

U. S. Department of Justice
United States Attorney
George E. B. Holding

Eastern District of North Carolina

NEWS RELEASE

FOR IMMEDIATE RELEASE:
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THREE MORE SENTENCED IN CROP INSURANCE FRAUD AND MONEY LAUNDERING SCHEME

RALEIGH - United States Attorney George E.B. Holding announced that in federal court on January 15, 2010, United States District Judge James C. Dever, III, sentenced three defendants for their participation in a crop insurance fraud and money laundering scheme. All three defendants have been cooperating in the on-going investigation of federal crop insurance fraud in Eastern North Carolina. Upon motion of the government, the Court recognized their cooperation by granting a departure from the advisory sentencing guidelines custody range. **DAVID C. HARRISON**, of Snow Hill, North Carolina, received 5 years probation and a fine of \$24,280. **WILLIAM EARL DAWSON** received five years probation and a fine of \$10,000, and was ordered to pay restitution in the amount of \$99,458. **ROBERT LEMUEL DAWSON** also received five years probation and a fine of \$5,0000, and was ordered to pay restitution, jointly with his father, in the amount of \$99,458. Both **DAWSONS** are from Stantonsburg, North Carolina.

Criminal Informations were filed on December 21, 2007.

HARRISON was charged with conspiracy to launder money in violation of Title 18, United States Code, Section 1956(h). **WILLIAM EARL DAWSON** and **ROBERT LEMUEL DAWSON** were each charged with conspiring to make false statements, in violation of Title 18, United States Code, Section 371. On February 11, 2008, all three defendants pleaded guilty to their respective charges.

The investigation revealed that **HARRISON**, **WILLIAM EARL DAWSON**, and **DAWSON's** son, **ROBERT LEMUEL DAWSON**, along with co-conspirators Kenneth Gene Kelly and Robert Carl Stokes engaged in a larger scheme to defraud crop insurance companies of funds ultimately reimbursed by the United States of America and to launder the proceeds of the underlying fraud. **HARRISON** and both **DAWSONS** worked with Wilson, North Carolina tobacco broker, Kenneth Gene Kelly, to sell their tobacco in nominee names to obscure the farmer's true tobacco production.

United States Attorney George E. B. Holding said, ***"These sentences reflect the severity of the illegal activities performed by the defendants. We are pleased with the outcome and hope that in the future those thinking of defrauding the government of funds intended to help farmers will remember these individuals that tried to take advantage of the system and rethink their options."***

"These defendants exploited the federal crop insurance program by filing false claims in order to steal money," said Jeannine A. Hammett, Special Agent in Charge of IRS Criminal Investigation.

"Unfortunately for them, IRS-CI is very good at following the money and ensuring crime does not pay."

Investigation of the case was conducted by the Internal Revenue Service-Criminal Investigation, the United States Department of Agriculture, Office of Inspector General, and Risk Management Agency, Special Investigations Branch. This case is being handled by Assistant United States Attorney Banumathi Rangarajan with the Office's Economic Crimes Section.

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