

**FILED**

JAN 23 2020

**UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF KENTUCKY  
CENTRAL DIVISION  
LEXINGTON**

AT LEXINGTON  
ROBERT R. CARR  
CLERK U.S. DISTRICT COURT

**CRIMINAL ACTION NO. 5:20-CR-19-KKC**

**UNITED STATES OF AMERICA**

**PLAINTIFF**

**V.**

**PLEA AGREEMENT**

**TIMOTHY DOUGLAS SNEDEGAR**

**DEFENDANT**

\* \* \* \* \*

1. Pursuant to Federal Rule of Criminal Procedure 11(c), the Defendant will enter a guilty plea to Count 1 of the Information, charging a violation of 18 U.S.C. § 1349, Conspiracy to Commit Wire Fraud.

2. The essential elements of Count 1 are:

(a) That two or more persons agreed to try to accomplish a common and unlawful plan to commit a wire fraud,

(b) That the defendant was a party or member to that agreement, and

(c) That the defendant willfully joined the agreement knowing of its unlawful objective.

3. As to Count 1, the United States could prove the following facts that establish the essential elements of the offense beyond a reasonable doubt, and the Defendant admits these facts:

(a) The Defendant, Timothy Douglas Snedegar, was an independent crop insurance adjuster in the Eastern District of Kentucky, contracted to work for

multiple crop insurance companies from 2002 to 2015. He worked as a crop insurance adjuster for ARMTech Insurance Services from 2005 to 2015.

(b) As a crop insurance adjuster, the Defendant adjusted or examined claims of loss on federally-based crop insurance policies and private crop insurance policies (“Crop-Hail” insurance).

(c) For Crop-Hail adjustments, the Defendant purported to follow proper adjustment procedures, by verifying loss through properly filling out Tobacco Test Sheets and submitting photographic evidence of the damage. Instead, working with M.M. and B.M., and in exchange for a kickback from M.M. and B.M., the Defendant helped the producers to submit false claims of loss by falsifying the Tobacco Test Sheets and sending photographs of damaged tobacco leaves from other farms. The Defendant submitted these documents to his insurance company through interstate email or fax, as ARMTech is located outside the state of Kentucky.

(d) For example, the Defendant adjusted the private policy for K.F. for Crop-Year 2015. The Defendant submitted to ARMTech nearly identical Tobacco Test Sheets for K.F. and P.H., despite having entirely different locations, acreages, and date of loss, on their claims of loss on their Crop-Hail policies. In Crop-Year 2015, the Defendant submitted nearly identical Tobacco Test Sheets for K.F. as another adjuster, K.N., did for numerous other farmers, including E.L.P, R.C.P., J.W., and B&S Land and Cattle Company. Snedegar admits that he worked with other adjusters in the area to share test sheets and pictures that were later falsely submitted to ARMTech via interstate wire communications in furtherance of the scheme to commit crop insurance fraud.

(e) Between Crop Years 2012 and 2015, the Defendant adjusted Crop-Hail policies for dozens of producers, the claims for which he knew to be false. As a result of his conduct, private insurance companies paid out \$2,294,693.

4. The statutory punishment for Count 1 is imprisonment for not more than 20 years, a fine of not more than \$250,000 or twice the gross gain or loss, and a term of supervised release of not more than 3 years. A mandatory special assessment of \$100 applies, and the Defendant will pay this assessment to the U.S. District Court Clerk at the time of the entry of the plea.

5. Pursuant to Rule 11(c)(1)(B), the United States and the Defendant recommend the following sentencing guidelines calculations, and they may object to or argue in favor of other calculations. This recommendation does not bind the Court.

(a) United States Sentencing Guidelines (U.S.S.G.), November 1, 2018, manual, will determine the Defendant's guidelines range.

(b) Pursuant to U.S.S.G. § 1B1.3, the Defendant's relevant conduct includes all private Crop-Hail claims of loss that were falsified through the assistance of the Defendant.

(c) Pursuant to U.S.S.G. § 2B1.1(a)(2), the base offense level is 7.

(d) Pursuant to U.S.S.G. § 2B1.1(b)(1)(J), increase the offense level by 16 levels for the loss amount exceeding \$1,500,000 but less than \$3,500,000.

(e) Pursuant to U.S.S.G. § 3E1.1 and unless the Defendant commits another crime, obstructs justice, or violates a court order, decrease the offense level by 2 levels for the Defendant's acceptance of responsibility. If the offense level determined prior to this 2-level decrease is level 16 or greater, the United States will move at sentencing to decrease the offense level by 1 additional level based on the Defendant's timely notice of intent to plead guilty.

(f) Pursuant to U.S.S.G. § 5E1.1, restitution is \$2,294,693, and the victim is ARMTEch Insurance Services.

