



U. S. Department of Justice

*George E. B. Holding*

*United States Attorney*

*Eastern District of North Carolina*

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## *NEWS RELEASE*

**FOR IMMEDIATE RELEASE:**  
**MONDAY - January 10, 2010**

**FARMER SENTENCED IN CROP INSURANCE FRAUD SCHEME**

**RALEIGH** - United States Attorney George E.B. Holding announced that in federal court today **GREGORY CANADY**, 56, of Lumberton, North Carolina, pled guilty before United States District Judge James C. Dever III, to aiding and abetting the making of false statements in connection with the Federal Crop Insurance Program, in violation of Title 18, United States Code, Section 1014; and making material false statements, in violation of Title 18, United States Code, Section 1001.

A Criminal Information was filed on November 1, 2010.

According to the investigation, **CANADY** conspired with insurance agent, Robert Carl Stokes, and Mark Pridgen, a tobacco broker, to sell his hidden tobacco in false and nominee names and filed false crop insurance claims. It was also determined that **CANADY** filed for additional USDA crop disaster payments and misrepresented his tobacco production to secure the monies fraudulently.

Pridgen and Stokes are scheduled for sentencing on Thursday, January 13, 2011, and Friday, January 14, 2011, respectively.

At sentencing, set for April 18, 2011, **CANADY** faces up to 30

years' imprisonment followed by up to five years of supervised release and a fine of up to \$1,000,000 for the charge of making false statements in connection with the Federal Crop Insurance Program. He also faces up to five years' imprisonment followed by up to three years of supervised release and a fine of up to \$250,000 for the charge of making materially false statement.

According to terms agreed upon in the Plea Agreement, **CANADY** has agreed to pay restitution to the United State Department of Agriculture in the amount of \$123,807 and to ARMtech Insurance Services in the amount of \$10,268.

Investigation of this case was conducted by the United States Department of Agriculture, Office of the Inspector General, Risk Management Agency, Special Investigations Branch, and the Internal Revenue Service, Criminal Investigation Division. Assistant United States Attorney Banumathi Rangarajan is assigned as prosecutor.

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