

UNITED STATES DISTRICT COURT
DISTRICT OF SOUTH DAKOTA
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

CR 20-40025

Plaintiff,

AMENDED FACTUAL BASIS
STATEMENT

vs.

KENT DUANE ANDERSON,

Defendant.

Defendant states that the following facts are true, and the parties agree that they establish a factual basis for the offenses to which Defendant is pleading guilty pursuant to Fed. R. Crim. P. 11(b)(3):

My name is Kent Duane Anderson and I am a resident of Bradenton, Florida.

As an element of the charge, I admit that I voluntarily and intentionally devised a scheme to defraud others out of money by means of material false representations. From on or about October 1, 2012, and March 14, 2018, I owned and operated a business enterprise that exploited the organic grain market. I purchased thousands of tons of small grain and seed products from non-organic suppliers and then re-sold those products to wholesale distributors, brokers, and other buyers at marked-up prices, falsely representing the products were organic. Those buyers, who believed the grain I sold them to be organic, were defrauded.

I carried out my fraud through a group of inter-related business entities I

formed in South Dakota, which I directed and controlled, as well as jointly owned with my wife. These business entities included the Bar Two Bar Ranch LLC, formed in February 2005; Green Leaf Resources Inc., formed in September 2008; and four other business entities formed in November 2008 -- Green Leaf Industries LLC, Green Leaf Commodities LLC, Green Leaf Trading LLC, and Green Leaf Oils LLC.

As another element of the charge, my actions were with the intent to defraud. After I formed my Green Leaf business entities, I employed others and used them to apply for and obtain from the United States Department of Agriculture certifications as authorized "Handlers" (broker/traders) of various organic agricultural grain and seed products. They obtained these certifications by submitting paperwork and meeting with inspectors in which they, along with me, asserted that the products they handled, brokered, and traded were obtained from organic suppliers. I used these certifications to falsely market and sell my products as being legitimate organic products.

As another element of the charge, I caused interstate wire communications, such as emails and the wire transfer of funds, in furtherance of the fraud. During the time I operated the Green Leaf business entities, in the District of South Dakota and elsewhere, the sale of agricultural products that were misrepresented as organic products caused the transmission of interstate wire communications in furtherance of the fraudulent scheme. The sales of the misrepresented products occurred through emails, phone calls, and electronically transmitted invoices. The sales transactions often originated in

Florida, where my business entities operated, with buyers located and in other states, including, Minnesota and Illinois, and thus, caused electronic wire communications between those states. Other interstate electronic wire transmissions occurred when my business entities made payments via electronic transfer of funds. Some of those transactions involved the electronic transfer of funds from the defendant's Bar Two Bar Ranch, LLC, account with Dacotah Bank in South Dakota, to the suppliers of agricultural products with bank accounts in other states, including Minnesota and Illinois.

As the last element of the offense, I admit that I conspired and agreed with others to commit wire fraud. Others working for the Green Leaf business entities knew of and participated in the fraudulent scheme. All of this occurred in violation of 18 U.S.C. § 1349, as alleged in Count 1 of the Indictment.

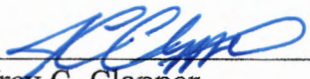
As to Count 26, I knowingly engaged and attempted to engage in monetary transactions affecting interstate and foreign commerce, in criminally derived of a value greater than \$10,000, derived from the scheme to defraud and conspiracy described in Count 1 of this Indictment. I knew that the monetary transactions involved proceeds of a criminal offense.

Specifically, on November 2, 2012, I made a wire transfer in the amount of \$131,000 from my account at Dacotah Bank in South Dakota to the account of Anchor Builders of Southwest Florida, Inc. at the Northern Trust Company bank in Florida, as partial payment for construction of a house in Florida. The funds in this transfer were obtained from the fraud scheme described above as part of Count 1 of the Indictment. All of this occurred in violation of 18 U.S.C.

§ 1957, as alleged in Count 26 of the Indictment.

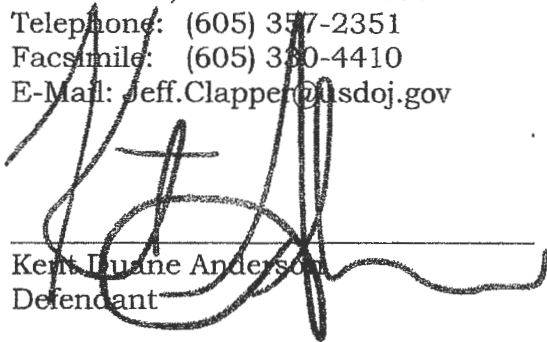
RONALD A. PARSONS, JR.
United States Attorney

November 5, 2020
Date



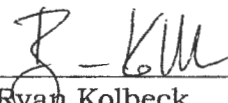
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Date



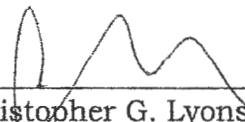
Kent Duane Anderson
Defendant

11/4/2020
Date



Ryan Kolbeck
Attorney for Defendant

11/4/20
Date



Christopher G. Lyons
Attorney for Defendant