

Vindictive Prosecution? Feds Hound Darwin Rice, Iowa Farmer

by Pete Hardin

Vindictive Prosecution

“Vindictive prosecution is a prosecution in which a person is singled out under a law or regulation because the person has exercised a Constitutionally protected right.”

Criminal Law 37.15 C.J.S. Criminal Law 68-77

Source: *Black's Law Dictionary*, Eighth Edition (1999)

JEFFERSON, Iowa – The clock is ticking towards December 4, 2008: when the Greene County (Iowa) sheriff has scheduled the foreclosure sale of Darwin and Diane Rice's 120-acre farm and home.

The shocking history of the U.S. government's legal persecution of Darwin Rice shakes the foundation of the United States' legal system. How can USDA bureaucrats, U.S. Justice Department lawyers – in league with crooked bankers – so doggedly persecute the Rices into financial ruin? The government's prosecution of Darwin Rice rests upon perjured testimony, altered documents, and falsely-based charges of criminality. From the time that Darwin and Diane Rice applied for a \$200,000 Farm Services Agency (FSA) loan and a \$182,000 loan guarantee in early summer 2000, USDA personnel set a trap.

One USDA employee instructed Darwin write a \$74,400 check from the Rice's supervised account ... to herself! When asked, in January 2008, why Darwin Rice had signed a check made out to her from a “supervised account” holding USDA funds loaned to Darwin Rice, that same FSA loan specialist replied that the money was deposited in a trust fund with a law firm to cover legal expenses (title and loan processing) involved with USDA's preparing the \$200,000 loan and \$182,000 loan guarantee for the Rices!

\$74,400 to cover the government's legal expenses on a loan/loan-guarantee that totaled \$382,000! Who ever heard of a private citizen paying such exorbitant fees in a financial transaction?

Two epic battles: Viet Nam & Uncle Sam

Darwin Rice has lived through two epic battles involving the United States.

As a young man, Darwin served in Viet Nam at the Long Binh supply base. After military service, he and bride Diane realized their dream to farm. Over the decades, during which too many neighboring farmers fell victim to financial failure, Darwin and Diane regularly turned profits farming up to 1,200 acres of deep, black soil northwest of Jefferson, in west central Iowa. Darwin's profit strategy: raise high-yielding crops and feed the crops to high-grading beef cattle and hogs.

Darwin blew whistle on \$500 million FSA/Omaha Farm Credit scandal

Along the way, in the 1980s, Darwin inadvertently sprung a “tripwire” that exploded one of the biggest scandals in USDA's history. Darwin's complaint to USDA's Office of the Inspector General, in 1989, unveiled the \$500 million dollar fraud committed by Omaha Farm Credit Service: false claims against USDA's guaranteed farm loan program. Back in the 1980s, so many claims were submitted for USDA-guaranteed, failed farm loans that USDA couldn't sort out honest claims from otherwise. Some crooked Iowa bankers (and their lawyers) made a killing off Uncle Sam and the farm financial crisis of the 1980s.

In 1987, Darwin's bank — the 1st National Bank of Glidden (Iowa) — collected payments from USDA on false claims that Darwin had totally liquidated all his farm assets and was no longer farming. When Darwin learned of that fraud, he called USDA's Office of the Inspector General. When USDA/OIG investigator Craig Hangsleben departed the Rices' farm in 1989, he carried the evidence of this scandal that turned up \$500 million dollars of fraud against USDA's loan guarantee program. Even the Farm Credit Bank of Omaha was involved in these false loan loss claims! Ultimately, the federal government forced the Omaha Farm Credit District to pay \$550 million in restitution to settle its share of the false-claims fraud. (A short while later, the Omaha FCS district received a \$600 million bailout from federal taxpayers.)

Curiously, no banks or bank personnel were ever prosecuted by the federal government for this blatant, criminal fraud. But woe be to the “whistleblower” – Darwin Rice! Funny thing ... Darwin Rice never learned, until nearly a dozen years later, that he'd blown the whistle on that \$500 million dollar Farm Credit Service scandal. Uncle Sam never even sent a “thank you” note to Darwin Rice. (Investigator Hangsleben turned Darwin's tip into a financial bonus for himself.) Not so funny: some of the same characters whose apparently criminal (if uncharged), fraudulent deeds Darwin helped exposed in the 1980s have helped sandbag him in the past decade.

