



Department of Justice

Robert M. Duncan, Jr.
United States Attorney
Eastern District of Kentucky

FOR IMMEDIATE RELEASE
TUESDAY, SEPTEMBER 11, 2018
www.usdoj.gov/usao/kye

CONTACT: WM. ALLEN LOVE
PHONE: (859) 685-4805
E-MAIL: WILLIAM.ALLEN.LOVE@USDOJ.GOV

FORMER CROP INSURANCE AGENT SENTENCED TO 60 MONTHS FOR CROP INSURANCE FRAUD

LEXINGTON, Ky. – Debra Muse, 63, of Wallingford, Ky., was sentenced today to 60 months in federal prison, by United States District Judge Joseph M. Hood, for conspiracy to commit crop insurance fraud and crop insurance fraud. Muse was also ordered to pay \$1,656,275 in restitution.

Muse pleaded guilty on April 16, 2018, and admitted to urging and assisting co-conspiring farmers to file false tobacco crop insurance claims with the Federal Crop Insurance Corporation (“FCIC”), with the intent to help the farmers obtain crop insurance proceeds to which they were not entitled. These crop insurance claims contained falsified reports of tobacco production. Muse, a crop insurance agent and employee at Clay’s Tobacco Warehouse during the period in question, admitted that she created multiple false documents, including Clay’s Tobacco Warehouse sale bills and shipping reports, to help farmers hide their crop production from their insurance adjusters and falsify the quality of the tobacco. These documents, which misrepresented the volume and quality of the farmers’ crop production, led to inflated payments from the farmers’ crop insurers, which are reinsured by the federal government.

Judge Hood found that, as a result of Muse’s fraud, she caused the federal government to pay out \$5,917,515 in crop insurance indemnity payments to agricultural producers to which they were not entitled. The agricultural producers included Muse’s clients and the clients of other insurance agents, who used falsified documents Muse created in filing their own fraudulent insurance claims.

“Protecting limited public resources and the integrity of our public insurance programs are priorities for our Office and the Department of Justice,” stated United States Attorney Robert M. Duncan, Jr. “The Defendant’s participation in this unlawful scheme to falsify documents resulted in significant losses to the FCIC. Her participation was instrumental to the scheme’s success and her criminal conduct harmed the integrity of the crop insurance system. We will continue to prioritize similar efforts to prosecute those who prey on public programs and appropriate taxpayer funds.

Under federal law, Muse must serve 85 percent of her prison sentence; upon her release, she will be under the supervision of the United States Probation Office for five years.

Robert M. Duncan, Jr., United States Attorney for the Eastern District of Kentucky; Karen Citizen-Wilcox, Special Agent in Charge, United States Department of Agriculture Office of Inspector General; Amy Hess, Special Agent in Charge, Federal Bureau of Investigation; Christopher Altemus, Special Agent in Charge, Internal Revenue Service-Criminal Investigation; and Dwayne Depp, Director, Kentucky Department of Insurance Fraud Investigation Division, jointly announced the sentence. Assistant United States Attorneys Kathryn M. Anderson and Erin M. Roth represented the United States.

— END —