

*United States Attorney's Office
Northern District of Iowa*



PRESS RELEASE

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CARROLL COUNTY FAMILY PLEADS GUILTY TO FRAUD

United States Attorney Charles W. Larson, Sr. announced today that as part of an ongoing investigation in the Northern District of Iowa into federal farm program fraud and federal crop insurance fraud that a Carroll County Iowa, husband and wife have pled guilty to federal fraud related conspiracy charges and their son has pled guilty to a fraud related misdemeanor charge in Federal Court in Sioux City before United States Magistrate Paul Zoss.

Mark Hoffman, age 45, pled guilty to Counts 1, 4, 5 and 20 of the government's Third Superceding Indictment charging **HOFFMAN** with conspiracy to commit government program and crop insurance fraud, bank fraud and bankruptcy fraud. **HOFFMAN** pled guilty to Count 1 of the Indictment which charged him with conspiring with his wife **Sue Hoffman** and others to make false statements to the Commodity Credit Corp in order to obtain federal farm program benefits, which included loans in excess of \$93,000 in the crop years 1997 and 1998. **HOFFMAN** pled guilty to Count 4 of the Indictment which charged him with conspiring with his wife Sue Hoffman to make materially false statements as to their true financial status to Mercantile Bank, now US Bank, in order to obtain a \$1.6 million loan in 1997 and 1998. **HOFFMAN** also pled guilty to Count 5 of the Indictment which charged him with conspiring with family members and friends to submit fraudulent statements to the government in order to obtain federal farm program benefits and crop insurance benefits he was not entitled to in an amount exceeding \$1.6 million from 1998 through 2003. Finally, **HOFFMAN** pled guilty to Count 20 of the Indictment charging him with conspiring with his wife Sue Hoffman and others to commit bankruptcy fraud after he submitted false statements to the Bankruptcy Trustee in July of 2000. **HOFFMAN** made the guilty pleas pursuant to a plea agreement entered into with the government. **HOFFMAN** remains free on bond previously set pending sentencing. The maximum statutory penalty on each of the four counts is up to 5 years imprisonment without the possibility of parole, a fine of up to \$250,000, a mandatory special assessment of \$400, and a term of supervised release of up to 5 years.

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Hoffman's wife, **SUE HOFFMAN**, age 44, pled guilty to Count 1 of the government's Third Superseding Indictment charging her with conspiracy to commit government program fraud. **HOFFMAN** pled guilty to conspiring with her husband Mark Hoffman, and others in making false statements to the Commodity Credit Corp in order to obtain federal farm program benefits, which included loans in excess of \$93,000 in 1997 and 1998. **HOFFMAN'S** guilty plea was made pursuant to a plea agreement entered into with the government. **HOFFMAN** remains free on bond previously set pending sentencing. The maximum statutory penalty is up to 5 years imprisonment without the possibility of parole, a fine of up to \$250,000, a mandatory special assessment of \$100, and a term of supervised release of up to 3 years.

Hoffman's son, **JUSTIN HOFFMAN**, age 22, pled guilty to a separate Information charging him with two federal misdemeanor charges related to federal crop insurance fraud. **HOFFMAN** pled guilty to certifying that he was unable to plant approximately 1,478 acres of crop land in Taylor County, Iowa, due to wet soil conditions, when in fact satellite imagery and testimonial evidence indicated that **HOFFMAN'S** claim for crop insurance was false and that he should not have been paid almost \$100,000 in federal crop insurance proceeds. **HOFFMAN** also pled guilty to certifying that he had losses on approximately 332 acres of soybeans in Adams County, Iowa, when in fact satellite imagery evidence indicated **HOFFMAN'S** claim for crop insurance was false because he only planted approximately 71 acres of soybeans and he should not have been paid almost \$17,000.00 in insurance proceeds. The guilty pleas were made pursuant to a plea agreement entered into with the government. The maximum statutory penalty is up to one year imprisonment without possibility of parole, a fine of up to \$100,000, a mandatory special assessment of \$50 and a term of supervised release of up to one year.

The Hoffmans are scheduled to be sentenced on April 22, 2005, in Sioux City before United States District Court Judge Mark Bennett.

The case is being prosecuted by Assistant United States Attorneys Martha A. Fagg, and was 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.