

Statement of Randy D. Sowers U.S. House Committee on Oversight
February 5, 2015

My name is Randy D. Sowers. I live at 8305 Bolivar Road Middletown, Maryland 21769. I am married to Karen B. Sowers. We have been married since 1974. Along with my children, we are farm family living in Frederick County, Maryland. I began renting our dairy farm in 1981, and took a loan to buy the farm in 1987. Due to the economics of farming, we have been on the verge of losing our farm numerous times over the past 30+ years. While a lot has changed for us over the years, one thing has not changed: We get up every day at 2:00 am to milk cows and do everything else to keep the farm running.

On our farm, we produce milk, cheese, eggs, and meats and produce everything we need to care for our animals on our farm. We sell our farm products to farm co-ops and directly to consumers. For consumers we home deliver products and we also sell directly to consumers at farmer's markets.

Most weekends, my wife and I get up early and drive our truck to farmer's markets. We sell whatever we can at these markets. Most of the sales are in cash.

Since the farmer's markets are usually on the weekends, we can't deposit the cash we receive until Monday when the banks open. We make the deposits in our farm account and spend the money on farm expenses.

In May 2011, my wife brought a cash deposit to our bank and was told by the teller that if the deposit was less than \$10,000, the bank would not have to fill out an IRS reporting form. So, for those Farmer's markets in which we collected more than \$10,000, my wife would keep some cash on hand for farm expenses, and deposit the balance. That's why we had several deposits less than \$10,000 beginning in May 2011. I want to make clear that my wife did not do this for any reason except that she believed it was saving paperwork for the bank, and not because she thought she was avoiding any law.

On February 29, 2012, 2 Federal Agents from the Department of Treasury Financial Crimes Unit arrived at my farm. They started asking me questions about our bank account. Then they gave me a subpoena for our bank records. Only then was I informed that all of the funds in our account, over \$62,000 had been seized by the government.

This was the biggest shock of my life. The government had filed criminal charges against my wife and I. Not only that, we needed those funds to run our farm!

I want to be clear that at no time did we believe we did anything wrong.

After the initial shock, we had our attorney contact the US Attorney prosecuting the case. According to our attorney, the US Attorney stated that while he didn't think we were involved in any criminal activity, he would still need to continue the investigation. He also stated that he would be willing to settle the case for much less than the amount seized as long as he didn't uncover any crimes.

Not long after that, I received a call from a reporter from The City Paper in Baltimore. He had heard about the charges and he wanted to do a story. At first, I didn't want to speak with him, but he said he was going to do the story whether I spoke to him or not. So, I told him everything I have just told you.

Once the story ran in the newspaper, the US Attorney's attitude changed about settlement. He told my attorney that he wasn't willing to be as accommodating now that I had spoken to the press.

Eventually, my wife and I decided to settle the case. The government kept \$29,500 of our money.

What I want to say about all this is:

It is not right that the government can take all of your money on the basis that they think you have done something wrong.

Also, when the government shows up at your door with armed agents and hands you a subpoena, your whole life is turned upside down.

This case has caused so much stress on me and my family.