



Store Owner Sentenced and Ordered to Pay \$2.88 Million in Restitution for SNAP Fraud—Florida

On August 9, 2017, in U.S. District Court, Middle District of Florida, a store owner was sentenced to 33 months in prison and ordered to pay \$2.88 million in restitution. The defendant operated a small convenience store authorized as a SNAP retailer. During a 4-year period, the store redeemed more than \$5 million in SNAP benefits and exchanged cash for SNAP benefits on multiple occasions. The storeowner pled guilty to wire fraud.¹

Defendants Sentenced and Ordered to Pay \$18.8 Million in Restitution for Fraud in Export Program—Connecticut

On September 11, 2017, in U.S. District Court, District of Connecticut, joint and several restitution orders were issued for two defendants in a case involving a Foreign Agricultural Service (FAS) export credit program. The two defendants were ordered to pay \$18.8 million in restitution, with \$18.5 million payable to USDA and \$305,700 payable to a private bank. FAS referred this matter to OIG for investigation following a partial audit of a business participating in the Export Credit Guarantee Program (GSM-102). Both defendants controlled numerous business entities registered as exporters in GSM-102. OIG's investigation revealed that the defendants acquired copies of shipping documents from various sources and thereafter presented false and altered shipping documents to secure loans from U.S. banks. USDA's loss exceeded \$18 million. A jury found the men guilty of charges pertaining to bank fraud and wire fraud. Previously, in June 2017, one defendant was sentenced to 15 months in prison and was ordered to forfeit \$1.5 million to the United States. The second defendant was sentenced to 5 months in prison, to be followed by 3 years of supervised release, including 5 months of home confinement. He was ordered to forfeit \$63,500 to the United States.

Store Owner Sentenced and Ordered to Pay \$1.24 Million for SNAP Fraud—Wisconsin

On September 6, 2017, in U.S. District Court, Eastern District of Wisconsin, a store owner was sentenced to 15 months in prison and ordered to pay \$1.24 million in restitution, jointly and severally, with his co-defendant son. The son was a previously disqualified owner. On September 7, 2017, a third defendant in the case, a former store employee, was sentenced to 1.5 years in prison. OIG's investigation determined that the store exchanged SNAP benefits for cash and/or ineligible items. The store owner, his son, and the third defendant pled guilty to

¹ OIG conducted this investigation with the Orange County, Florida, Sheriff's Office and the Department of Homeland Security's (DHS) Homeland Security Investigations (HSI).

charges related to wire fraud and/or SNAP fraud. The son has not yet been sentenced.²

Defendant Sentenced for Animal Fighting Violations—Ohio

On August 21, 2017, in U.S. District Court, Southern District of Ohio, an individual was sentenced to six months in prison, 3 years post-release control, and a prohibition on possession/harboring any canines. The investigation determined that a criminal gang was raising American Pit Bull Terrier dogs and fighting them in Michigan and Ohio. One gang leader was identified as having an extensive criminal history, including Federal drug trafficking and dog fighting convictions in Ohio. Evidence seized via search warrants included 45 dogs, dog fighting tools, firearms, and narcotics. Further judicial proceedings in this case are pending.

Couple Sentenced and Ordered to Pay Over \$2.4 Million in Monetary Penalties for SNAP Fraud—Florida

On August 2, 2017, in U.S. District Court, Middle District of Florida, a store owner was sentenced to 15 months in prison. Her husband was sentenced to 6.5 years in prison. Both were also ordered to pay \$1.26 million in restitution, jointly and severally, to USDA. A money judgement for \$1.19 million was ordered. The business redeemed SNAP benefits for approximately 2 years, until the owner, operators, recruiters, and others associated with the store were indicted for conspiracy to commit wire fraud. Over \$1.2 million in SNAP benefits were redeemed at the delivery route business with over 2,100 SNAP-authorized households, despite the business having little to no merchandise offered for purchase. The owner pled guilty to conspiracy to commit wire fraud and her husband was found guilty in a jury trial of wire fraud charges. Further judicial proceedings in the case are pending.³

Defendant Sentenced for Lacey Act Violations Regarding Plant Smuggling—Oregon

On August 7, 2017, in U.S. District Court, District of Oregon, an individual was sentenced to six months of home confinement and 3 years of supervised release. The defendant engaged in smuggling commercial quantities of wild-harvested *Nepenthes rajah* plants from a supplier in Malaysia into the United States.⁴ The imports were not properly labeled or declared, and they did not have phytosanitary certificates. The investigation revealed the defendant had received 36 undeclared shipments of carnivorous plants from multiple sources in seven countries. OIG and U.S. Fish and Wildlife Service agents executed a Federal search warrant at his residence and seized over 215 plants. The defendant confessed to smuggling plants into the United States. USDA and Customs and Border Protection intercepted and destroyed other shipments that were en route to him. The defendant pled guilty to violating the Lacey Act.

² The Milwaukee County Sheriff's Office and the Federal Bureau of Investigation (FBI) assisted in the investigation.

³ This case was jointly worked with members of the Jacksonville Electronic Benefit Transfer (EBT) Task Force, which includes the Jacksonville Sheriff's Office, U.S. Secret Service, DHS-HSI, and the Florida Fish and Wildlife Conservation Commission.

⁴ A plant subject to prohibitions on international trade due to conservation concerns.

Meat Distributor Sentenced and Ordered to Pay \$789,000 for SNAP Fraud—Kentucky

On August 24, 2017, in U.S. District Court, Western District of Kentucky, a meat distributor was sentenced to 37 months in prison and ordered to pay \$789,000 in restitution. Over a six-year period, the defendant conspired with his former wife and, thereafter, his fiancée, to defraud the SNAP program. During the investigation, the defendant confirmed that from 2011–July 2016, the percentage of fraudulent SNAP redemptions at his business ranged from 70 to 100 percent. Further judicial proceedings in the case are pending.⁵

Defendants Sentenced and Ordered to Pay \$395,000 for Scheme Involving Identity Theft and SNAP Fraud—Georgia

On August 3, 2017, in U.S. District Court, Northern District of Georgia, a store owner was sentenced to 45 months in prison, while his sister (and co-conspirator) was sentenced to six months. The brother and sister were ordered to pay \$395,000 in restitution, jointly and severally. Both pled guilty to wire and mail fraud charges. The brother was also convicted of aggravated identity theft, which resulted in an additional 2-year consecutive sentence. The defendants owned and operated two convenience stores in Georgia. They used stolen identities to apply for SNAP benefits, resulting in the Georgia Department of Human Services mailing hundreds of EBT cards to addresses the defendants controlled. Once the fraudulent SNAP cards were received, the defendants collected and swiped them at their convenience stores. Over \$800,000 in SNAP payments were deposited in their store bank accounts. USDA and the Georgia Department of Human Services were able to link \$395,000 of those funds to 321 fraudulent SNAP accounts.

Store Owner Sentenced and Ordered to Pay \$408,000 in Restitution for Money Laundering and SNAP Fraud—Kentucky

On August 3, 2017, in U.S. District Court, Eastern District of Kentucky, a store owner was sentenced to 5.5 years in prison and was ordered to pay \$408,000 in restitution. OIG's investigation determined that the owner purchased EBT cards for half their value in the store or used the EBT cards to shop at other establishments. The defendant was indicted on counts of conspiracy, food stamp fraud, and money laundering. After being released from custody, the defendant made threats to government witnesses and was arrested. The defendant was convicted in a jury trial on all six counts of the indictment.

⁵ This case was worked as a joint investigation between OIG and the FBI.