

Minnesota

Jury acquits 5 on farm fraud charges

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

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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 Mendell, 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 Codrington, 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.

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