UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re:	)	FCIA Docket No. 06-0002
	)	
Mark L. Andreasen,	)	
	)	
Respondent	)	

In this decision I find that Respondent Mark Andreasen committed violations of the Federal Crop Insurance Act, 7 U.S.C. § 1515, by improperly backdating the applications of 46 of his clients for crop insurance. However, since there were no material misstatements in the applications other than the backdating, and since that backdating was shown to have been a long standing established policy of the insurance company for whom Respondent was writing the policies in question, I reject Complainant's request that Respondent be suspended from the crop insurance program for five years and instead impose a civil penalty of $2,500.

Procedural History

On March 23, 2006, Eldon Gould, Manager, Federal Crop Insurance Corporation, United States Department of Agriculture, issued a complaint against crop insurance agent Mark Andreasen, Respondent, alleging that in 46 separate instances in 2002, Respondent backdated the acreage reports of policyholders. Complainant further alleged that by backdating the acreage reports, Respondent was willfully and intentionally providing false information to the approved insurance provider, and requested that a $5,000 civil

penalty and a five-year disqualification from receiving any benefits under the Federal Crop Insurance Act (FCIA or the Act) be imposed.

On April 13, 2006, Respondent filed a timely answer to the complaint. Respondent contended that he did not willfully and intentionally provide false information as alleged in the complaint, but that he rather "timely dated" the acreage reports in a matter totally consistent with the "accepted practices and instructions" of the insurance company. Respondent also raised several affirmative defenses, including that he never transmitted any false information to Complainant or the insurance company, and that estoppel and/or waiver applied.

On August 14, 2006 I conducted a telephone conference and set the matter for hearing in Pocatello, Idaho beginning January 23, 2007. The parties exchanged witness lists and proposed exhibits pursuant to my prehearing order, and on December 27, 2006 the parties filed "Pre-hearing Stipulated Facts and Statements" which were subsequently admitted into evidence as Joint Exhibit 1.[1]

I conducted a hearing in this matter in Pocatello, Idaho from January 23 through 25, 2007. Donald Brittenham, Jr., Esq. represented Complainant, and Randall C. Budge, Esq., and Thomas J. Budge, Esq., represented Respondent. Complainant called eight witnesses, and Respondent called six witnesses, including the Respondent himself. Over 100 exhibits were received in evidence.

Following the hearing, both parties filed proposed findings of fact and conclusions of law, and their briefs, on April 20, 2007.

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[1] In this decision, Stip. will refer to facts or statements stipulated to in the Joint Exhibit, CX to Complainant's exhibits, RX to Respondent's exhibits, and Tr to the transcript.

Statutory and Regulatory Background

The Act is designed to "promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance." 7 U.S.C. § 1502. The Crop Insurance program is administered by the FCIA, which imposes a number of conditions and restrictions governing eligibility for coverage. The Act limits the Federal Crop Insurance Corporation's authority to insure crops to "producers of agricultural commodities grown in the United States," against losses from "drought, flood or other natural disaster." 7 U.S.C. § 1508(a)(1).

The Federal Crop Insurance Corporation (FCIC) is a wholly owned government corporation within the U.S. Department of Agriculture. The Risk Management Agency (RMA) essentially runs the crop insurance program for the FCIC, and is responsible for the crop insurance handbook and the loss adjustment manual. The RMA implements a standard crop insurance contract, which sets a number of obligations and deadlines on behalf of the parties to the contract.

Another USDA agency with a substantial impact on this case is the Farm Service Agency (FSA). While the FSA does not directly administer the crop insurance program, it is involved in many other programs where the exact acreage of various crops planted by farmers is required. The FSA uses aerial photography to measure the amount of acreage farmers plant with various crops. While these measurements are utilized for coverage under FSA programs, there is no bar to the same numbers being used for other purposes, including the determination of coverage under FCIC policies.

