



Department of Justice

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San Joaquin Farmer Convicted on All Counts in Bogus Crop Insurance Scheme

SACRAMENTO, Calif. — United States Attorney Benjamin B. Wagner announced that a federal jury found Gregory Peter Torlai, Jr., 49, of Stockton, guilty on 16 counts for filing false claims for crop insurance benefits. United States District Judge John A. Mendez presided over the 11-day trial.

This case is the product of an extensive investigation by the United States Department of Agriculture, Office of the Inspector General, the USDA Risk Management Agency–Special Investigations Branch, and the Office of Strategic Data Acquisition & Analysis. Assistant United States Attorneys Kyle Reardon and Michael Anderson are prosecuting the case.

U.S. Attorney Wagner said: “The crop insurance program administered by the Federal Crop Insurance Corporation is a vital support program for the farmers of this country. Taxpayers and farmers alike look to the Department of Agriculture and the Department of Justice to protect it. The evidence in this case showed that defendant Torlai repeatedly submitted false claims that defrauded the FCIC of well over a hundred thousand dollars. His claims related to property in remote areas of Contra Costa County, San Joaquin County, and Lassen County. While he thought he would avoid detection, a thorough investigation by the USDA’s Office of Inspector General detected and stopped the scheme, and as a result of his conviction today, Mr. Torlai will be facing substantial prison time. This conviction should send a message that the federal crop insurance program is intended to support hardworking farmers who suffer the vicissitudes of nature; it is not a treasure chest open to fraudsters.”

According to evidence presented in trial, between 2000 and 2005, Torlai filed claims for crop insurance benefits totaling nearly \$400,000 on property in Lassen, San Joaquin, and Contra Costa Counties. In support of these claims, Torlai made false statements about the extent of his ownership interest in various farming operations, the types and number of acres of crops planted, and even submitted falsified seed receipts in support of his insurance claims. The false statements affected policies issued by reinsurance companies with which the Federal Crop Insurance Corporation (FCIC) contracts.

The FCIC is an agency of the USDA created by the Federal Crop Insurance Act (FCIA) for the purpose of providing government insurance against unavoidable crop losses. As a result of his false claims, Torlai received nearly \$200,000 in crop insurance payments to which he was not entitled.

Torlai is scheduled for sentencing on May 3, 2011. The maximum penalty for the charges is 30 years in prison, a \$1 million fine, and a five-year term of supervised release. The actual sentence, however, will be determined at the discretion of the court after consideration of any applicable statutory sentencing factors and the Federal Sentencing Guidelines, which take into account a number of variables.

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