the United States, the person's motor vehicle license plate, driver's license, nondriver identification card, business license, professional license, or commercial license shall, should they exist, be immediately revoked or rescinded by the appropriate authorities and shall not be reinstated until the state or a political subdivision thereof is notified by the federal government that the person is an alien lawfully present in the United States.”</p> <p><u>Recommendation:</u></p> <p>The Department of Agriculture and Industries should enroll in the Systematic Alien Verification for Entitlements (SAVE) program used to verify documentation presented by non-citizen applicants and ensure applicants are lawfully present in the United States before entering into public records transactions.</p>

Schedule of State Legal Compliance and Other Findings
October 1, 2019 through September 30, 2024

Ref. No.	Finding/Noncompliance
2024-002	<p><u>Finding:</u></p> <p>The Department is charging a bad check fee for which the specific amount is not set by law and for which there is no administrative rule setting the specific amount to be charged. As a result of not setting the amount to be charged for a bad check, this could allow the Department to charge varying amounts for a bad check.</p> <p>The <i>Code of Alabama 1975</i>, Section 8-8-15(b) states “Commencing January 1, 1999, the bad check charge in subsection (a) shall increase by one dollar (\$1) per year through January 1, 2003, at which time the maximum bad check charge shall be thirty dollars (\$30).”</p> <p>The <i>Code of Alabama 1975</i>, Section 41-22-3(9) states “Each agency rule, regulation, standard, or statement of general applicability that implements, interprets, or prescribes law or policy, or that describes the organization, procedure, or practice requirements of any agency and includes any form which imposes any requirement or solicits any information not specifically required by statute or by an existing rule or by federal statute or by federal rule or regulation; provided, however, all forms shall be filed with the secretary of the agency and with the Legislative Services Agency, Legal Division, and all forms, except intergovernmental, interagency, and intra-agency forms which do not affect the rights of the public and emergency forms adopted pursuant to Section 41-22-5, shall be published in the Agency Administrative Code.”</p> <p><u>Recommendation:</u></p> <p>The Department should amend their administrative rules to set the amount charged for worthless checks.</p>

Other Information

Board Members and Official
October 1, 2019 through September 30, 2024

Board Members		Term Expires
Hon. Kay Ivey	Chairman	Ex-Officio
Hon. Rick Pate	Member	Ex-Officio
Hon. Paul Patterson, Ph.D.	Member	Ex-Officio
Hon. Mike Phillips, Ph.D.	Member	Ex-Officio
Hon. Stanley Arthur Sessions	Member	2027
Hon. Dennis Maze	Member	2027
Hon. Joey Harris	Member	2027
Hon. Carnell McAlpine	Member	2027
Hon. Bill Cook, Jr.	Member	2027
Hon. Frankye Speake	Member	2027
Hon. Hezekiah Early	Member	2027
Hon. Billy Powell, Ph.D.	Member	2023

Official

Rick Pate
Commissioner
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