The Common Crop Insurance Policy and the Crop Revenue Insurance Policy, CX 1 and 2, required for coverage under the Act, mandate the types of coverages provided for crop insurance. While the insurance policy is actually a contract between the producer (farmer) and the designated insurance company, the FCIC plays the role of reinsurer. Stip. 1.

Section 6 of the Policy, "Report of Acreage" is of particular relevance to this case. That section requires the insured farmer to file, by a specified date depending on what crop is insured and when it was planted, the amount of acreage planted for that growing season for each crop. Stip. 8. Section 2 of the Policy provides that the policy is "continuous," that is, the policy automatically remains in effect for each crop year once the policy is first accepted. Thus, the crop is usually insured by the time it is planted, while the acreage report, which verifies the acreage of each crop planted is due several months after the normal planting date of the crop.

An agent who "willfully and intentionally provides any false or inaccurate information," 7 U.S.C. § 1515(h)(1), or who otherwise willfully and intentionally fails to comply with a requirement of the Corporation," 7 U.S.C. § 1515(h)(2), is subject to sanctions, pertinently including a civil fine of up to $10,000 for each violation, and disqualification for a period of up to five years from participating in the crop insurance program. 7 U.S.C. § 1515(h)(3). In imposing a sanction, the Secretary must consider the gravity of the violations. 7 U.S.C. § 1515(h)(4).

Facts

Most of the pertinent facts in this case have either been stipulated to by the parties or are otherwise undisputed.

Respondent Mark Andreasen is an independent insurance agent who has maintained an office in Soda Springs, Idaho for over twenty years. Tr. 923-924. The name of his agency is Trac One, LLC. Id. A significant percentage of his business involves writing crop insurance for between 160 and 180 farmers. Tr. 927. With respect to each of the 46 crop insurance policies at issue here, all of which were written in 2002, each respective acreage report was due during the month of June—2 by June 15 and 44 by June 30. Stip. 8. In most cases, Respondent had received a copy of the FSA 578, the report prepared by FSA of the acreage planted, before the respective due date, and in each case there is no question that the FSA report in each case was accurate. With respect to each policy, the insured farmer signed the acreage report submitted to the insurance company. With each policy, the signature was made after June 30 (or after June 15, with respect to the two that had the June 15 deadline). Stip. 11.

All of the policies at issue in this case were written by American Agrisurance (AmAg). Respondent was operating under an agency agreement with AmAg, CX 80, and AmAg in turn had entered into a Standard Reinsurance Agreement with the FCIC. CX 79.[2] The Agency Agreement has a number of provisions pertaining to the duties and obligations of Respondent vis-à-vis AmAg, including the "fiduciary duty to act in [AmAg's] exclusive interest with loyalty and care," CX 80, p. 1, and to generally follow the rules and regulations of the FCIC and the company regulations, and not to act fraudulently or deceptively. There is no discussion of the agent's duties to his or her client farmers.

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[2] The Reinsurance Agreement is between the FCIC and Acceptance Insurance Company, while the Agency Agreement is between Respondent's Trac One, LLC insurance agency and American Growers Insurance Company and Acceptance Insurance Company, but is on the AmAg letterhead.

During 2002, AmAg failed as a business and was taken into receivership by the State of Nebraska. Tr. 205. As a result, all liabilities on AmAg crop insurance policies were assumed by FCIC through RMA. RX 17. A report by the Government Accounting Office (GAO) pinned part of the responsibility for AmAg's failure on the lack of oversight by RMA. RX 17.

In reviewing a loss claim from the 2002 crop season involving Barker Ag, an insured entity which was a client of Respondent, Jay Rhodes, an AmAg employee who stayed on after the company was taken over by the State of Nebraska, noticed that the acreage report, even though dated June 30, 2002, was printed out on a form that was dated in July 2002. CX 37-39. Mr. Rhodes was in the process of reviewing high dollar claims against AmAg that occurred during 2002 when he came across this report in the early spring of 2003. Tr. 280. He believed the backdating was improper and contacted Marla Fricke of USDA's Office of Inspector General. He joined Ms. Fricke and Julie Michaelis of RMA compliance at a meeting with Respondent in Respondent's Soda Springs office. By the time of this meeting he had discovered a number of similar backdatings. Tr. 271.

