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Jury clears Minnesota family in agriculture fraud case

Associated Press

Published Friday, January 27, 2006

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MINNEAPOLIS - A federal jury cleared members of a western Minnesota family of criminal charges in a large agricultural fraud case.

The jury deliberated about a day before returning acquittals Thursday. The defendants had been accused of swindling the federal government out of \$5.3 million in farm subsidies and crop insurance.

"We all were just relieved that it's over," said Owen Peterson, of Wendell. "It's been chasing us since 1999."

"We are disappointed in the jury's verdict but we respect the role that they play," said Karen Bailey, a spokeswoman for the U.S. Attorney's office.

The 51-count indictment charged Peterson, 44; Lamont V. Peterson, 50, and his girlfriend, Rebecca J. Van Vickie, 48, both of Pine River, Minn.; and Corwin D. Peterson, 53, and Alan V. Peterson, 55, both of Boise, Idaho.

The indictment covered activities from 1996 to 2003. The indictment came soon after a federal report that said oversight of farm programs should be strengthened.

Owen Peterson said his family felt they were targeted to be made an example of.

"They seen a big bull's-eye and they wanted to try to hit it," he said. "They took us out of farming is what they've done." Most of the family's farm has been auctioned.

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The Petersons at one time claimed farming operations on a total of 25,000 acres in Grant, Kittson, Marshall and Polk counties in Minnesota and in Codington, Roberts, Deuel and Hamlin counties in South Dakota. Another farm was listed in Cass County, N.D., with Alan and Corwin Peterson as partners.

A civil complaint against the Petersons, filed by the U.S. attorney's office, is pending.

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The Marshalls

From: "Jaemea Marshall" <jaemea@hotmail.com>
To: <marshacj@runestone.net>; <mrshlaw@runestone.net>
Sent: Friday, January 27, 2006 9:40 AM
Subject: star tribune, KSTP

Jury acquits 5 on farm fraud charges

Four brothers and a woman were cleared of criminal charges accusing them of bilking the federal government.

Matt McKinney, Star Tribune

A federal jury on Thursday acquitted four Minnesota farming brothers and a family friend of bilking the U.S. government out of \$5.3 million in farm subsidies and crop insurance, a case that was considered one of the largest agricultural fraud cases on record when it began a year-and-a-half ago.

A jury deliberated for one day before clearing the Peterson brothers of charges that they set up sham farm operations and provided false statements to obtain subsidies and crop insurance payments.

The family has since auctioned off most of its farm.

"We all were just relieved that it's over," said Owen Peterson, of Wendell, Minn. "It's been chasing us since 1999."

Assistant U.S. Attorney William Koch, who prosecuted the case, was not immediately available for comment.

"We are disappointed in the jury's verdict but we respect the role that they play," said Karen Bailey, a spokeswoman for the U.S. Attorney's office.

The 51-count indictment charged Lamont V. Peterson, 50, and his girlfriend, Rebecca J. Van Vickle, 48, both of Pine River, Minn.; Owen K. Peterson, 44; and Corwin D. Peterson, 53, and Alan V. Peterson, 55, both of Boise, Idaho.

The indictment covered activities from 1996 to 2003.

The Petersons were indicted a week after the federal government released a report through the Government Accountability Office that said oversight of farm programs should be strengthened.

The family felt they were targeted because they were a big farm and could be made an example of, Owen Peterson said. "They seen a big bull's-eye and they wanted to try to hit it," he said of the federal case against his family. "They took us out of farming is what they've done."

The Petersons at one time claimed farming operations on a total of 25,000 acres in Grant, Kittson, Marshall and Polk counties in Minnesota and in Codington, Roberts, Deuel and Hamlin counties in South Dakota. Another farm was listed in Cass County, N.D., with Alan and Corwin Peterson as partners.

The family said their operations were periodically reviewed by the government.

"The local county offices told them ... that things they were doing were right," said Peter Wold, one of five defense attorneys.

The Petersons have also been named in a civil complaint filed by the U.S. Attorney's Office, which sued for \$4.2 million. That case is pending.

Farm family found innocent -- at a price
KSTP Updated: 01/27/2006 08:34:46 AM

A Minnesota farm family was found not guilty of defrauding the federal government Thursday, but their defense has had a price.



In the late 1990's, the Peterson's of Wendell had one of the largest farms in the state, covering 28,000 acres – twice the size of Lake Minnetonka. The Peterson farm was facing federal fraud charges, accused of receiving over \$4 million in agricultural subsidies they were not eligible for.

"I knew that we had not done anything wrong, so we kept pushing forward," says Owen Peterson.

Peterson's attorney said the federal government singled out the family. "The Office of Inspector General had an agenda to make an example out of a farm operator and targeted Peterson farms," says Peter Wold.

The jury found Peterson Farms not guilty on all counts, but the verdict came at a price. The family had to sell farm implements and land. The farm shrank in size to 600 acres, about twice the size of the University of Minnesota's East Bank.

"It came to the point where we had to pull the pin, quit, because of the pressure the government," said Peterson.

The Peterson family may now file a civil lawsuit against the U.S. government.