

PRESS RELEASE

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CARROLL COUNTY WOMAN SENTENCED IN FEDERAL FARM PROGRAM CONSERVATION COMPLIANCE CONSPIRACY FRAUD

United States Attorney Charles W. Larson, Sr. announced today that a Carroll County woman, SUE A. HOFFMAN, age 44, was sentenced to three (3) months home detention as a special condition of receiving five (5) years probation, ordered to pay restitution in the amount of \$93,350.00 to the Farm Service Agency (FSA), and agreed to be disbarred from participation in any and all United States Department of Agriculture farm benefit and crop insurance programs after pleading guilty to conspiracy to commit false statements with her spouse Mark J. Hoffman, also of Carroll County, in regard to the conservation compliance of approximately 338 acres of leased farm ground in Carroll County. HOFFMAN received that sentence from United States District Court Judge Mark Bennett in Sioux City.

In the crop years 1997 and 1998, HOFFMAN and her spouse Mark J. Hoffman were engaged in the farming and trucking of farm crops in Carroll County, Iowa, and in South Dakota. SUE A. HOFFMAN assisted in their farm operation by preparing financial documents, having contact with Department of Agriculture officials related to farm program issues, and communicating with creditors. For several years prior to 1997, HOFFMAN and her spouse cash rented approximately 338 acres of crop land in Carroll County in addition to leasing several hundred acres of area farm land. The landlord and her children told the HOFFMANS it was up to the HOFFMANS as to whether to comply or not comply with the conservation compliance conditions required by the Department of Agriculture in order to participate in federal farm program payments and that the HOFFMANS would be responsible for implementation of any conservation measures.

In early January 1997, SUE A. HOFFMAN informed the FSA office in Carroll, COUNTY, that she and her spouse Mark J. Hoffman would not be farming the 338 acre farm since it was not in conservation compliance with the Department of Agriculture. However, unknown to FSA, the HOFFMANS continued to farm the 338 acre farm even though it was out of conservation compliance which would have prohibited the HOFFMANS from receiving some \$255,000 in federal farm program benefits. In order to conceal their scheme to defraud FSA, Mark J. Hoffman caused one of the employees of his trucking business to go to the FSA office in Carroll County,

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and represent that he was the operator on the 338 acre farm and was cash renting the land from the landowner. The hired hand was not a farmer and did not plan to farm the land. The HOFFMANS caused a Production Flexibility Contract to be submitted to the FSA office in Carroll County which contained a forged signature of the landlord of the 338 acre farm confirming that the HOFFMANS' hired hand was the producer for her farm for purposes of the Commodity Credit Corporation's Production Flexibility Contract when the hired hand was not the producer/operator of the crop land. SUE A. HOFFMAN also submitted a Cash Farm Lease for the 338 farm to the FSA office in Carroll, Iowa, stating that their hired hand was leasing the farm in question from their son, Justin Hoffman, who was 15 years old at the time.

As a result of these false statements, the HOFFMANS were able to execute several Farm Storage Note and Security agreements with FSA for the crop years 1997 and 1998 even though the HOFFMANS knew that the 338 acre farm they were leasing was out of conservation compliance and that by farming it, the HOFFMANS would be ineligible for any and all federal farm program payments for the crop years 1997 and 1998.

HOFFMAN will begin serving her sentence of home confinement within thirty (30) days. She will be required to wear an electronic monitoring device and make scheduled restitution payments. All other pending counts of a 20 count Indictment on charges of bank fraud, farm program fraud, federal crop insurance fraud and bankruptcy fraud were dismissed in accordance with a special plea agreement entered into between HOFFMAN and the government.

The case was prosecuted by Assistant United States Attorney Martha A. Fagg and investigated by the United States Department Agriculture, including Special Agent Craig Hangsleben from USDA's Office of Inspector General, Robert Bird from USDA's Office of General Counsel, Jon Awtry and Bryan Stocking from the Farm Service Agency offices in Carroll, Crawford and Woodbury Counties, and Mark Price from the Risk Management Agency.