



U. S. Department of Justice

News Release

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INSURANCE AGENT AND FARMER SENTENCED IN
MULTI-MILLION DOLLAR CROP FRAUD

RALEIGH - United States Attorney Thomas G. Walker announced that in federal court today Chief United States District Judge James C. Dever III, sentenced an insurance agent and a farmer for their parts in a widespread tobacco crop fraud. **WILLIAM LARRY ROGERS**, 69, an insurance agent, was sentenced to a total of 108 months imprisonment followed by 3 years supervised release. **ROGERS** was also ordered to pay restitution in the amount of \$8,381,378.

RICHARD ENOCH, 68, a farmer who filed false claims in 2006 and 2008, received 1 day imprisonment followed by 5 years supervised release and 6 months house arrest. **ENOCH** was also ordered to pay restitution in the amount of \$58,672.00 and a fine in the amount of \$5,000.

Both defendants are from Mebane, North Carolina.

U.S. Attorney Walker stated, "As an insurance agent, Rogers was a gatekeeper to ensure honest reporting to the federal government and private insurance companies. Instead, Rogers

abused his position of trust for personal enrichment and for the benefit of his insureds. Our office continues to aggressively investigate federal crop insurance fraud to protect the integrity of the United States Department of Agriculture programs and safeguard the taxpayer's monies."

Criminal Informations were filed on September 4, 2012, and September 27, 2012, charging **ROGERS** and **ENOCH**, respectively. On October 29, 2012, both defendants pled guilty to making false statements to the Federal Crop Insurance Corporation and aiding and abetting the same, all in violation of Title 18, United States Code, Sections 1014 and 2. Additionally, **ROGERS** pled guilty to conspiring to make false statements, to make material false statements, to commit mail and wire fraud, and to obstruction of justice, all in violation of Title 18, United States Code, Section, 371.

According to the Criminal Information and information presented in open court, **ENOCH** was a tobacco farmer in Alamance County. **ENOCH's** insurance agent was **ROGERS**. **ROGERS** owned and operated W.L. Rogers Farm, LLC, and also worked as an insurance agent with Triangle Insurance Group, Inc. As an insurance agent, **ROGERS** sold, among other things, multi-peril crop insurance and private crop-hail policies for various crops including tobacco. As a result of his agency relationship with

insurance companies servicing federal crop insurance policies, **ROGERS** was required to submit annual conflict of interest forms.

From September 2005 through September 2011, **ROGERS** conspired with others to commit fraud upon the federal crop insurance program and private crop hail programs, and to obstruct the federal investigation of the fraud. It was the purpose of the conspiracy to profit through the filing of false, fictitious, and fraudulent federal crop insurance claims and private crop hail claims, the sale of unreported tobacco, and to hide the criminal proceeds through payments in nominee names.

ROGERS, on behalf of W.L. Rogers Farms, LLC, entered into a contract with Phillip Morris for the sale of tobacco each year from 2005 through 2011. **ROGERS** thereafter would take tobacco production from co-conspiring farmers and sell that tobacco on the W.L. Rogers Farms, LLC contract. As a result, the farmers were able to hide some or all of their tobacco production. Thereafter, the farmers, with the knowledge and assistance of **ROGERS**, filed false crop insurance claims.

Additionally, **ROGERS** helped his farmers pay bribes to loss adjusters who, in turn, inflated the extent of damage to tobacco crops. Loss adjusters submitted the inflated claims to the insurance companies and farmers received monies on false claims.

One such farmer was **RICHARD ENOCH**. In 2006, and then again in 2008, **ENOCH** sold tobacco through **ROGERS** and thereafter failed to disclose such tobacco in production reports in connection with his claims for indemnity payments. As a result of his false claims, **ENOCH** obtained \$58,672 in indemnity payments to which he was not entitled. On March 23, 2011, **ENOCH** lied to federal law enforcement officers and denied selling hidden tobacco through **ROGERS**.

In addition to helping farmers commit federal crop insurance fraud, **ROGERS** lied on conflict of interest forms. Annually from October 2005, through August 2010, **ROGERS** denied and failed to disclose business relationships with his insureds, including that he was, among other things, (1) buying and selling tobacco with and through his insureds; (2) selling gas and fertilizer to his insureds; (3) loaning equipment to his insureds; and (4) employing an insured as a contract employee.

During the criminal investigation, **ROGERS** told at least one of his insureds to lie to federal investigators. Other conspiring farmers also provided false and misleading information to law enforcement officers.

As a result of the offense conduct, **ROGERS** caused to be paid a total of \$7,359,197 worth of federal crop insurance indemnity payments to his insureds, and a total of \$1,022,181 worth of crop hail indemnity payments to his insureds.

Kaye Citizen-Wilcox, Special Agent in Charge of the U.S. Department of Agriculture-Office of Inspector General added, "The United States Department of Agriculture, Risk Management Agency (RMA), through its private partnerships serve a vital role in serving the needs of farmers following a disaster. Fraudulent activity undermines this program and misdirects taxpayer funds from the puposes they were intended. It is the mission of the United States Department of Agriculture, Office of Inspector General-Investigations to investigate allegations of waste, fraud and abuse in USDA programs. We would like to thank United States Attorney Thomas G. Walker and Assistant United States Attorney Banumathi Rangarajan for aggressively prosecuting perpetrators of fraud in USDA programs."

The criminal investigation of this case was conducted by United States Department of Agriculture - Office of the Inspector General - Investigations, the United States Department of Agriculture - Risk Management Agency - Special Investigations Branch, and the Internal Revenue Service - Criminal Investigation. Assistant United States Attorney Banumathi Rangarajan is handling the prosecution on behalf of the Eastern District of North Carolina.

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