

## Office of Inspector General, USDA Investigation Developments

~ September 30, 2009 ~

**FOOD AND NUTRITION SERVICE:** *Two Brothers in Illinois Sentenced, Ordered to Pay \$3.2 Million in Asset Forfeiture and Restitution for SNAP Trafficking*

An OIG investigation disclosed that two brothers in Illinois conspired to defraud the Supplemental Nutrition Assistance Program (SNAP, formerly Food Stamps) by illegally exchanging SNAP benefits for cash. In August 2009, a Federal court in Illinois sentenced the brothers to 21 months of imprisonment and 3 years of supervised release. They were ordered, jointly and severally, to pay \$1.6 million in restitution and \$1.6 million in asset forfeiture for conspiracy to commit SNAP fraud and wire fraud.

**RISK MANAGEMENT AGENCY:** *Former Employee and Co-Conspirator Sentenced for Facilitating Prostitution through Interstate Commerce*

In August 2009, a Federal court in Missouri sentenced a former Risk Management Agency (RMA) employee to two years of supervised release, including 4 months of home detention, for facilitating prostitution through interstate commerce. Her boyfriend and co-conspirator was sentenced to 15 months of imprisonment and 3 years of supervised release for his part in the crime. The OIG investigation revealed that for a two year period, the RMA employee and her boyfriend ran two online prostitution businesses from her USDA computer, both in and away from her USDA office. Both individuals pled guilty in May 2009.

**FARM SERVICE AGENCY:** *Missouri Farmer Sentenced and Ordered to Pay \$550,000 for False Statements, Bank Fraud, and Obstruction of Justice*

An OIG investigation disclosed that a farmer made false statements to obtain loans, converted collateral, and committed bank fraud. He was also charged with obstruction of justice for threats he made against persons in the Federal Bankruptcy Trustee's Office. After pleading guilty to all charges in December 2008, he was sentenced by a Federal district court in Missouri to 9 months of imprisonment and 3 years of supervised release. He was ordered to pay \$350,000 in restitution to the Commodity Credit Corporation (CCC) and \$200,000 to a local bank. The farmer was also ordered to stay away from several Farm Service Agency (FSA) and bank employees, and to conduct himself in a "civil, courteous, and professional manner" in his dealings with FSA.

**FOOD AND NUTRITION SERVICE:** *Florida Grocery Store Owner Sentenced, Ordered to Pay \$356,000 in Restitution and a Civil Judgment for SNAP Fraud*

A joint investigation determined that a Florida grocery store owner had illegally exchanged SNAP benefits for cash. The store owner pled guilty in April 2009. A Florida Federal court

sentenced him to 60 months of probation and ordered him to pay \$178,000 in restitution to the Food and Nutrition Service (FNS) and entered a civil monetary judgment of \$178,000. The owner received a reduced sentence due to medical problems. OIG, the U.S. Secret Service, Florida Department of Law Enforcement, and the Pinellas County Sheriff's Office participated in the investigation.

**ANIMAL AND PLANT HEALTH INSPECTION SERVICE:** *Virginia Game Fowl Association and President Fined and Ordered to Forfeit \$15,000 for Money Laundering and Conspiracy*

OIG agents investigated allegations of illegal cockfighting and gambling in Virginia. In May 2009, a game fowl breeding association pled guilty to money laundering conspiracy and the former president of the association pled guilty to making illegal campaign contributions. In August 2009, a Federal court in Virginia ordered the game fowl breeding association to forfeit \$15,000 and ordered its former president to pay a \$7,500 fine. OIG conducted the investigation jointly with the FBI and IRS' Criminal Investigation Division.

**FOOD AND NUTRITION SERVICE:** *Former New Mexico State Employee Ordered to Pay \$35,000 Restitution for Aggravated Identity Theft and Theft of Government Property*

A joint investigation determined that a former New Mexico Human Services Department (NMHSD) employee used personally identifying information (PII) from relatives and her former roommate to create fictitious accounts to obtain SNAP and Temporary Assistance to Needy Families program benefits. Over \$35,000 was issued to the fictitious accounts from September 2006 to October 2007. The former employee and roommate pled guilty to aggravated identity theft and theft of government property, respectively. In July 2009, a Federal court in New Mexico sentenced the former employee to 2 years of probation and 1 year of supervised release. She was also ordered to pay \$35,000 in restitution, with \$25,000 to be paid jointly and severally with her former roommate. (The roommate was previously sentenced to 5 years of probation.) USDA's OIG, the Social Security Administration OIG, and NMHSD's OIG conducted the investigation.

**FOOD AND NUTRITION SERVICE:** *Investigation in Maine Results in Sentence and Restitution Order of \$64,000 for SNAP and Social Security Fraud*

An OIG investigation resulted in a Maine resident pleading guilty to false statements and Social Security fraud. The investigation revealed that the individual filed false information to illegally receive SNAP benefits and Social Security benefits. A Federal court in Maine sentenced her to 180 days of home confinement and electronic monitoring, followed by 5 years of probation. The court also ordered her to pay \$64,000 in restitution -- \$10,000 to FNS and \$54,000 to the Social Security Administration.