At the meeting with Rhodes, Fricke and Michaelis on April 3, 2003, Respondent was totally cooperative and forthcoming. He told the investigative team that because the FSA 578 forms were not always received by him before the deadlines for filing the acreage reports, it was the normal business practice of AmAg, and other insurance companies that he wrote crop insurance for, to give him approximately two weeks after the official deadline to turn in the acreage reports. CX 28. He voluntarily turned over all relevant records to the investigative team (and did not receive them back for a year).

After reviewing the records, USDA first tried to treat Respondent's actions as a criminal matter, and forwarded Ms. Fricke's Report of Investigation to the U.S. Attorney's office in Pocatello. Tr. 320. Ms. Fricke also contacted the Idaho Insurance Commission Office, the Idaho Department of Insurance and representatives of the Idaho Attorney General's Office. Id. None of these entities would take any action against Respondent. Tr. 364-365.

During the course of other investigations of AmAg agents in the same general time period, Ms. Fricke estimated that approximately ten different agents also had similar problems with backdating of acreage reports. These other agents were "still under criminal investigation pending indictment" at the time of her testimony. Tr. 341. No action was ever taken against AmAg, presumably because it was insolvent and its policies were taken over by the government by the time the investigation got started. Tr. 355.

Respondent has contended from the onset of this investigation through the hearing and again in his brief that his actions with regard to submission of the acreage reports were not "back dating" but rather were "timely dating" and that his actions were proper and consistent with the policies and procedures of AmAg (as well as other companies he has worked with). Whether Respondent was in fact following accepted policies and procedures is probably the only significant fact in this case that is in dispute.

Respondent is an independent agent for Mountain States Insurance, and at the time of the hearing he had 160-180 crop insurance customers. Crop insurance is about half of his business. Tr. 925-928. During 2002 he wrote crop insurance for three different companies, although with the demise of AmAg he was writing crop insurance

for only two companies at the time of the hearing. Id. Crop insurance must be applied for before planting and attaches to the crop once it is planted. Tr. 937. The premium for crop insurance is generally due October 1—after the crop has been harvested. Tr. 937-938. The premium is generally determined by the farmer's production history from which average yield is derived, along with the acreage planted, and the level of coverage, i.e., the percentage of the projected yield that the farmer wants to insure. Tr. 938.

The accurate reporting of acreage is an integral part of the crop insurance process. It is obviously a crucial factor in determining coverage if there is a claim. It is an unambiguous requirement that the acreage report be signed—by the farmer and the insurance agent—no later than the date for the particular crop as specified in the regulations. CX 1. For the acreage reports in this case, all but two were required to be signed by June 30, with the remaining two required to be signed by June 15.

Respondent testified that he prepared the report for the farmer's signature by using the FSA 578 form, even though the use of that form is not specifically required, nor even alluded to, by FCIC. Tr. 943. He used the FSA form because all his crop insurance clients participate in FSA programs and are required to utilize the form, and because the FSA measuring system, relying on aerial photos and direct consultation with the farmer, is accurate to a tenth of an acre. Tr. 941-942. The farmers usually go to FSA within a week after they finish planting, while the 578's are sometimes issued on the spot and sometimes later. Tr. 948-949. All of Respondent's crop insurance clients authorize him to receive a copy of the 578 and he normally receives all of them in June. Tr. 943, 950. Once Respondent had the report prepared he would call the client and let him know it was ready for signature. Tr. 956-958. If the form was ready before June 30 (or June 15 if

applicable), he would have the client sign it and put the actual date of signature on it. Id. However, if the client did not sign it by the due date, Respondent would fill in the due date and have the farmer sign it even though that date had passed. Tr. 956-958. He also stated that when he was submitting "timely dated" material he would put it in an envelope marked "personal and confidential" so that it would go directly to the AmAg crop specialist handling his accounts rather than being opened by the mailroom. Tr. 1051-1053.

