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NEWS RELEASE

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**INSURANCE AGENT SENTENCED IN FEDERAL
CROP INSURANCE FRAUD SCHEME**

Gretchen C. F. Shappert, United States Attorney for the Western District of North Carolina, announced that United States District Judge Lacy Thornburg sentenced George T. Kiser, an insurance company claims adjuster, following his guilty plea to conspiring to defraud the Federal Crop Insurance Corporation (“FCIC”). Mr. Kiser was one of six defendants indicted by a grand jury on October 8, 2003. The indictment charged Robert and Viki Warren, Mr. Kiser, two of the Warrens’ employees, and an insurance claims adjuster with participating in an extensive scheme to defraud the FCIC and several private insurance companies of more than \$9 million between 1997 and 2001, and attempting to obtain an additional \$2.8 million in 2001 through 2003.

On May 5, 2004, Mr. Kiser pled guilty to the lead count of the indictment, conspiracy to make false statements to the FCIC. Mr. Kiser, who was an insurance agent for the E.L. Ross and Rain & Hail insurance companies, sold the Warrens their crop insurance policies from 1997 through 2000. The Warrens received federal payments of more than \$6 million on those policies. The indictment charged that Mr. Kiser knew that the crop yield histories provided by the Warrens each year were false, and that he advised them on methods to obtain coverage at inflated levels and to receive

payments for fictitious losses. The federal crop insurance program is dependant upon the insurance companies' agents to be part of the first line of defense against fraud. When those agents breach their duty and assist in the fraud, a corrupt policyholder is able to reap massive illegal payments from the taxpayers.

Following his guilty plea, Mr. Kiser cooperated with the Government in its investigation. As a result, the Government filed a motion with the Court asking for a reduced sentence to reflect Mr. Kiser's assistance.

Today, Judge Thornburg imposed a sentence on Mr. Kiser of 27 months imprisonment, to be followed by three years of supervised release, a \$100 special assessment, and \$ 8.15 million in restitution to the USDA.

On September 7, 2005, Judge Thornburg sentenced Robert Warren to 76 months imprisonment and Viki Warren to 66 months imprisonment. The Warrens were also ordered to forfeit \$7.3 million, and to pay \$9.15 million in restitution to the USDA

The agencies involved in the investigation of this case are the Office of Inspector General of the U.S. Department of Agriculture, the Special Investigations Branch of the USDA's Risk Management Agency, and the Internal Revenue Service, Criminal Investigations. The United States was also been assisted by the North Carolina State Bureau of Investigation and the Henderson County Sheriff's Office. The case was prosecuted by Assistant United States Attorneys Richard Lee Edwards and Don Gast.

USA v. Robert Warren, et al
WDNC Criminal Docket No. 1:03CR076-T

George T. Kiser
Date of Birth: 9/23/1949

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END