

# NEWS RELEASE

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## **Wimbledon Farmer Sentenced for** **Role in \$14 Million Agri-Business Fraud Scheme**

**FARGO** - United States Attorney Drew H. Wrigley, along with Special Agent in Charge Jonnie Nix, Internal Revenue Service Criminal Investigation, and Special Agent in Charge Dallas Hayden, United States Department of Agriculture, Office of Inspector General, today announced that **Duane Huber** of Wimbledon, North Dakota, and his farm business entities, **Huber Farms General Partnership** and **Huber Farms, Inc.**, were sentenced before United States District Court Judge Rodney S. Webb on assorted fraud, racketeering, tax, and conspiracy charges related to a \$14 million dollar farm program fraud scheme.

**Huber**, 58, and his two business entities were found guilty on November 27, 2002, by a 12-person jury of all 19 counts of the Indictment against him, including money laundering, conspiracy to defraud federal agencies, false statements, and filing false tax returns in connection with federal farm and crop insurance programs that are administered by the Farm Service Agency (FSA), USDA, and the federal Risk Management Agency (RMA).

Defendants fraudulently received crop insurance and federal farm program payments by helping one or more others prepare and submit false claim forms, false crop production worksheets and supporting documents, and by helping the others apply for and receive farm program benefits that they were not eligible to receive. Defendants aided in the submission of forms to these agencies, which forms contained false information as to the true ownership of crop production. Proceeds from the scheme were used to pay farm expenses and loans, as well as to provide gifts, in effect promoting the scheme and concealing the true nature and ownership of the proceeds.

In addition to other charges, including money laundering, **Huber** was found guilty of tax fraud, having willfully made and subscribed false United States Individual Income Tax Returns. From 1994 through 1999 **Huber** laundered over five million dollars through the sham farm operations. None of this money was reported on either Huber's individual tax returns nor the Huber Farms Partnership tax returns. **Huber** falsely reported gifts of money to family members as deductible farm-related expenses.

U. S. Attorney Wrigley said, "Justice has been done, and this case will forever stand for the proposition that North Dakotans will not wink and turn the other cheek to fraud, money laundering, and racketeering, including in our ag-business sector."

According to IRS Special Agent Jonnie Nix, IRS Criminal Investigation provided its financial expertise to help put together the many pieces in this scheme to defraud the government. "Conspiracy, money laundering, and tax crimes represent a threat to the tax system, our financial institutions, and to our economy. Ultimately, every citizen becomes a victim in crimes against their government."

"USDA's farm programs effectively support our nation's farmers and acts such as these are an offense to all tax-paying Americans," stated Hayden, "USDA's Office of Inspector General will continue to investigate fraud affecting the Department's programs."

Judge Webb sentenced **Huber** to five years' imprisonment, followed by three years of supervised release. Special assessments to be paid to the Crime Victim's fund were ordered as follows: **Huber**, \$1,800, **Huber Farms General Partnership**, \$4,000, and **Huber Farms, Inc.**, \$800. **Huber** was ordered to forfeit \$5,876,970 to the United States and to pay \$13,833 in prosecution costs.

United States Attorney Wrigley stated, "This is a good day for accountability in North Dakota's ag-business sector. This confirms that we demand more here in our communities."

The case was investigated by the United States Department of Agriculture's Office of Inspector General and Internal Revenue Service Criminal Investigation, with substantial assistance from USDA's Farm Service Agency and Risk Management Agency/Federal Crop Insurance Corporation.

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Assistant United States Attorneys Clare Hochhalter and Norman Anderson prosecuted the case.

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