6. The Defendant and the United States agree to disagree about the application of U.S.S.G. § 2B1.1(b)(10)(C), which would increase the offense level by 2 levels if the offense involves sophisticated means, and U.S.S.G. §3B1.3, which would increase the offense by 2 levels if the offense involves the abuse of a position of public or private trust, or the use of a special skill, in a manner that significantly facilitated the commission or

concealment of the offense. Both parties retain the right to introduce evidence or argue as to whether these enhancements should apply.

7. No agreement exists about the Defendant's criminal history category pursuant to U.S.S.G. Chapter 4.

8. The Defendant will not file a motion for a decrease in the offense level based on a mitigating role pursuant to U.S.S.G. § 3B1.2 or a departure motion pursuant to U.S.S.G. Chapter 5, Parts H or K.

9. The Defendant waives the right to appeal the guilty plea, conviction, and any sentence below the guidelines range, as determined by the Court at the time of sentencing. The Defendant retains the right to appeal the sentence if it is within or above the guidelines range, as determined by the Court at the time of sentencing. Except for claims of ineffective assistance of counsel, the Defendant also waives the right to attack collaterally the guilty plea, conviction, and sentence.

10. The United States will recommend releasing the Defendant on the current conditions for future court appearances if the Defendant does not violate the terms of the order setting conditions of release.

11. The Defendant agrees to cooperate fully with the United States Attorney's Office by making a full and complete financial disclosure. The Defendant agrees to complete and sign a financial disclosure statement or affidavit disclosing all assets in which the Defendant has any interest or over which the Defendant exercises control, directly or indirectly, including those held by a spouse, nominee, or other third party, and disclosing

any transfer of assets that has taken place within three years preceding the entry of this plea agreement. The Defendant will submit to an examination, which may be taken under oath and may include a polygraph examination. The Defendant will not encumber, transfer, or dispose of any monies, property, or assets under the Defendant's custody or control without written approval from the United States Attorney's Office. If the Defendant is ever incarcerated in connection with this case, the Defendant will participate in the Bureau of Prisons Inmate Financial Responsibility Program, regardless of whether the Court specifically directs participation or imposes a schedule of payments. If the Defendant fails to comply with any of the provisions of this paragraph, the United States, in its discretion, may refrain from moving the Court pursuant to U.S.S.G. § 3E1.1(b) to reduce the offense level by one additional level, and may argue that the Defendant should not receive a two-level reduction for acceptance of responsibility under U.S.S.G. § 3E1.1(a).

12. The Defendant understands and agrees that, pursuant to 18 U.S.C. § 3613, whatever monetary penalties are imposed by the Court will be due and payable immediately and subject to immediate enforcement by the United States. If the Court imposes a schedule of payments, the Defendant agrees that it is merely a minimum schedule of payments and not the only method, nor a limitation on the methods, available to the United States to enforce the judgment. The Defendant waives any requirement for demand of payment on any fine, restitution, or assessment imposed by the Court and agrees that any unpaid obligations will be submitted to the United States Treasury for offset. The Defendant authorizes the United States to obtain the Defendant's credit reports at any time.

The Defendant authorizes the U.S. District Court to release funds posted as security for the Defendant's appearance bond in this case, if any, to be applied to satisfy the Defendant's financial obligations contained in the judgment of the Court.

13. If the Defendant violates any part of this Agreement, the United States may void this Agreement and seek an indictment for any violations of federal laws, and the Defendant waives any right to challenge the initiation of additional federal charges.

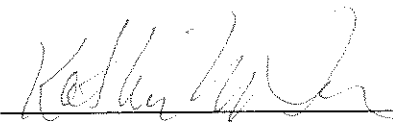
14. This document and the sealed supplement contain the complete and only Plea Agreement between the United States Attorney for the Eastern District of Kentucky and the Defendant. The United States has not made any other promises to the Defendant.

15. This Agreement does not bind the United States Attorney's Offices in other districts, or any other federal, state, or local prosecuting authorities.

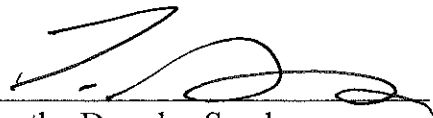
16. The Defendant and the Defendant's attorney acknowledge that the Defendant understands this Agreement, that the Defendant's attorney has fully explained this Agreement to the Defendant, and that the Defendant's entry into this Agreement is voluntary.

ROBERT M. DUNCAN, JR.  
UNITED STATES ATTORNEY

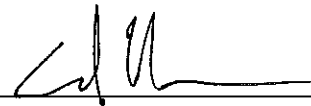
Date: 1/23/2020

By:   
Kathryn M. Anderson  
Assistant United States Attorney

Date: 1/23/20

  
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Timothy Douglas Snedegar  
Defendant

Date: 1/23/20

  
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Edward Thompson  
Attorney for Defendant