United States of America vs. Darwin Rice

Darwin's second great conflict involving Uncle Sam continues only because this stubborn Iowa farmer won't wave the white flag of surrender. This battle – listed indelibly in court records as the United States of America vs. Darwin G. Rice – finds the full force of the federal government aimed at starving Darwin and Diane off their land. Uncle Sam's storm troopers – clad in fancy suits and ties and armed with bogus legal documents – have shown no respect for rule of law in the entrapment and persecution of Darwin Rice.

Now, in mid-November 2008, as the cold northwest winds sweep across the central Iowa prairies, Darwin and Diane Rice face the sheriff's sale of their last remaining major asset: 120 acres of rich farmland, their modest home and few farm buildings: December 4 ... rain or shine, or blizzard.

Darwin Rice is a convicted felon. He's been convicted of defrauding USDA's Farm Services Agency by allegedly selling off collateralized assets and

illegally converting loans from USDA for his personal use. His appeal was denied by the 8th Circuit Court in St. Louis. Darwin “served” six months under home detention, wearing what he calls a “Martha Stewart ankle bracelet.”

What happened? Darwin contends he was set up to fail by personnel at USDA's Farm Services Agency. A \$382,000 loan/loan guarantee package issued to Darwin and Diane Rice in late October 2000 turned into a nightmare that has cost the Rices many hundreds of thousands of dollars, countless hours, their health ... and probably, soon, their farm.

FSA's \$382,000 loan/loan guarantee violated many rules

By early 2000, Darwin Rice was desperate for operating capital. 1998 marked death of the 97-year old owner and president of the tiny bank where the Rices had obtained farm loans. The United Bank of Iowa took over and immediately seized the cash in Darwin's checking accounts. The United Bank of Iowa installed as head of the newly-acquired branch in Churdan: Rob Walker, one character who'd been fingered by Darwin, nearly 15 years prior, as a major player in the FSA loan guarantee fraud. Pay-back time for Darwin from Walker?. The United Bank of Iowa instructed Darwin to sell assets. So, in next two months, Darwin sold off \$300,000 worth of livestock and grain; those receipts were used to pay down loans. After that, the bank told Darwin he was too small to farm and had to get out.

Darwin then farmed for two years without any bank loans, but that situation couldn't continue.

In spring 2000, Darwin approached the FSA in Iowa about two loans: a \$200,000 loan from FSA; and a \$182,000 loan guarantee to secure additional credit through the Commerce Bank of Geneva, Minnesota. Darwin needed that amount to pay down loans at the United Bank of Iowa. (Two years later, the Rices learned that the United Bank of Iowa had not ever acquired his loan portfolio from the predecessor bank. So these loans from FSA were unnecessary!)

Initially, the Boone County FSA supervisor (Rice's home county – Greene – has no FSA office) refused to approve the loan guarantee to the Rices. But State FSA director Bob Sukup intervened and agreed to draw up a loan guarantee.

In late June and early July 2000, the Rices worked relentlessly to finalize papers for the \$200,000 FSA direct loan and the \$182,000 loan guarantee. The loan package was approved on July 12, 2000 by the Iowa state FSA office. That approval – and the belated transfer of those funds to the Rices in late October 2000 – violated many FSA rules. The loan and loan guarantee should never have been written. The funds should never have been belatedly transferred to the Rices. Here's why:

*** Darwin was under criminal investigation by USDA:** On July 12, 2000, Darwin Rice was under criminal investigation for alleged threats to a Boone County FSA employee. The offense? Darwin had wished that person a happy retirement, if he ever got there. That comment was interpreted as a personal threat and turned over to USDA investigators. FSA rules specify that when potential criminal violations may have been committed by a loan applicant, all further considerations to the loan, except “servicing” (closing) must immediately cease. Title 7 of the Code of Federal Regulations, Chapter XVIII (1/1/02), Subchapter 1962.49 (a) states:

“All cases in which court actions to effect collection ... as well as actions relating to apparent violations of Federal criminal statutes will be handled under this section.