Respondent contends that what the government refers to as "backdating" and what he refers to as "timely dating" was proper as far as he knew and was consistent with the training he had as a crop insurance agent. He contends that the insurance companies he worked with, particularly AmAg, considered acreage reports properly submitted as long as they were dated no later than the due date, and as long as the reports were received within a certain period—usually 20 days—after the due date. Tr. 968-972. He stated that timely dating was discussed in training, and that submission of an acreage report was considered acceptable as long as it met the above-described conditions. Id. He pointed out that he could have easily avoided suspicion by using generic forms that did not reflect the printed run date of the document, but that he did not do so because he believed he was not doing anything wrong and was in fact following a common practice accepted by all the crop insurance companies. Tr. 966-979. When confronted by the USDA investigation team Respondent was extremely cooperative and maintained that he did not believe that he was doing anything wrong, and that he could not possibly have defrauded the government because he reported the acreage accurately in all instances. Tr. 977-980. He received the same commissions he would have received if the acreage

reports were actually signed by June 30 (which was a Sunday in 2002) and all the premiums were paid (as were all claims). Tr. 982-983.

Since the visit from USDA personnel, Respondent has had his clients sign the acreage reports on or before the reporting due date. Tr. 981.

Joan Mahrt, testifying for Respondent, worked for AmAg for nearly thirteen years in its Council Bluffs office, which was the same office that serviced Respondent. She served in a variety of capacities, including as a supervisor, before she left due to the relocation of her husband. Tr. 609. She stated that "timely dated" acreage reports were crucial, but stressed that meant that the report must indicate that it was not signed after June 30. Tr. 596. She stated that the signature line of the acreage report was a representation that as of the date indicated the information contained in the form was correct. Tr. 596-597. She stated that the report did not have to be in AmAg's hands until July 20, as long as it was dated by June 30.[3] Tr. 598-600, If an agent submitted a report with a post June 30 date, the report would be returned with a "pending letter;" the agent could then resubmit the report with the correct date and AmAg would accept it even though they knew the date was not the date the document was actually signed. Tr. 600-603. She also stated that if a letter came in marked "personal and confidential" it would not be opened by the mail room and would go directly to the crop specialist. Tr. 603-604. Basically, she testified that the policy of AmAg's Council Bluffs office was to accept backdated or "timely dated" documents as long as the acreage appeared to be accurate. Tr. 606-607. She stated that this was consistent with oral company guidelines and the policy that she was trained to follow. Tr. 612-618, 629.

[3] Presumably July 5 for reports that were due on June 15.

Lisa Lapica, a former underwriter with AmAg, disputed the existence of an office policy that allowed agents to backdate or "timely date" acreage reports. Tr. 502-503. She also stated that even documents that were marked "personal and confidential" were opened in the mailroom, and that she never saw an acreage report that did not first go to the mailroom. Tr. 503-504. However, she never worked in the Council Bluffs office, but was stationed in the Stanley office. Tr. 494-495. She testified that the agent and farmer should date the form with the actual date it was signed, but that she normally would not be able to tell whether that was the case. She would just look at the forms to determine they were signed by June 30. Tr. 496, 502. Full users such as Respondent, who had the authority to key in their own information, had 20 days to key the information in and mail it to AmAg. Tr. 536-539.

Loretta Helwig, a former FSA employee who worked in AmAg's Stanley office as an underwriter, supervisor and manager until the company went out of business said much the same thing as Ms. Lupica, agreeing both that the signature and signature date were important, and that the signature date should be the actual date the report was signed. Tr. 638-639, 642. She stated she was very familiar with the company's policies and procedures and was not aware of any provisions that would allow the "timely dating" that was practiced by Respondent. Tr. 649.

