



# PRESS RELEASE

## Internal Revenue Service - Criminal Investigation *Chief Richard Weber*

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Contact: \*CI-HQ-COMMUNICATIONSEDCATION@ci.irs.gov  
IRS – Criminal Investigation

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### **Upstate New York Woman Admits Stealing \$3.1 Million From Cargill Inc.**

*Employee Caused Minnesota Company \$25 Million in Losses*

A Greene County, New York, woman pleaded guilty today to stealing at least \$3.1 million from Cargill Inc. (Cargill) over 10 years and causing at least \$25 million in losses. The woman was an accounting manager at Cargill, the country's largest privately held corporation, based in Minnetonka, Minnesota.

The announcement was made by U.S. Attorney Richard S. Hartunian of the Northern District of New York; Special Agent in Charge Andrew W. Vale of the FBI's Albany Division; and Special Agent in Charge Shantelle P. Kitchen of the Internal Revenue Service-Criminal Investigation (IRS-CI), New York Field Office.

Diane Backis, 50, of Athens, New York, pleaded guilty to mail fraud and filing a false income tax return. Backis was responsible for accounting functions in Albany related to Cargill's grain operations, including creating customer contracts, generating and mailing invoices, and receiving and processing customer payments. As part of her plea, Backis admitted that she defrauded Cargill while working in its Port of Albany facility, which receives, stores and sells grain products.

"Ms. Backis stole millions of dollars from her employer in a decade-long scheme to enrich herself so she could live beyond her means," said U.S. Attorney Hartunian. "She stole money by diverting customer payments to her personal bank accounts and sold grain products for millions less than her employer paid, causing enormous financial losses. Her guilty plea today sends a strong message that crime does not pay."

"Ms. Backis repeatedly victimized her employer," said FBI Special Agent in Charge Vale. "This kind of fraud is a sinister act that involves not only criminality but a willingness to cause Cargill, Inc. millions in losses. The FBI will continue to work together with its law enforcement partners to ensure people like Ms. Backis are held accountable."

"This investigation demonstrates the resolve of the government to investigate and prosecute financial crimes," said IRS-CI Special Agent in Charge Kitchen. "Ms. Backis stole millions of dollars from Cargill, Inc. for a 10-year period, while committing tax fraud in the process. Today,

she is held accountable for the financial harm she inflicted on Cargill Inc. and the law-abiding American taxpayer.”

As part of her plea, Backis admitted that she stole hundreds of customer payments sent to Cargill totaling at least \$3,115,610 and deposited them into her personal bank accounts. Backis also regularly created fraudulent invoices and mailed them to Cargill’s customers. The fraudulent invoices charged Cargill’s customers prices substantially less than what Cargill paid to acquire the grain products, causing Cargill significant financial losses. The fraudulent invoices also directed Cargill’s customers to send payment directly to Backis, thereby bypassing Cargill’s corporate controls. To hide her activities, Backis made false entries into Cargill’s accounting software to make it appear that customers were paying prices higher than those in her fraudulent invoices and that customers owed Cargill millions of dollars for delivered grain products, only to reverse those false entries. As a result, Cargill lost at least \$25 million.

Backis also admitted that she filed a false 2015 individual income tax return because she declared only \$61,208 in total income and omitted over \$450,000 in additional taxable income she received by stealing customer payments intended for Cargill in 2015.

Backis faces up to 20 years in prison, a three-year term of supervised release and a fine of up to \$250,000 when she is sentenced on March 28, 2017 by U.S. District Judge Mae A. D’Agostino in Albany. As part of her guilty plea, Backis has agreed to pay Cargill at least \$3.5 million in restitution and to forfeiture of her house in Athens, an investment brokerage account, and her Cargill pension benefits.

A defendant’s sentence is imposed by a judge based on the particular statutes the defendant is charged with violating, the U.S. Sentencing Guidelines and other factors.

The case was investigated by the FBI and IRS-CI, and is being prosecuted by Assistant U.S. Attorney Wayne A. Myers in the Northern District of New York.

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