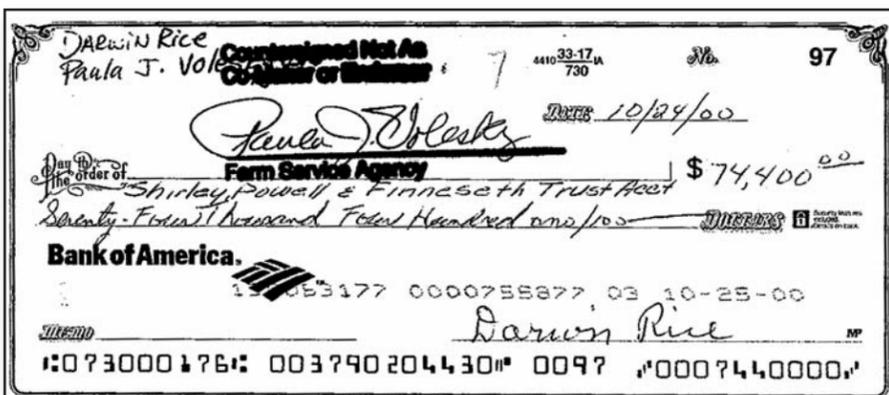
“(a) *Criminal action.* When facts or circumstances indicate that criminal violations may have been committed by an applicant, a borrower, or third party purchaser, State Director will refer the case to the appropriate Regional Inspector General for Investigations, Office of the Inspector General (OIG) USDA ... After OIG has accepted any matter for investigation, FmHA or its successor agency must coordinate with OIG in advance regarding any administrative action other than routine servicing actions on existing loans.”

Simply translated: USDA's probe into alleged criminal action by Darwin should have immediately halted further action on his loan request, except to close out (“servicing”). Instead, FSA personnel approved the \$382,000 loan package in July 2000.

* FSA altered their financial statement after Rices signed it:

As part of the loan guarantee review process, Darwin and Diane signed two “Farm & Home Plans” for FSA, dated June 30 and July 12, 2000. But post-dated, hand-entered changes in separate plan – dated July 7, 2000 – were used by FSA for the loan. The Rices claim they never saw the July 7, 2000 Farm & Home Plan. That July 7, 2000 document later surfaced, complete with hand-entered changes dated September 19, 2000 (initialed by PJV – Paula J. Volesky, the same FSA employee who got the \$74,400 check from Rice's account). Amid all these plans, FSA managed to drop the value of Darwin's assets from \$829,309 to \$735,369 in one week: a decline of \$94,000. Darwin's machinery must have rusted.

*** “Supervised Account” violated Bank of America's policies:** FSA rules specify that if a loan is in excess of \$100,000, the bank must secure USDA for any excess amount above \$100,000 in a supervised bank account. This rule was in place because accounts over \$100,000 are not protected by the Federal Deposit Insurance Corporation, in the event of a bank's failure. Those requirements are detailed under Part 1902 (“Supervised Bank accounts”) of title 7, chapter XVIII, Section 1902.6 of USDA rules, which states: “(d) For each borrower, if the amounts of any loan or grant funds, plus any borrower contributions and funds from other sources to be deposited in the supervised account will exceed \$100,000, the financial institution will be required to pledge collateral for the excess over \$100,000, before the deposit is made.”



This check was signed by Darwin Rice. FSA farm loan specialist Paula J. Volesky then made it out to herself, with the check going into a trust account at a legal firm. Years later, she told questioners that the \$74,400 was covered loan closing costs and fees on the \$382,000 loan/loan guarantee package her employer illegally provided to Darwin and Diane Rice. \$74,000 in closing costs and legal fees? Where did that money go?

FSA personnel informed the Rices at the loan's closing, a mandatory, "supervised account" had been established with the Bank of America's office at Fort Dodge, Iowa. But such an account was never established (in violation FSA rules). Documents from Darwin Rice's October 2004 trial in federal court in Des Moines, Iowa show that Bank of America policies specifically forbid supervised accounts.