Glenn Linder, a former marketing representative for AmAg, and currently a marketing representative for another crop insurance company, testified that the company did not accept late documents but that he believed that a document was not late as long as it was "timely dated." Tr. 770, 776. He also stated that he believed that documents

marked “personal and confidential” went straight to the underwriter without being opened in the mailroom. Tr. 771-772.

Discussion

I find that Respondent’s use of “timely dating” was a violation of FCIC regulations, and that the plain language and common interpretation of the meaning of signing and dating a document is that the document was signed on the date indicated.   I also find that Respondent’s practice of not putting the actual signature date on the acreage reports, while inconsistent with the regulations, was consistent with the practices of AmAg’s Council Bluffs office. I find that, other than the misrepresenting the dates that the acreage reports were signed, the information in the acreage reports was accurate, that Respondent had no intention of misleading or defrauding the FCIC, and that he was operating under what he perceived to be the correct procedures as implemented by AmAg. I find that in light of Respondent’s lack of nefarious intent, and his lifetime of diligent service to his clients, that it would be inappropriate to suspend him from the crop insurance program. However, because I also find that Respondent should have questioned a policy of allowing the submission of documents that were obviously not correctly dated, he should be liable for a civil penalty of $2,500.

“Timely dating” of acreage reports is not consistent with regulatory requirements. While neither party has cited any case law as to the legal significance of the date in a signature block, I interpret the signature block in the same way as Complainant—that the dating of the block is a representation that the signature was made on that date <u>and</u> that the information is accurate, not that that it is a representation only

that the information in the acreage report was accurate as of that date. The "acreage report statement" states

> I submit this report as required for the above identified MPCI or alternative policy and certify that to the best of my knowledge and belief the information is correct and includes my entire interest in all acreage of the reported crops planted in the county(ies) and that of all sharecroppers, if any, in any crops insured under my policy. I have read and understand all statements and provisions on both sides of this form.

The form is signed and dated by both the insured farmer/producer and the agent. In most or all of the acreage reports at issue here, the signature is that of the farmer/producer, but the document has been hand-dated by Respondent.

While Respondent and several of his witnesses opined that the signature was a certification that as of the date indicated that all the information in the acreage report was correct, I find that interpretation to be a stretch. If the purpose of the date was solely to signify that the information was valid as of that date, the signed statement could so indicate. Furthermore, the specific requirement that the acreage reports "be submitted to us on our form . . . on or before the acreage reporting date," CX 1, p. 6, is facially inconsistent with the notion that the document could be signed after the fact—since it is supposed to be in the hands of the insurance company by that date, it cannot be signed after that date.

AmAg allowed its agents to submit backdated acreage reports, as long as the reports were received within twenty days of the acreage reporting date. While there was some conflict in testimony as to AmAg's policy, there was no conflict that with respect to the Council Bluffs office acreage reports were acceptable as long as they had a signature date no later than the due date, and that all information was received at the Council Bluffs office within 20 days of the due date. Neither of the two witnesses who

testified that backdating was against AmAg policy were employed in the Council Bluffs office, while Joan Mahrt, who worked in that office for 13 years, testified that as long as the documents showed the correct date, AmAg did not care if the document actually was signed after the date, as long as AmAg got all the information electronically entered and received the document within 20 days after the required due date.

