

PRESS RELEASE

Former Farm Foreman Sentenced to Federal Prison for Extorting H-2A Agricultural Workers and Tax Fraud

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For Immediate Release

U.S. Attorney's Office, District of Idaho

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BOISE – Ernesto Garza, 62, of Alamo, Texas, was sentenced to 27 months in federal prison for extorting H-2A agricultural workers and filing a false tax return, U.S. Attorney Josh Hurwit announced today. U.S. District Judge Amanda K. Brailsford also sentenced Garza to three years supervised release and ordered Garza to pay \$621,724 in restitution to his many victims.

According to court records, Garza worked as a supervisor and foreman of farm workers at F.D.C., an agricultural services company that operates farms throughout Idaho, including in Glens Ferry. F.D.C. employs H-2A agricultural workers each year from approximately March to November. While Garza served as supervisor and foreman for the farm, he prepared and submitted payroll timesheets for the H-2A workers, but regularly falsified those timesheets by adding extra hours and then asked the vulnerable workers to return cash to him for the extra hours.

Between at least 2014 and 2019, Garza also charged certain H-2A agricultural workers an unauthorized flat fee to work at F.D.C. under the H-2A program, with the fee ranging from approximately \$750 to \$2,500. Garza charged the fees without F.D.C.'s knowledge or approval, and the H-2A agricultural workers paid the fees to Garza each year because they feared that they would be fired or not allowed to return to F.D.C. under the H-2A program in future years if they did not pay. Garza was not permitted to request or collect such fees under H-2A agricultural worker rules and regulations.

Between 2013 and 2019, Garza also deposited approximately \$493,153 in unreported income into his personal bank accounts, in part, from the extortion described above as well as a separate scheme to defraud the farm. Garza did not disclose the additional

income on his tax return for the years 2013 through 2019, which resulted in the filing of false tax returns.

According to the U.S. Citizenship and Immigrations Services, the H-2A program allows U.S. employers who meet certain requirements to bring foreign nationals to the United States to fill temporary agricultural jobs that cannot otherwise be filled because there are not enough U.S. workers who are able, willing, qualified, and available to do the work.

"Protecting the integrity of the H2-A visa program and ensuring the lawful treatment of workers is important for our agricultural industry, which is a bedrock of Idaho's economy and way of life," said U.S. Attorney Hurwit. "I am grateful for the work of the Idaho State Police, along with the IRS, to hold this defendant accountable. This case should send a clear message that we will not tolerate the exploitation of agricultural workers in Idaho."

"For several years, Ernesto Garza exploited and extorted H-2A agricultural workers by charging them unlawful fees for personal financial gain. Today's sentencing sends a clear message that those who seek to abuse the H-2A program will be held accountable. We will continue to collaborate with our law enforcement partners and the U.S. Department of Labor's Wage and Hour Division to aggressively pursue fraud involving foreign labor certification programs," said Quentin Heiden, Special Agent-in-Charge, Western Region, U.S. Department of Labor, Office of Inspector General.

"Protecting vulnerable people and communities will always be one of IRS-CI's top priorities, and we will continue to work with the U.S. Attorney's Office to investigate and prosecute these crimes," said Tom Demeo, Acting Special Agent in Charge, IRS Criminal Investigation Denver Field Office. "Ernesto Garza's sentence is an example of what people who abuse their authority and willfully fail to report all their income can expect as a consequence of their crime."

U.S. Attorney Hurwit commended the work of the Idaho State Police and the Internal Revenue Service - Criminal Investigation, and the U.S. Department of Labor, Office of Inspector General. Assistant U.S. Attorneys Sean Mazorol and Robert Firpo prosecuted the case.

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