

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



PRESS RELEASE

FOR IMMEDIATE RELEASE
Date: February 24, 2005

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**CRAWFORD COUNTY FARMER SENTENCED FOR FEDERAL FARM PROGRAM
FRAUD AND AIDING AND ABETTING BANKRUPTCY FRAUD**

United States Attorney Charles W. Larson, Sr. announced that a Schleswig, Iowa, farmer who was sentenced today was the first to be sentenced in an ongoing three year investigation by the government into farm program fraud and federal crop insurance fraud committed by Iowa farmers. **DONALD KLUVER**, 45, was sentenced to a term of incarceration of six months by United States District Court Judge Mark Bennett, after pleading guilty to federal farm program fraud, crop insurance fraud and aiding and abetting a Carroll County couple in committing bankruptcy fraud. **KLUVER** will serve half the sentence in prison and the other half in home confinement. **KLUVER** was also ordered by the court to pay restitution to the Commodity Credit Corp., the Federal Crop Insurance Corp. and US Bank in the amount of \$378,878. **KLUVER** will also be barred for life from participating in any federal farm programs.

Kliver admitted at his guilty plea hearing that in the crop year 2000, **KLUVER** was farming several thousand acres of crop land in Crawford and Sac Counties in Iowa, in addition to farming 4,500 acres of soybeans located in Tripp and Mellette Counties in South Dakota. **KLUVER** did not disclose the South Dakota farming operation to the Farm Service Agency, the office that administers farm programs. Pursuant to federal farm program regulations, farmers are required to truthfully certify the number of acres they are farming in order to qualify for certain federal farm program benefits. **KLUVER** caused an employee and the employee's brother to certify that they were farming the South Dakota operation so that he could obtain additional farm program benefits. **KLUVER** fraudulently obtained \$131,038 in federal farm program benefits and \$116,240 in federal crop insurance benefits he was not otherwise entitled to receive. Both the former employee and the employee's brother previously entered into restitution agreements with the government.

Kliver further admitted that in 1999 and 2000, that he assisted Mark and Sue Hoffman from Carroll County, Iowa, in committing bankruptcy fraud against the Hoffmans' then lender Mercantile Bank. **KLUVER** purchased farm machinery and equipment valued at more than \$141,000 with money given to him by Mark Hoffman. **KLUVER** then transferred the equipment to the Hoffman's son, Justin Hoffman. The Hoffmans are scheduled to be sentenced later this spring on various counts of bankruptcy fraud, bank fraud and farm program and crop insurance fraud.

Kluver was released on the bond previously set and is to surrender to the United States Marshal on a date yet to be set.

The case was prosecuted by Assistant United States Attorney Martha A. Fagg and investigated by the United States Department Agriculture, including Special Agent Craig Hangsleben from USDA's Office of Inspector General, Robert Bird from USDA's Office of General Counsel, Jon Awtry and Bryan Stocking from the Farm Service Agency offices in Carroll, Crawford and Woodbury Counties, and Mark Price from the Risk Management Agency.