While it is obvious that the FCIC's position is that the date entered into the signature block of the acreage report must be the actual date the report was signed, and I have found that the FCIC's interpretation is the correct one, there is no evidence to indicate that the backdating by Respondent was not in accord with the policies and procedures of AmAg, the company with whom he had a direct relationship. Complainant did not provide any testimony from anyone who would have been directly familiar with AmAg's practices in its Council Bluffs office to refute the testimony of either Respondent or Ms. Mahrt that for an acreage report to be acceptable it had to be "timely dated"—that is, facially showing that the report was signed and dated no later than the reporting date—and that all information must be received in Council Bluffs and entered into the computer within the twenty days allocated for mailing time. The testimony from the two witnesses who worked at the Stanley office, while supporting the fact that at the Stanley office "timely dating" was not an acceptable practice, did not refute the testimony that the practice was considered acceptable at Council Bluffs.[4]

Respondent did not engage in conduct intended to defraud or mislead the FCIC. The evidence overwhelmingly establishes that, other than not being signed on the date indicated, the acreage reports were accurate in all respects. Indeed, all the

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[4] I also found interesting the testimony of Ms. Fricke that there were perhaps ten other agents under investigation for similar practices. Tr. 341. While I am not relying on this statement in my findings, it certainly is an indication that the practice was not unusual.

information in the acreage reports at issue was well in hand with AmAg by the time 20 days elapsed after the due dates. The fact that Respondent printed out the acreage reports in a format that showed the print date, when it was clear that he had several other options, including the use of generic forms, that would have disguised the date and thus rendered his backdating undetectable, is strong evidence that Respondent had no intention to mislead and believed that what he was doing was proper and in accord with AmAg procedures.

Further, I had ample opportunity to observe Respondent's demeanor during his hours of testimony and find his testimony generally credible. I find him to be an honest agent trying his best to service his clients consistent with the instructions given to him by the insurance agency he is representing. A number of witnesses called by Respondent testified as to his reputation for being an honest and thorough businessman, but even more impressive was that Complainant's own witnesses consistently conveyed the same impression. Jay Rhodes described him as "very forthcoming" and "producer minded," Tr. 274, and stated that he appeared to be an honest person who was not withholding any information. Tr. 284-285. Julie Michealis found him to be "fully cooperative," that he did not appear evasive and answered all questions fully. Tr. 439-440. Lisa Lapica agreed with Respondent's counsel that he was "always honest and forthright in his dealings" and was "very professional" and that she had no reason to doubt him. Tr. 588-589. Loretta Helwig testified that Respondent was "very good to work with," a "wonderful agent," "one of the top agents." Tr. 665-666.

While I believe that Respondent should have questioned a policy that in essence required him to backdate acreage reports, the fact is that I have not heard or seen any

evidence that demonstrates that he did anything but comply with what he thought complied with the policies and practices of AmAg.

The violations do not warrant suspension but do warrant a civil penalty. While the requirement that the acreage report be signed and dated by the reporting farmer by the reporting date for the crops that were planted is a clearly spelled out requirement, the net impact of the violations in this case is not significant. While it is true that the FCIC technically can deny coverage if the acreage report is not submitted by the acreage reporting date, as a practical matter they can also allow coverage even with an unsigned acreage report, Tr. 1042-1043, or they can have the fields measured to determine the coverage. CX 1, paragraph 6(f). In addition, coverage of the crops attached at the time when they were planted, so it is arguable that the crops were covered in any event.[5] While it is essential for the insurance company and the FCIC to know the amount of crops planted, so that premiums can be properly assessed, the fact is that premiums are not paid until after the crop is harvested. And even if the signature rules are properly adhered to, the insurance companies still give their agents 20 days or so to submit the signed documents to them and key the information into company computers. So it is difficult to see any actual harm that could result from the failure to sign the documents by the reporting date as long as the insurance companies have the information by the "mailing date." And since the FCIC never gets the information until nearly twelve weeks after the reporting date it is difficult to see how they are materially affected by the violations. CX 79, p. 18, Tr. 181.

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[5] The only remaining variable is for the farmer to determine what percentage of the total expected crop yield will be insured under the policy application.