Paula J. Volesky, the FSA farm loan specialist who managed the non-existent, supervised account, instructed Darwin to sign a check for \$74,400 from that account, after which she affixed her own name as recipient.

* **FSA loan check to Rices written July 14, 2000.** Despite the fact that Darwin was the subject of an active criminal investigation at the time, on July 14, 2000, the U.S. Treasury wrote a check for \$200,000 to Darwin G. and Diane C. Rice. On July 17, 2000, Robert Anderson – the Boone County FSA branch manager who'd allegedly been threatened by Darwin – wrote to Paula Volesky at the FSA state office on July 17, 2000, stating (in part): "Today we got the check for \$200,000 for the new loan. I have enclosed it. Sharon didn't know that she wasn't supposed to order it at the time of the obligation request."

Iowa FSA employees sat on that check for \$200,000 for more than three months, before transferring the proceeds to the Rices' non-existent, "supervised account."

* **USDA violated its own administrative rules by issuing the check to Darwin and Diane Rice on October 23, 2000.** Title 7, CFR, Chapter XVIII (1.1.02), Subchapter 1941.35 specifies that, "loan funds must be provided to applicants within 15 days after the loan approval, unless the applicant(s) agree to a longer period."

The loan check was finally issued three months and one week beyond its July 14, 2000 date on the check written to Darwin and Diane Rice. FSA officials should have returned that check to the U.S. Treasury, not forwarded it to the Rices.

SUMMARY: FSA should never have granted the Rices the loan, since Darwin was the subject of an active criminal investigation in July 2000. FSA failed to set up a mandatory "supervised account." Why did FSA farm loan supervisor Paula J. Volesky get a check from that account for \$74,400? Finally, FSA violated its own rules by delaying transfer of that check to the Rices nearly three months after the check had been issued by the Treasury Department.

Late October 2000: Darwin sells beans; gets FSA loan

Fall 2000 saw an early grain harvest in central Iowa. In mid-October, Darwin sold his newly-harvested soybeans. He needed cash to pay local farm suppliers who'd extended him credit during the planting and growing seasons. Darwin didn't know that on October 23, 2000, he'd obtain the \$200,000 FSA loan.

