

**Civil Case Settled
United States Attorney
Eastern District of Missouri**

Contact: Joseph M. Landolt, Assistant United States Attorney (314) 539-2200

FOR IMMEDIATE RELEASE

Warrenton, October 3, 2001 – The Risk Management Agency (RMA) has reached a settlement in the George A. Jedwski, Jr. (Jedwski) civil case, in the amount of \$60,000. The RMA's Central Regional Compliance Office alleged that Jedwski, a farmer, licensed insurance agent and owner of Midwest Crop Service, Inc. (Midwest) Warrenton, Missouri, defrauded the Federal Crop Insurance Corporation (FCIC) by intentionally circumventing the Nonstandard Classification System (NCS) during crop years 1991 through 1995. The NCS was a rating/coverage process used by RMA during this period, for high-risk acreage and producers.

Jedwski who farms in Warren and Lincoln Counties, Missouri as Jedwski Farms, through his insurance agency Midwest, insured land in 1991, by creating a separate entity (Sunnyside Farms) for his under age son. In 1992, after the entity was placed on the NCS listing, Jedwski transferred the policy to a licensed insurance agent who worked for Jedwski at the time. Jedwski also maintained a policy in his own name under Jedwski Farms for crops not on the NCS listing.

The case was referred to the Office of Inspector General, for further criminal investigation. During the investigation, Jedwski through his attorney requested a settlement agreement in lieu of court proceedings. Negotiations by the United States Attorney, Eastern District of Missouri began in March 1997, with an Agreement reached on October 3, 2001.

RMA has implemented a system of sanctions to prevent fraud, waste, and abuse within its programs and insurance delivery systems. Such sanctions include debarment and suspension, civil penalties, assessment and disqualification from the crop insurance program, government wide. The RMA is currently seeking administrative sanctions. These sanctions were not included as part of the settlement agreement.