The violations here are more in the nature of impacting on program integrity generically rather than having the potential of causing any specific harm to the FCIC. If the FCIC thought they were defrauded by the backdated signings, they could have taken legal action to recover the funds they fraudulently paid out, but they chose not to do so. Likewise, they could have refunded all the premiums that were paid by the 46 producers and declared their insurance invalid, but they chose not to do so. Rather, they treated these policies no differently than other crop insurance policies, where both they and the insurance company had the actual acreage numbers well in hand. Indeed, the FCIC, through the RMA, had a direct relationship with AmAg, and AmAg received the backdated reports on forms clearly indicating, to anyone who spared them more than a cursory glance, that the reports had to have been actually signed after the acreage reporting date, since the date the form was printed out was clearly indicated on the face of the form. Since all other information in the form was accurate, and since Respondent was following the procedures implemented by AmAg, I find it difficult to perceive a serious violation of the Act that would give rise to the suspension provisions.

Although the FCIC was not harmed by Respondent's backdating, and he was following AmAg's policies and procedures, that does not totally absolve Respondent's conduct, however. An experienced insurance agent, or for that matter anyone else signing a document, should be aware that when a document is required to be signed and dated, the date on the document is presumed to be when the document is actually signed. Respondent's unquestioning compliance with AmAg's questionable interpretation of the submission requirements is worthy of some sanction. Accordingly, I assess a civil fine of $2,500.

Findings of Fact

1. Respondent, Mark Andreasen, is an independent insurance agent in Soda Springs, Idaho. Approximately half his business involves writing crop insurance for between 160 to 180 clients.

2. During 2002 Respondent sold crop insurance for American Agrisurance (AmAg).

3. Participants in the Federal crop insurance program must file an acreage report by a prescribed date.

4. In each of the 46 instances cited in the complaint, the acreage report was signed by the farmer after the required date. In each instance, Respondent wrote the prescribed date next to the signature, rather than the actual date signed.

5. It was the policy of AmAg at its Council Bluffs office to accept acreage reports that were "timely dated"—that is the date indicated on the signature line was no later than the due date—even if the report was actually signed after the due date, as long as all information was correct and was received by AmAg within 20 days after the due date.

6. Respondent testified credibly and is an honest individual who attempted to provide good service to his customers. While he should have questioned AmAg's "timely dating" policy, he believed that he was acting properly when he backdated the acreage reports.

7. AmAg failed in late 2002, and was taken over by the State of Nebraska.

8. RMA made good on the insurance claims that were filed by Respondent's clients whose acreage reports were backdated.

9. Upon discovery of the improper backdating, RMA made no attempt to seek reimbursement for the claims they paid, nor did they make any attempt to refund premiums from those clients of Respondent whose acreage reports were backdated and who did not suffer crop damage in 2002.

Conclusions of Law

1. . When a signature block on a document includes a line for the date, the presumption is that the date to be entered is the date the document was actually signed.

2. The backdating of acreage reports required to be filed by participants in the federal crop insurance program is not proper.

3. Since all the information provided on the acreage reports at issue in this case was accurate (other than the actual date signed), and since AmAg and RMA received this information on a timely basis, there was no actual harm to Complainant. There was a negative impact on the program integrity of the crop insurance program, however, which constitutes a material violation of the FCIA.

4. None of Respondent's action demonstrated a willful or intentional providing of false information to the insurance carrier or to the government reinsurer.

5. A civil fine of $2,500 is an appropriate sanction in this matter.

Order

Respondent has committed violations of the Federal Crop Insurance Act and the regulations thereunder as detailed above. Respondent is assessed a civil penalty of

$2,500, which shall be paid by a certified check, cashier's check or money order made payable to the order of "Treasurer of the United States."

The provisions of this order shall become effective on the first day after this decision becomes final. Unless appealed pursuant to the Rules of Practice at 7 C.F.R. § 1.145(a), this decision becomes final without further proceedings 35 days after service as provided in the Rules of Practice, 7 C.F.R. 1.142(c)(4).

Copies of this decision shall be served upon the parties.

Done at Washington, D.C.
this 12th day of December, 2007.

MARC R. HILLSON
Chief Administrative Law Judge