With FSA loan proceeds, creditors (and Paula Volesky) paid

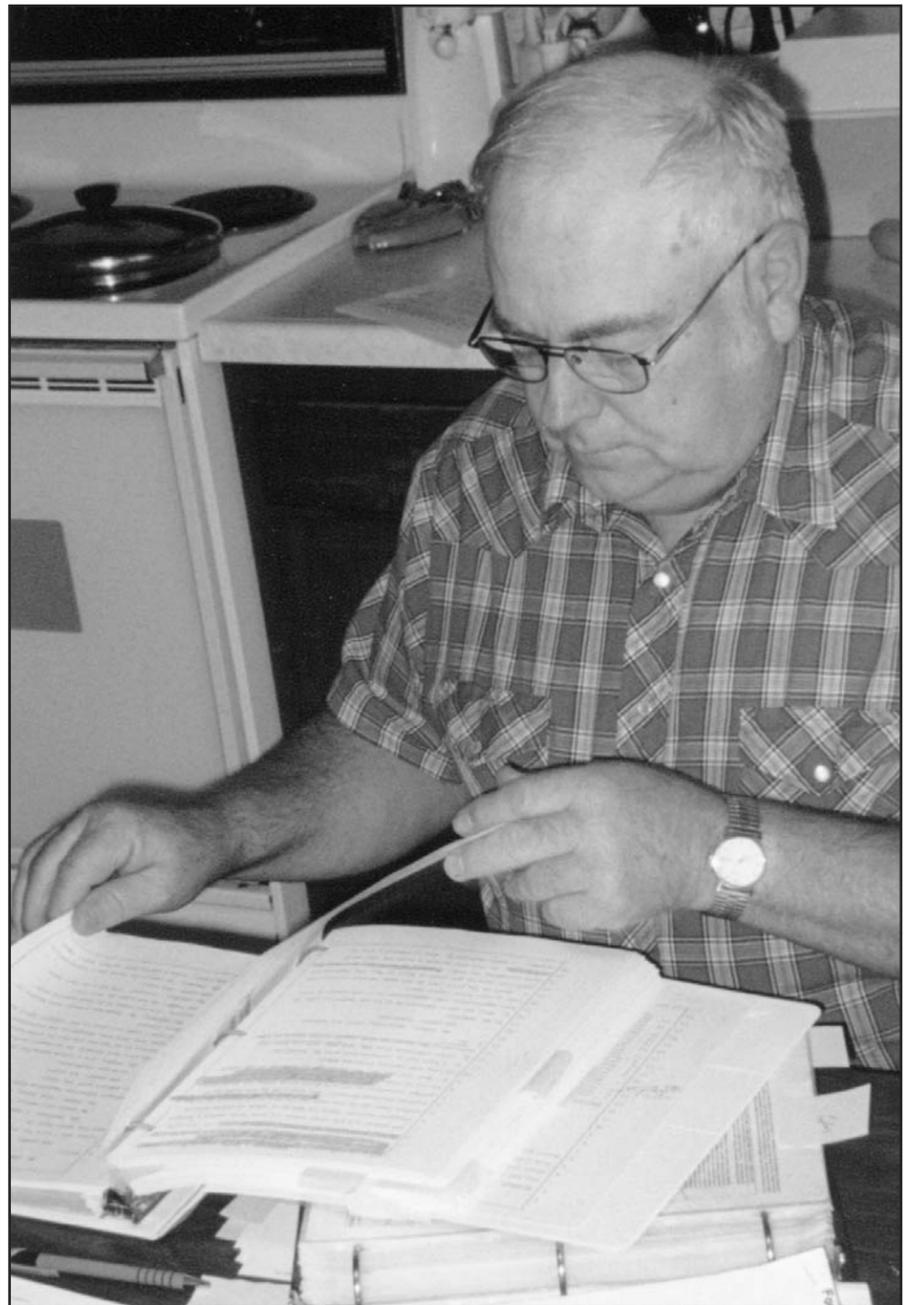
On October 23, 2000, Darwin drove to a law office in Perry, Iowa to close the loan. He deposited that FSA check for \$200,000 on the following day at the Bank of America office in Fort Dodge. And on October 25, Darwin traveled to Guthrie Center, Iowa, so that FSA farm loan specialist Paula Volesky could co-sign checks to pay off Rices' creditors. Darwin sent a check to Case IH totaling \$5,365.72. John Deere Credit received \$66,094.87. And Farmers Cooperative ("FC") got a check for \$26,585.50.

October 2000 – June 2001: FSA denied access to remaining funds

During the next eight months, FSA employees denied Darwin and Diane access to the remaining loan funds, even though the Rices were paying interest on the borrowings. On April 16, 2001, Paula Volesky wrote Darwin Rice a letter, setting up his year-end review and upcoming year's business plan for the Rice's farming operation. Volesky's letter also noted: "Also it was noted that your loan payment was due on April 1, 2001, and has not been received." FSA personnel were setting a trap for Darwin. No payments were due on that loan until November 2001.

On May 18, 2001, Darwin met at the FSA state office in Des Moines with Chris Beyerhelm to get the remaining loan funds. Beyerhelm told Darwin he could only use that money to repay the loan.

On June 26, 2001, Darwin Rice closed the "supervised account" (which wasn't really a supervised account, due to FSA's failure) at the Bank of America and transferred the remaining \$27,583.91 to his checking account. Darwin simply couldn't understand why FSA would deny him access to the borrowed money, on which he was paying interest, if the only way he could use the money was to pay down the debt incurred by borrowing that money. Darwin sprung the trap.



Darwin Rice pours over one of the many bound volumes of original documents from his long-running legal battle with USDA. Darwin and wife Diane have carefully saved all documents in this case and have had to learn a lot about the legal system along the way.

November 2001: Investigation starts, FSA says Darwin delinquent

On November 8, 2001, USDA personnel commanded Lou Ann Carlson – vice president of the Home State Bank (Jefferson, Iowa) – to appear before OIG investigator Craig Hangsleben on December 4, 2001. Carlson's subpoena referred to OIG's investigation of Darwin and Diane Rice's financial account records. USDA stated it was probing alleged "Misuse of Loan Funds and Alleged Disposition of Collateral Mortgaged to the Farm Service Agency, United States Department of Agriculture."

