



# Department of Justice

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## Nicholas County Man Sentenced to 56 Months for Extensive Crop Fraud Scheme

**LEXINGTON, Ky.**— A Carlisle, Ky., man, Earl Lee Planck, Jr., 62, was sentenced to 56 months in federal prison on Friday, by U.S. District Judge Karen Caldwell, after previously pleading guilty to conspiring to defraud the United States, crop insurance fraud, and tax evasion.

According to his guilty plea agreement, between March 2010 and December 2015, Planck obtained federal crop insurance and private crop-hail insurance covering his own crops in his own name, his business's name, and in the names of family members and neighbors. During that time, he falsified documentation claiming losses by misrepresenting the amount of tobacco he produced. He did so, in part, by obtaining crop insurance under nominee names, selling crop production under the names of fake and real people, and obtaining and submitting fake bills of sale and grade sheets. Further, in agreement with insurers and adjusters, Planck obtained crop insurance covering crop on land that was incapable of growing crops. Evidence at his sentencing established that he obtained federal crop insurance covering a wooded tract of land, almost every year from 2006 and 2013, often in the names of his friends and family members. In total, Planck obtained \$3,250,365 in federal crop insurance payments, which are funded by the taxpayers, and \$2,815,821.69 in private crop insurance payments, for policies in his name, the name of his business, and the names of his family members and neighbors. According to testimony at the sentencing, Planck also assisted other neighbors and family members in conducting their own crop insurance fraud, for a kickback. In total, the Court found that Planck caused a total loss of more than \$9 million, with more than \$5.5 million of that from the United States.

In addition, Planck admitted that in 2014 when filing taxes, he reported his crop insurance proceeds, but he failed to report any income from sales of tobacco, when he was aware that he had substantial income from the sale of tobacco in the that year. Planck admitted to signing his tax return under penalties of perjury, even though he knew his income was underreported on the tax return. Records provided to the Court demonstrated that he underreported his income by nearly \$1.9 million across Tax Years 2013 to 2015, resulting in an additional tax due and owing of \$613,265.

Planck pleaded guilty in June 2021.

“This was a brazen and wide-ranging scheme that cost the taxpayers and private insurers millions of dollars,” said Carlton S. Shier, IV, United States Attorney for the Eastern District of Kentucky. “Not only did he commit massive fraud, over the course of many years, he corruptly obtained the assistance of insurers and adjusters, he assisted others to perpetrate their own fraud, and he evaded his income taxes. Protecting the invaluable resources of crop insurance programs is absolutely critical, and this prosecution would not have been possible without the painstaking efforts of our law enforcement partners.”

Under federal law, Planck must serve 85 percent of his prison sentence. Upon his release from prison, he will be under the supervision of the U.S. Probation Office for 3 years.

United States Attorney Shier; Jason M. Williams, Special Agent in Charge, United States Department of Agriculture Office of Inspector General; Jodi Cohen, Special Agent in Charge, Federal Bureau of Investigation, Louisville Field Office; Bryant Jackson, Special Agent in Charge, Internal Revenue Service-Criminal Investigation; and Juan Garrett, Director, Kentucky Department of Insurance Fraud Investigation Division, jointly made the announcement.

The investigations were conducted by the United States Department of Agriculture Office of Inspector General, United States Department of Agriculture Risk Management Agency Special Investigations Staff, Federal Bureau of Investigation, Internal Revenue Service-Criminal Investigation, and Kentucky Department of Insurance. The United States was represented by Assistant United States Attorneys Erin Roth and Kathryn Anderson.

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