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Monday, January 23, 2017

## Albuquerque Man Sentenced for Defrauding Federal Food Stamp Program

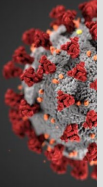
ALBUQUERQUE – Sergio Escobedo, 38, of Albuquerque, N.M., was sentenced this morning to two years of probation for defrauding the Supplemental Nutrition Assistance Program, more commonly known as the Food Stamp Program. Escobedo was also ordered to pay \$4,678 in restitution to the USDA.

Escobedo is one of six defendants charged with defrauding the Food Stamp Program in a 32-count indictment that was filed in Aug. 2014. The indictment alleged that between Sept. 2009 to May 2010, Escobedo, conspired with Joseph Martin Padilla, 35, Wilfredo Lopez, 48, Joshua Moya, 35, Justin Quintana, 30, and Veronica Hernandez, 43, to defraud the United States through the unauthorized use of Food Stamp benefits, which are currently called Supplemental Nutrition Assistance Program (SNAP) benefits. During this time, Padilla worked as a Family Assistance Analyst for the Income Support Division of the New Mexico Human Services Department (HSD) where he was responsible for determining applicants' eligibility and benefit level for SNAP benefits.

SNAP is funded by the U.S. Department of Agriculture and is administered by the States. The program was created to alleviate hunger and malnutrition, and permits low income households to obtain more nutritious diet by increasing the food purchasing power for eligible households. In New Mexico, individuals qualify to participate in SNAP based on income and need by completing an application with the Income Support Division of HSD. Once an applicant is deemed eligible for SNAP benefits by a Family Assistance Analyst, the Analyst establishes a SNAP account in the applicant's name and electronic benefit transfers (EBT), which are

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determined based on income, resources and household size, are deposited into the account on a monthly basis.

According to the indictment, Padilla abused his position as a Family Assistance Analyst by conspiring with his co-defendants to defraud the United States through the unauthorized use of SNAP benefits. Padilla used names and personal identifiers he obtained from his co-defendants to establish fraudulent SNAP accounts, sometimes in exchange for cash or other things of value. Padilla also established and used a fraudulent SNAP account to fraudulently obtain approximately \$1,468.00 in SNAP benefits for himself. Padilla fraudulently established 25 separate SNAP accounts through which the United States was defrauded of approximately \$45,263.00 in SNAP benefits. Additionally, Padilla, aided and abetted by his co-defendants, fraudulently established SNAP accounts that were used to fraudulently obtain an aggregate of \$12,705.00 in SNAP benefits.

On April 28, 2016, Escobedo pled guilty to one count of the indictment and admitted that he met with Padilla in Jan. 2009, and paid \$100.00 for Padilla to process a SNAP benefit application in Escobedo's name even though Escobedo was ineligible to receive SNAP benefits at that time. Escobedo further admitted that from Sept. 1, 2009 through Feb. 16, 2010 he obtained \$4,678.00 in illegal SNAP benefits for himself.

Four of Escobedo's co-defendants, including Padilla, have entered guilty pleas and have been sentenced:

- On Nov. 23, 2015, Padilla pled guilty two counts of the indictment and admitted that his illegal conduct resulted in an aggregate loss to the U.S. Department of Agriculture and the State of New Mexico of approximately \$181,398.76. Padilla was sentenced on Feb. 22, 2016, to a year and a day in prison followed by three years of supervised release and was ordered to pay \$181,398.76 in restitution to the USDA.
- On May 19, 2015, Lopez entered a guilty plea to one count of the indictment and admitted that he completed fraudulent applications for SNAP benefits in his name, another for himself in a pseudonym, and in the names of two other individuals. Lopez paid \$100.00 to process each of the applications. Lopez was sentenced on Jan. 14, 2016, to four years of probation and was ordered to pay \$8,382.00 in restitution to the USDA.
- On May 18, 2015, Quintana pled guilty to one count of the Indictment, and admitted that he agreed to pay Padilla a fee in exchange for arranging for him to receive food stamps unlawfully. Quintana obtained \$486.00 in SNAP benefits through his illegal conduct, and received a fee for collecting SNAP applications from six other people and delivering the completed applications to Padilla for the purpose of assisting them in obtaining SPA benefits unlawfully. Quintana caused a monetary loss to the U.S. Department of Agriculture of \$9,384.00. He was sentenced on Aug. 17, 2015, to three years of probation and was ordered to pay \$9,384.00 in restitution.

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- On March 9, 2015, Moya pled guilty to one count of the indictment and admitted that he fraudulently obtained SNAP benefits to which he was not entitled. On May 6, 2015, Moya was sentenced to six months in prison, or time served, followed by three years of supervised release. Moya also was ordered to pay \$2,444.00 in restitution.

The fifth co-defendant, Veronica Hernandez, entered into a pre-trial diversion agreement in 2015, and completed a pre-trial diversion program in 2016. On Oct. 20, 2016, the Court entered an order dismissing the charges against Hernandez.

This case was investigated by the Office of Inspector General for the U.S. Department of Agriculture and the Office of Inspector General for New Mexico Human Services, and was prosecuted by Assistant U.S. Attorney Sean J. Sullivan.

**Topic(s):**  
Financial Fraud

**Component(s):**  
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