What "Misuse of Loan Funds" had Darwin committed? He'd closed out the "supervised" checking account and put the remaining amount, \$27,583.91 into an interest-bearing checking account?

And that alleged "Disposition of Collateral Mortgaged" to USDA? USDA later charged Darwin with selling his 2000 soybean crop, even though the beans were sold before he received the \$380,000 loan/loan guarantee. Form 1940-1, the loan agreement filled out by the Rices, makes no mention of any crops as collateral. A hand-written entry in that form (not done by the Rices) states:

"Security for the loan will be a first lien on machinery & equipment & breeding livestock in addition to a second lien on all real estate."

January 21, 2002 — OIG Inspector's sworn deposition had many factual errors:

On January 24, 2002, investigator Hangsleben issued a sworn statement to the U.S. District Court for the Southern District of Iowa (Central Division). This factually-flawed document demonstrates where the federal government's alleged "prosecution" of Darwin Rice went off track to become outright *persecution*. Hangsleben's sworn statement – which ultimately led to Darwin's indictment in 2004 – erroneously claimed, in part:

"9. Movants (Darwin and Diane Rice) received a \$200,000 loan to refinance debt and signed a Real Estate Mortgage and Promissory Note on September 30, 1999. Movants also signed a Security Agreement pledging chattel, crops and real estate as collateral to secure the loan."

(Fact check: This portion of Hangsleben's sworn statement includes two serious factual errors. First, the Rices did not receive their loan from FSA until late October 2000. Second, loan documents mentioned nothing about crops as collateral.)

Hangsleben also swore, under oath: "12. On October 24, 2001, the \$200,000 in USDA loan money was deposited in the Movants Supervised Bank Account ..."

(Fact check: The USDA loan to the Rices was finalized in October 2000, not October 2001, as Hangsleben inaccurately stated. Further, the bank account was not a supervised bank account.)

Hangsleben's sworn testimony of January 24, 2002 further violated facts in the case: "14. Movants have failed to make the first two installment payments towards the repayment of Promissory Note."

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Vindictive Prosecution? Feds Hound Darwin Rice, Iowa Farmer, con't

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(Fact check: The \$200,000 loan to the Rices was a 15-year installment loan with annual installments starting on November 1, 2001. The second annual installment would have been due on November 1, 2002 – almost 10 months *after* Hangsleben swore under oath in federal court that the Rices had defaulted on their first two annual payments!)

Hangsleben's January 24, 2002 sworn statement in federal court concluded with the notation: "I declare under penalty of perjury that the foregoing is true and correct." B.S. Hangsleben's numerous factual errors, in a deposition sworn under oath, look like perjured basis for the federal government's prosecution of Darwin Rice. (Darwin Rice was not indicted by the U.S. Department of Justice until May 28, 2004.)

Oct. 2002 mediation agreement with FSA meant nothing to gov't

In October 2002, the Rices worked out a mediation agreement with FSA. That document specified that FSA accept payments, contingent upon approval of the U.S. Attorneys. Rice was asked to post-date his check, in the event the U.S. Attorneys did not approve the mediation deal. (Darwin made two payments totaling over \$34,000, and USDA/FSA Commerce Bank deposited both checks.) The fact that those checks cleared indicated, at least to the Rices, that the U.S. Attorneys and Commerce Bank had approved the mediation deal.

That agreement also held that USDA/FSA would release securities of the Rices that the government was wrongfully holding. FSA had tied up all of Darwin's working capital and assets from grain and livestock sales.

In early January 2004, Darwin and Diane drove to Washington, D.C., where they met with USDA personnel and a staff member of the Senate Finance Committee [headed by Iowan Charles Grassley (R)]. They were assured by high-level official at USDA's Civil Rights Division that the government had no choice but to fix the loan and compensate the Rices for their losses and damages. As they pointed their car west on January 8, 2004, leaving the nation's capital, Darwin and Diane wrongly imagined they could see an end to their financial nightmare with USDA's farm lending agency. Boy, were they wrong!

