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STOCKTON FARMER SENTENCED TO 2.5 YEARS IN PRISON FOR CROP INSURANCE FRAUD

SACRAMENTO, Calif. — United States Attorney Benjamin B. Wagner announced that today United States District Judge John A. Mendez sentenced Gregory Peter Torlai, Jr., 49, of Stockton, to two and a half years in prison, three years of supervised release, and a \$10,000 fine for filing false claims for crop insurance benefits. Torlai was also ordered to pay \$211,516 in restitution.

On February 10, 2011, after an 11-day trial, a federal jury found Torlai guilty of 16 counts of submitting fraudulent statements in insurance applications for crops in San Joaquin, Contra Costa, and Lassen Counties.

In sentencing Torlai, Judge Mendez said that the sentence was designed to “send a message to others who are thinking of committing similar crimes.” In response to Torlai’s arguments that he should receive a significantly reduced sentence of only one year and one day because, in part, he had agreed to pay a fine to the United States, Judge Mendez told the defendant that a lengthier prison term was necessary because his sentence should cost him “not just financially.”

According to evidence presented in trial, between 2000 and 2005, Torlai filed claims for crop insurance benefits totaling approximately \$340,000 and made false statements about the extent of his ownership interest in various farming operations and the types and number of acres of crops planted. He even submitted falsified seed receipts in support of his insurance claims. The false statements affected policies issued by reinsurance companies with which the Federal Crop Insurance Corporation (FCIC) contracts.

The FCIC is an agency of the USDA created by the Federal Crop Insurance Act (FCIA) for the purpose of providing government insurance against unavoidable crop losses. As a result of his false claims, Torlai received nearly \$141,000 in crop insurance payments to which he was not entitled. He also filed fraudulent claims in an attempt to receive approximately \$200,000 more in fraudulent crop insurance payments.

This case was the product of an extensive investigation by the United States Department of Agriculture, Office of the Inspector General, the USDA Risk Management Agency–Special Investigations Branch, and the Office of Strategic Data Acquisition & Analysis. Assistant United States Attorneys Kyle Reardon and Michael Anderson prosecuted the case.

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