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Thursday, November 10, 2016

## Norwood Man Pleads Guilty to \$120,000 Farm Fraud

SPRINGFIELD, Mo. – Tammy Dickinson, United States Attorney for the Western District of Missouri, announced today that a Norwood, Mo., man has pleaded guilty in federal court to engaging in a scheme to sell livestock and farm equipment that was held as collateral by the Farm Service Agency.

Robert Keehner, 49, of Norwood, waived his right to a grand jury and pleaded guilty before U.S. Magistrate Judge David P. Rush on Wednesday, Nov. 9, 2016, to a federal information that charges him with fraud using property mortgaged or pledged to farm credit agencies.

Keehner admitted that he engaged in a scheme from Oct. 20, 2011, to March 27, 2014, to sell mortgaged livestock, as well as dairy and farm equipment, that had been pledged to the Farm Service Agency (FSA, a farm credit agency) without notifying FSA of the sales. While selling the collateralized livestock and equipment, Keehner did not report a majority of the sales of collateralized property to the FSA. Keehner did not instruct purchasers to address proceeds checks to the FSA as well as to him, and he did not remit any of the proceeds of the sales to FSA, as was required by the terms of his loans.

Between Oct. 7, 2005, and July 18, 2007, Keehner and his wife applied for and received two operating loans from the U.S. Department of Agriculture, acting through



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the FSA, in the amounts of \$65,000 and \$120,000. The limited purpose of the loans was to buy livestock and dairy and farming equipment for the purpose of running a dairy farm.

In violation of the express terms of his loans, and with fraudulent intent, Keehner conducted livestock and equipment sales in the name of his sister, and sold farm equipment to private parties, to avoid detection while selling collateral signed over to the FSA from loans in his name. The sale of the livestock held as collateral by the FSA was conducted through Norwood Producers Auction Yards, Inc. Payments in the form of checks for the sale of the livestock and equipment were made by Norwood Producers Auction Yards, Inc., were then deposited into the joint bank accounts held by Keehner and his wife. Keehner did not instruct the purchasers to list FSA on the checks, as was required, nor were the proceeds submitted to the FSA. Instead, Keehner used the proceeds for his own personal enjoyment.

Keehner has since ceased making repayments on his FSA loans. The outstanding principal balance still owed to the USDA through the FSA is \$120,543, without interest or penalties.

Under federal statutes, Keehner is subject to a sentence of up to five years in federal prison without parole. The maximum statutory sentence is prescribed by Congress and is provided here for informational purposes, as the sentencing of the defendant will be determined by the court based on the advisory sentencing guidelines and other statutory factors. A sentencing hearings will be scheduled after the completion of presentence investigations by the United States Probation Office.

This case is being prosecuted by Assistant U.S. Attorney Patrick Carney. It was investigated by the U.S. Department of Agriculture, Office of Inspector General.

**Topic(s):**  
Financial Fraud

**Component(s):**  
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