Indictment ... trial ... conviction

On May 28, 2004, the U.S. Department of Justice indicted Darwin Rice on charges of: Conversion (18, U.S.C. 658) and False Statements (18 U.S.C. 1001)

For some strange reason, Darwin was indicted, but not Diane (whose name also appeared on all loan documents). A rapid-fire federal trail was set for July 3, 2004. The feds were giving Darwin only *five weeks* to find a lawyer and prepare his defense! At this point, Darwin was financially strapped. He'd operated his farm for six years without commercial credit and had the government tie up his grain sales income for several years. He couldn't find a private counsel. When the indictment was filed, the U.S. Department of Justice immediately assigned public defender B. John Burns to Darwin's case. With friends like Burns, Darwin didn't need an enema. Burns immediately petitioned to have the court to confine Darwin Rice to a mental institution for *90 days* for a psychiatric evaluation! Darwin dumped that public defender and, representing himself. He appeared before Judge Celeste F. Bremer, pleaded not to be dumped into a mental institution. (Obviously, a sane person would not want to be confined to a mental institution for three months.)

Darwin was able to gain an out-patient mental evaluation. But he never saw the results, since the federal government paid for it. His trial was rescheduled for October 4, 2004 in Des Moines.

Only thing more expensive than a good lawyer is a bad lawyer!

Darwin's trial was a bad farce. Darwin knows how to pick out good beef cattle, but his choice of a lawyer – Curt Daniels – flat out stunk. The trial was Daniels' first appearance in federal court.

Darwin was off to a bad start when he entered the courtroom at roughly 9:15 a.m. (His attorney had told him to be there at 9:30. Proceedings had actually started at 8:00 a.m. in the judge's chambers.) Judge Robert Pratt greeted Darwin derisively, when Darwin walked into the courtroom during the proceedings. Pratt wanted to know why the defendant had arrived late for his own trial!

Among other goofs by Darwin's attorney Daniels: failing to subpoena a key witness, failing to file certain documents with the court, and failing to raise any objections during the entire proceedings. Attorney Daniels even called Darwin by the wrong name ("Dennis") *TWICE* during the courtroom proceedings.

One key absurdity during the trial concerned the charge that Darwin had sold collateralized goods – the 2000 soybeans. Chris Beyerhelm – at the time FSA's Chief Farm Loan Specialist for Iowa – testified that Darwin had falsely stated that there was no change in his farming operation, because FSA "*had the expectation*" that it would use the 2000 crop as collateral for the loan. Since when is it illegal to sell personal goods that are not listed as collateral on loan agreements, or before the loan is closed?

The jury needed only an hour and a quarter (including lunch) to conclude their verdict: guilty. Was the jury "stacked" against Darwin? One juror was a FSA borrower. That individual's sister worked for Chris Beyerhelm as a staff person in a county office.

At Darwin's sentencing hearing, on August 19, 2005, Judge Pratt ordered Darwin to six months' probation, at home. No prison time. No fines. No court costs. Judge Pratt showed sympathy, when he openly questioned the competence of Darwin's attorney (Curt Daniels). Judge Pratt later changed the sentence to a "curfew" – meaning that Darwin had to be home by 9:00 p.m. and could not use a telephone answering device. Pratt ordered restitution of the amount of the remaining loan funds, and the value of the soybeans that were sold

in mid-October 2000 prior to the loan closing. Neither those soybeans, nor any other grain, were listed as security for the FSA loan to the Rices.

December 4 foreclosure looms; no help to enforce Iowa laws

Since early 2000, Darwin and Diane Rice have struggled with USDA bureaucrats, bankers, lawyers and judges. And all those struggles may come to no good end. Reading the foreclosure notice of their property in the local paper in early November was a hard kick in the guts. Facing foreclosure, Darwin ponders the absurdity of his current situation. Darwin cannot afford a lawyer, so he's representing himself (with a little help from caring friends).

