

**United States Attorney**

**District of Minnesota**

**NEWS RELEASE**

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**FOR IMMEDIATE RELEASE**

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Minneapolis - A St. Cloud area farmer pleaded guilty in United States District Court to making false statements and false claims regarding crop insurance, and he and his mother also pleaded guilty to mail fraud in a related scam to deprive lenders of their security interest.

Timothy Patrick Hurre, age 35, and his mother, Carol Hurre, age 63, entered their pleas before Judge Ann Montgomery in Minneapolis late Friday evening, on their third day of trial in United States District Court.

Timothy Hurre pleaded guilty to two counts of making false and fictitious claims for crop insurance. In a related matter, both Timothy and Carol Hurre pleaded guilty to mail fraud for selling grain under Timothy's sister's and Carol's daughter's name in order to defraud a lender that had liens on the crops of their right to have the proceed checks paid jointly to the farmer and the lender.

During their guilty plea hearing, Timothy and Carol Hurre admitted that from March 1996 through December 1996 they devised a scheme to defraud Terra International in its security interest in crops by selling the crops in the name of a third party.

Timothy Hurre also admitted that he concealed the actual amount of his and his father's dry edible bean production and submitted two false claims for their 1995 dry bean crops. The false claims included the submission and concealment of the actual amount of dry beans that he produced and the understatement of the price of beans he sold. The second false insurance claim submitted included Hurre's bean production without disclosing his ownership and misrepresented the value that he and his father had been paid for the delivery of beans shown on the claim forms.

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During the trial, the government proved that Timothy Hurrle directed Russell Doane, President of Chippewa Valley Bean Co., a company that processes 1/3 of the nation's kidney beans, to create false documents and to provide them to a claims adjuster in support of Hurrle's false crop insurance claims. Hurrle admitted during the plea hearing to receiving \$56,500 in insurance payments from the U.S. government for allegedly damaged beans for which he had already received full payment from Doane's company. Under terms of their plea agreements, Hurrle and his mother have agreed to repay the U.S. Department of Agriculture \$100,330 for the crop insurance fraud.

Both defendants face a maximum potential penalty of 30 years in prison and/or a \$1 million fine on each count they pleaded to. The actual sentence will be determined by Judge Montgomery based on the federal sentencing guidelines. A sentencing date is expected in eight to ten weeks. Timothy and Carol Hurrle remain free on bond.

The case is the result of an investigation by the U.S. Department of Agriculture, Office of Inspector General with assistance from the Risk Management Agency, Special Investigation Branch and the Northern Regional Compliance Office. Assistant United States Attorneys Lizabeth McKibben and William Koch prosecuted the case.

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