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DALLAS, TEXAS
AUGUST 30, 2001

United States Attorney Richard H. Stephens announced today that Darren Randell Jeffrey, age 36, of McCaulley, Texas, was sentenced by U.S. District Judge Sam R. Cummings in Lubbock, Texas, to 24 months imprisonment and ordered to pay \$685,772 in restitution to the U.S. Department of Agriculture (USDA), in connection with his guilty plea to charges he made false claims to USDA's Federal Crop Insurance Corporation and Risk Management Agency. Darren Randell Jeffrey, formerly a crop loss adjuster for Fireman's Fund Insurance Company, pled guilty to charges that he falsified appraisals used to support more than \$600,000 of fraudulent crop insurance loss claims filed in 1999 by six Nolan County, Texas farmers/producers for cotton and grain sorghum. These fraudulent claims were subsequently paid and reimbursed under the Federal Crop Insurance Corporation's crop insurance program. The falsified appraisals supported subsequent claims filed by the same Nolan County producers to crop disaster program payments totaling more than \$350,000.

Four of the six Nolan County, Texas producers that Jeffrey aided in this scheme, Gaines Hunter Price, Ivan Jay Krejci, Michael John Massey and Keith Johnson, have pled guilty before Judge Cummings to related charges of making false claims for crop insurance.

Today's sentencing stems from an extensive federal grand jury investigation led by the U.S. Attorney's Office and USDA's Office of Inspector General. U.S. Attorney Stephens praised USDA's Office of Inspector General for its thorough work in the case, which included conducting numerous interviews with Nolan County producers and individuals involved in the cotton and grain sorghum industries. Stephens also thanked the many Nolan County producers who cooperated with authorities in this investigation by engaging in candid interviews about fellow Nolan County producers and by not turning a "blind eye" to this widespread fraudulent scheme. "Unfortunately, schemes like this have become more prevalent. We need people like the many Nolan County farmers who cooperated with us to identify those who would take advantage of the system." Stephens noted that this investigation will continue and that he expects additional convictions.

The Dallas office of USDA's Office of Inspector General investigated the case. Assistant U.S. Attorney Bill Mateja, of the Lubbock, Texas division of the United States Attorney's Office, prosecuted the case.



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DALLAS, TEXAS
MARCH 8, 2001

United States Attorney Richard H. Stephens announced today that Darren Randell Jeffrey, age 36, of McCaulley, Texas, pled guilty today in Lubbock, Texas, before U.S. District Judge Sam R. Cummings, to charges he made and presented false claims to the U.S. Department of Agriculture's Federal Crop Insurance Corporation and Risk Management Agency. Darren Randell Jeffrey was employed as a crop loss adjuster for Fireman's Fund Insurance Company. Specifically, Jeffrey pled guilty to charges that he falsified appraisals used to support more than \$700,000 of fraudulent crop insurance loss claims filed in 1999 by Nolan County, Texas farmers/producers for cotton and grain sorghum. These fraudulent claims were subsequently paid and reimbursed under the Federal Crop Insurance Corporation's crop insurance program. Thereafter, the falsified appraisals supported subsequent claims filed by the same Nolan County producers to crop disaster program payments totaling more than \$350,000.

Today's guilty plea stems from an extensive federal grand jury investigation led by the U.S. Attorney's Office and the U.S. Department of Agriculture's Office of Inspector General. Court records reflected that Jeffrey falsified numerous appraisals for six separate Nolan County producers. All six producers obtained their crop insurance through the Hargrove Insurance Company of Sweetwater, Texas, which insured them through Fireman's Fund Insurance Company. All producers submitted their initial crop insurance loss claims through Fireman's Fund's loss claim office located in the same building and adjacent to Hargrove Insurance. Once Fireman's Fund paid the fraudulent claims, it was reimbursed through a reinsurance program offered by the Federal Crop Insurance Corporation, which program was administered by the Risk Management Agency. Fireman's Fund sent the indemnity checks to Hargrove Insurance for distribution to the Nolan County producers.

As a result of today's guilty plea, Jeffrey could be imprisoned up to five years and fined up to \$250,000.00. A sentencing date has not yet been set by the Court.

U.S. Attorney Stephens praised the U.S. Department of Agriculture's Office of Inspector General for its thorough work in the case, which included conducting numerous interviews with Nolan County producers and individuals involved in the cotton and grain sorghum industries. Stephens also thanked the many Nolan County producers who cooperated with authorities in this investigation by engaging in candid interviews about fellow Nolan County producers and by not turning a "blind eye" to this widespread scheme to defraud. "Schemes like this have become more prevalent. We need people like the many Nolan County farmers who cooperated with us to identify those who would take advantage of the system." Stephens noted that this investigation will continue and that he expects additional

convictions.

The Dallas office of the U.S. Department of Agriculture's Office of Inspector General investigated the case. Assistant U.S. Attorney Bill Mateja, of the Lubbock, Texas division of the United States Attorney's Office, is prosecuting the case.

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