* He's come up empty with appeals to state courts to block Commerce Bank's foreclosure action on the basis that Commerce Bank is not licensed to conduct business in the state of Iowa. Iowa laws clearly specify that in order to have standing in Iowa courts, a firm must be chartered in the state. Commerce Bank was not chartered to do business in Iowa at the time Darwin Rice's loan guarantee to that bank was approved by FSA. But a judgment of foreclosure was granted by the Greene County District Court for Commerce Bank to sell off the Rice's farm.

Commerce Bank is based in Geneva, Minnesota. According to the Iowa Secretary of State's office, Commerce Bank is not chartered to do business in Iowa. Commerce Bank is thus considered a "foreign business" in Iowa.

Iowa Statute 490.1501 (Authority to transact business required) specifies: "A foreign corporation shall not transact business in this state until it obtains a certificate of authority from the secretary of state."

Iowa Statute 490.1502 ("Consequences of transaction business without authority") specifies:

"1. A foreign corporation transacting business in this state without a certificate of authority shall not maintain a proceeding in any court in this state until it obtains a certificate of authority."

Thus, a "foreign" (i.e., Minnesota-based) corporation – without authority to transact business or appear in court, under Iowa laws – is set to foreclose on Darwin and Diane Rice's 120 farm and home on December 4. And Darwin cannot find a judge in Iowa to help him forestall the pending financial doom.

* Iowa law requires mandatory mediation, before a farm foreclosure is approved. No mediation has ever been offered to the Rices by Commerce Bank. Iowa Statute 654A.6 "Farm Mediation—Farmer-Creditor Disputes, Mandatory Mediation Proceedings) specifies in Part 1 a that, in the instance of a farm foreclosure action, mandatory mediation must be held between the parties. Part 1, paragraph of that same Iowa statute details that mediation is a "jurisdictional prerequisite" to a creditor filing a civil action" leading to foreclosure proceedings.

Without any attempt at mandatory mediation, a "mediation release" – required by Iowa Statute 654A.11 before foreclosure may take place – has never been obtained by Commerce Bank.

SUMMARY: A "foreign corporation" that possesses no "certificate of authority" and is thus unable to "maintain a proceeding in any court in this state ..." is about to auction off Darwin and Diane Rice's farm, at a Sheriff's sale on December 4.

Vindictive prosecution: throw the book at the "whistle-blower"

Darwin sees a clear-cut conspiracy to eviscerate his family's finances by federal employees making false depositions, filing baseless criminal charges, starving the Rices' cash flow, and now going after their land. He contemplates how, in the 1980s, Darwin "blew the whistle" that caused USDA's investigation that found the Omaha Farm Credit System and local banks had fabricated claims for failed farm loans – totaling \$500 million dollars – that not a single crooked banker went to jail. Surely, they filed false documents with USDA. Not a single banker was even charged with a crime in that scandal! But now the "whistle-blower" is being stripped of his family's assets.

These days, when it comes to farm financial fraud and USDA, whether or not a man gets convicted, depends on the color of his shirt collar. Blue collar: gets convicted. White collar: goes Scot-free.

Coincidence ... or conspiracy?

Coincidence ... that criminal charges against Darwin Rice were based upon sworn statements by a USDA investigator that contained many false and erroneous statements?

Coincidence ... that Darwin Rice's trial featured a jury member who was both a FSA borrower and whose sister worked under key prosecution witness – FSA Senior Loan Specialist Chris Beyerhelm?

Coincidence ... that federal prosecutors submitted altered documents in the proceedings? Submitting falsified documents is a serious federal felony all by itself!

Coincidence ... or harassment of Darwin Rice, that in 2006, the U.S. Department of Justice filed criminal charges against Darwin Rice, claiming he had falsely stated that he had never forfeited or received a forgiveness of USDA loans. That fraudulent claim by his bank – part of the far bigger conspiracy of some half-billion worth of fraud against the USDA guaranteed farm loan program – was unwittingly uncovered by Darwin Rice! (These indictments were dissolved by the courts, because Darwin was never served with the papers.)

Vindictive prosecution? Remember Darwin and Diane Rice in your thoughts and prayers. They'll need strength, especially on December 4, 2008.

Darwin and Diane Rice
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