

*United States Attorney's Office
Northern District of Iowa*



PRESS RELEASE

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CARROLL COUNTY FAMILY INDICTED ON 25 SEPARATE FRAUD RELATED COUNTS

United States Attorney Charles W. Larson, Sr. announced today that as part of an ongoing investigation in the Northern District of Iowa into federal farm program fraud and federal crop insurance fraud, **Mark Hoffman**, age 44, his wife **Sue Hoffman**, age 43, and their son **Justin Hoffman**, age 21, all from Carroll County, Iowa, have been charged with multiple counts of making false statements to a bank in order to get a farm loan, making false statements to Farm Service Agency and Risk Management Agency in order to obtain federal farm program benefits and crop insurance proceeds and concealing assets from and making false statements to the United States Bankruptcy Trustee. The charges are contained in a 25 Count Indictment filed today in United States District Court in Sioux City.

The Indictment alleges that, on or about November 4, 1997, **Mark Hoffman** and **Sue Hoffman** made materially false statements as to their true financial status to Mercantile Bank, now US Bank, in order to obtain a \$1.6 million loan. According to the Indictment, **Mark and Sue Hoffman** continued to submit materially false statements as to their financial condition in order to preclude US Bank from foreclosing on its loan while **Mark and Sue Hoffman** sold and depleted crops, machinery and equipment all secured by US Bank and then transferred proceeds of US Bank's security to their son Justin.

The Indictment further alleges that sometime in early 1998 and up until the present, **Mark and Sue Hoffman** engaged in a scheme to obtain federal farm program benefits and crop insurance proceeds and elude creditors by directing other individuals and their son **Justin Hoffman** to make false certifications on documents to Farm Service Agency and Risk Management Agency in order to obtain federal farm program benefits and crop insurance proceeds. **Mark and Sue Hoffman** were not otherwise entitled to receive or would have been seized by creditors. The Indictment further alleges that between 1998 and 2003, all three Hoffmans made or caused to be made false statements which resulted in Farm Service Agency paying the Hoffmans and other individuals on behalf of the Hoffmans \$746,700.00 in program benefits and Risk Management Agency paying the Hoffmans and other individuals on behalf of the Hoffmans \$912,364.00 in crop insurance proceeds.

The Indictment also alleges that from the summer of 1998 up and until at least July of 2000, as part of **Mark and Sue Hoffmans'** scheme to defraud creditors, the Hoffmans filed for Bankruptcy twice in an attempt to discharge the debt they had accumulated as a result of fraud. Prior to and after filing bankruptcy, according to the Indictment, **Mark and Sue Hoffman** transferred most of their assets, including their farming operation and the proceeds of other creditors' security to their son **Justin**. The Indictment alleges that **Mark and Sue Hoffman** used other individuals to perpetrate their fraud by having these individuals transfer farm machinery, equipment, grain proceeds and real estate from Mark and Sue Hoffman to Justin Hoffman.

As to the 24 counts in which **Mark Hoffman** is charged, on 8 of the counts, those involving allegedly false statements made to US Bank and to the Risk Management Agency which oversees the federal crop insurance program, he faces a possible maximum sentence per count of 30 years imprisonment, a \$1 million dollar fine, a term of supervised release, and a \$100 special assessment. As to 15 of the counts, those involving bankruptcy fraud, conspiracy, and making allegedly false statements to Farm Service Agency, he faces a possible maximum sentence per count of 5 years imprisonment, a \$250,000 fine, a term of supervised release, and a \$100 special assessment. As to the remaining count, which involves an allegation that he converted sealed grain, he faces a possible maximum sentence of 5 years imprisonment, a \$10,000 fine, a term of supervised release, and a \$100 special assessment.

As to the 21 counts in which **Sue Hoffman** is charged, on 7 of the counts, those involving allegedly false statements made to US Bank and to the Risk Management Agency, she faces a possible maximum sentence per count of 30 years imprisonment, a \$1 million dollar fine, a term of supervised release, and a \$100 special assessment. As to the remaining 14 counts, those involving bankruptcy fraud, conspiracy, and making allegedly false statements to Farm Service Agency, she faces a possible maximum sentence per count of 5 years imprisonment, a \$250,000 fine, a term of supervised release, and a \$100 special assessment.

As to the 7 counts in which **Justin Hoffman** is charged, on 4 of the counts, those involving false statements made to US Bank and to the Risk Management Agency, he faces a possible maximum sentence per count of 30 years imprisonment, a \$1 million dollar fine, a term of supervised release, and a \$100 special assessment. As to the remaining 3 counts, those involving conspiracy and making false statements to Farm Service Agency, he faces a possible maximum sentence per count of 5 years imprisonment, a \$250,000 fine, a term of supervised release, and a \$100 special assessment.

Mark Hoffman, Sue Hoffman and Justin Hoffmans' first appearance in federal court has been scheduled for February 17, 2004.

As with any criminal case, a charge is merely an accusation and a defendant is presumed innocent until and unless proven guilty.

The case is being prosecuted by Assistant United States Attorney Martha A. Fagg and was investigated by the Federal Bureau of Investigation, the Office of Inspector General of the United States Department of Agriculture, the Office of General Counsel of the United States Department of Agriculture, the Iowa State Farm Service Agency and the Compliance Division of Risk Management Agency.