

## **Office of the Inspector General, USDA Investigation Developments**

> *May 2, 2005* <

### **Virginia Man Sentenced for Depictions of Animal Cruelty (APHIS)**

On April 21, 2005, a Pittsville, Virginia, man who had been found guilty on three counts of depiction of animal cruelty was sentenced in the District Court of the United States for the Western District of Pennsylvania to serve 37 months in prison. Additionally, he was sentenced to serve 36 months of probation and ordered to pay a \$300 fine. An OIG and State law enforcement investigation on dog fighting in the States of Pennsylvania, New York, and New Jersey identified the man as selling videotapes and books depicting animal cruelty. In January 2005, he was found guilty in U.S. district court on three counts of 18 U.S.C. 48 (depiction of animal cruelty).

### **Nebraska County Office Employee Pleads Guilty in Forgery (FSA)**

On April 19, 2005, a former Nebraska Farm Service Agency (FSA) county office employee pled guilty in the District Court of the United States for the District of Nebraska. The OIG investigation determined that the former employee illegally created at least nine Department of Agriculture (USDA) checks totaling about \$5,000. The employee and her husband, a former Nebraska State prison guard, utilized false identification and forged endorsements in order to cash the checks. The husband pled guilty in March 2005 for his role in the forgery. Sentencing for the couple is anticipated in early summer 2005.

### **Pennsylvania Producer Pleads Guilty, Ordered to Pay \$385,000 and Fined for Environmental Violations (FSA)**

On April 20, 2005, a producer in York County, Pennsylvania, was sentenced in the District Court of the United States for the Middle District of Pennsylvania to serve 8 months in prison and 36 months of probation and was ordered to pay \$385,000 in restitution, a \$5,200 fine, and an additional \$450 fine to be paid to the Pennsylvania Environmental Protection Agency. In May 2004, the producer pled guilty to making false statements to secure more than \$1 million in USDA-guaranteed bank loans and selling \$200,000 of USDA-secured loan chattel. He was also charged with dumping more than 500,000 gallons of raw animal waste onto land adjacent to a stream that flowed into the Susquehanna River, polluting more than 4 miles of stream and killing thousands of fish.

### **Minnesota Producer Sentenced, Ordered to Pay \$99,548 for Forgery (FSA)**

On April 22, 2005, a Goodhue, Minnesota, producer was sentenced in Goodhue County Circuit Court to serve 30 days in jail and up to 60 months of probation. He was also

ordered to pay \$99,548 to USDA as restitution and fined \$570. The OIG investigation determined that the producer converted collateral securing in excess of \$90,000 in FSA loans and committed nine forgeries related to the FSA loans and separate bank loans. The producer pled guilty in March 2005 to one felony count of forgery.

### **Texas School Employees Plead Guilty to Theft of Child Nutrition Funds (FNS)**

On April 18, 2005, the personnel coordinator, financial officer, and attendance clerk of a Houston, Texas, school pled guilty in the District Court of the United States for the Southern District of Texas to various charges including theft of child nutrition act funds, conspiracy, and money laundering. The OIG investigation determined that the school officials inflated attendance records in order to obtain funds from the National School Lunch Program (NSLP). As a result, in 1999 and 2000, the school received approximately \$717,000 in NSLP funds of which approximately \$144,000 was fraudulent. The three individuals and the school superintendent were all indicted in June 2004. However, the superintendent passed away on March 24, 2005. Sentencing has not yet occurred.

### **Michigan School Employee Pleads Guilty to Fraud in Food Sales (FNS)**

On April 19, 2005, a former lunchroom cashier for a Boyne City, Michigan, school pled guilty in the District Court of the United States for the Western District of Michigan to one count of Program Fraud. In this joint OIG investigation with the Boyne City Police Department, it was disclosed that the woman embezzled approximately \$106,700 from proceeds of cash food sales during her 6-year tenure as the lunchroom cashier. Throughout the period of embezzlement, the school district participated in the NSLP. The woman was charged and arrested in March 2005. Sentencing is pending.

### **Arrest Warrant Issued for Former Legislative Aide Convicted of Fraud, Theft (NRCS)**

On April 12, 2005, a former legislative assistant and president of a national organization failed to appear at his sentencing in Federal district court in Detroit, Michigan. As a result, the judge revoked the individual's \$15,000 bond and issued a warrant for his arrest. The former legislative assistant failed to reimburse vendors for expenses associated with a 3-day symposium in May 1999 sponsored by the national organization, and withdrew approximately \$43,000 for personal use. The OIG investigation revealed that USDA provided donations to offset expenses associated with the symposium. The former legislative assistant was found guilty in December 2004 on charges including theft of Government funds, mail and bankruptcy fraud, and false statements made to Federal agents.