

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



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**PRESS RELEASE**

FOR IMMEDIATE RELEASE  
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**CRAWFORD COUNTY FARMER PLEADS GUILTY TO DEFRAUDING  
FEDERAL FARM PROGRAMS OF NEARLY \$250,000**

United States Attorney Charles W. Larson, Sr. announced today that a Schleswig, Iowa, farmer pled guilty today in federal court in Sioux City to two counts of farm-related federal program fraud based on false statements and certifications, and one count of aiding and abetting bankruptcy fraud.

**DONALD KLUVER**, age 45, admitted at a plea hearing held before United States Magistrate Judge Paul Zoss on November 22, 2004, that he entered into a fraudulent scheme in the crop year 2000 to defraud the Commodity Credit Corporation and the Federal Crop Insurance Corporation out of \$247,278 in federal farm program benefits.

In 2000, **KLUVER** was farming several thousand acres of crop land in Crawford and Sac Counties in Iowa, in addition to farming 4,500 acres of soybeans located in Tripp and Mellette Counties in South Dakota. **KLUVER** admitted to the judge that, in order to avoid federal farm program payment limitations, he did not disclose the South Dakota farming operation to the Farm Service Agency, the office that administers farm programs. Pursuant to federal farm program regulations, farmers are required to truthfully certify the number of acres they are farming in order to qualify for certain federal farm program benefits. **KLUVER** admitted that he caused an employee and the employee's brother to certify that they were farming the South Dakota operation so that he could obtain additional farm program benefits. **KLUVER** admitted he fraudulently obtained \$131,038 in federal farm program benefits and \$116,240 in federal crop insurance benefits, for a total of more than \$247,000.

**KLUVER** also admitted at the guilty plea hearing that in 1999 and 2000 he aided and abetted another farmer and his wife to evade their bankruptcy creditors. **KLUVER** admitted that, at their request, he purchased farm machinery and equipment valued at more than \$141,000, unbeknownst to the bankruptcy trustee or to their creditors.

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Sentencing before United States District Court Judge Mark Bennett has been set for February 11, 2005, in Sioux City. **KLUVER** remains free on bond previously set pending sentencing. In regard to the charges based on false statements made to Farm Service Agency and aiding and abetting bankruptcy fraud, on each charge, **KLUVER** faces a sentence of 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. In regard to the charge based on false statements to the Federal Crop Insurance Corporation, **KLUVER** faces up to 30 years imprisonment without the possibility of parole, a fine of up to \$1,000,000, a mandatory special assessment of \$100, and a term of supervised release of up to 5 years.

The case is being prosecuted by Assistant United States Attorney 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.