



INVESTIGATIONS

Defendants Sentenced to 16 Months in Prison and Ordered to Pay \$720,890 in Restitution for SNAP Fraud—California

On January 6, 2020, in California Superior Court, a storeowner and his wife were each sentenced to 16 months in prison, and ordered to pay \$720,890 in restitution, jointly and severally. On April 5, 2016, the U.S. Department of Agriculture (USDA) Office of Inspector General (OIG) initiated this investigation regarding Supplemental Nutrition Assistance Program (SNAP) fraud at a market. OIG's investigation confirmed that the owner of the market and his wife trafficked SNAP benefits at their market. On May 25, 2018, in California Superior Court, a felony complaint was filed against the storeowner and his wife, charging them with one count each of SNAP fraud. On June 13, 2018, upon execution of a search warrant, numerous items indicative of SNAP fraud were identified and seized as evidence. In addition, approximately \$57,000 in cash was seized. On October 28, 2019, in California Superior Court, the storeowner and his wife each pled no contest to one count each of conspiracy to defraud.

Defendant Sentenced to 15 Months in Prison and 36 Months of Supervised Release and Ordered to Pay \$209,877 in Restitution for Theft of Child and Adult Care Feeding Program Funds—North Carolina

On January 7, 2020, in U.S. District Court, Eastern District of North Carolina, the director of a non-profit agency was sentenced to 15 months in prison to be followed by 36 months of supervised release and ordered to pay a \$100 special assessment and \$209,877 in restitution. On July 18, 2016, OIG initiated this investigation based on information that the building of a North Carolina non-profit afterschool childcare center had been shut down by county inspectors. The review also identified other discrepancies in the childcare center's reporting to the Child and Adult Care Feeding Program (CACFP). OIG's investigation determined that between January 2013 and April 2016, the director of the childcare center filed \$209,877 in false reimbursement claims to CACFP. On October 16, 2018, in U.S. District Court, Eastern District of North Carolina, the director of the childcare center was indicted on counts of theft of CACFP funds' destruction, alteration, or falsification of records in Federal investigations; and bankruptcy. On July 10, 2019, the director of the childcare center pled guilty to one count of theft of CACFP funds.

Disqualified Crop Insurance Participant Sentenced to 364 Days in Prison for Violating Probation and Continued Involvement in Crop Insurance Program—Illinois

On January 9, 2020, in U.S. District Court, Central District of Illinois, a farmer's probation was revoked, and he was sentenced to 364 days in prison. Previously, in December 2016, in

U.S. District Court, Central District of Illinois, the farmer was sentenced to 36 months of probation and ordered to pay \$300,759 in restitution for making false statements to the USDA when, while filing a Federal crop insurance claim, he under-reported the number of bushels of corn he produced. Additionally, during the term of probation the farmer was barred from participating in any USDA programs. In June 2018, USDA's Risk Management Agency contacted OIG and reported that the farmer's sister established a corporation and gave the farmer power of attorney and the title of operations manager in order to circumvent his disqualification from USDA programs. In July 2018, the U.S. Attorney's Office, Central District of Illinois, initiated proceedings to revoke the farmer's probation and investigate the new program violations. On January 9, 2020, in U.S. District Court, Central District of Illinois, during the revocation hearing, the farmer admitted he violated the terms of his probation by participating in the Federal crop insurance program through his sister's company, receiving monetary benefits from a USDA program through the same, and obtaining a \$64,981 loan to purchase a truck without prior approval from the U.S. Probation Office, violating a protective order.

Defendant Sentenced to 36 Months of Supervised Release and Ordered to Pay \$202,465 for Fraud and Theft of Government Funds—Ohio

On January 14, 2020, in U.S. District Court, Northern District of Ohio, a SNAP recipient was sentenced to 36 months of supervised release and ordered to pay a \$400 special assessment and restitution in the following amounts: \$25,287.67 to USDA's Food and Nutrition Service (FNS), \$26,515.00 to the Social Security Administration, and \$150,663.24 to the Cuyahoga County Job and Family Services. The SNAP recipient was also ordered to relinquish her U.S. citizenship. Furthermore, the SNAP recipient's brother-in-law was sentenced to 12 months of supervised release and ordered to pay a \$100 special assessment and a \$5,000 fine. On August 9, 2018, OIG initiated this investigation based on allegations that a SNAP recipient fraudulently obtained U.S. citizenship and stole Government funds from various programs including SNAP. OIG's investigation revealed that the SNAP recipient and her brother-in-law conspired to fraudulently obtain U.S. citizenship for the SNAP recipient. Additionally, the SNAP recipient concealed her marriage in order to obtain over \$200,000 in benefits through Social Security, SNAP, and Medicaid. On November 8, 2018, in U.S. District Court, Northern District of Ohio, the SNAP recipient and her brother-in-law were indicted on five counts of naturalization fraud and aiding and abetting naturalization fraud, as well as three counts of theft of Government funds. On September 23, 2019, the SNAP recipient pled guilty to naturalization fraud and three counts of theft of Government funds, and the SNAP recipient's brother-in-law pled guilty to aiding and abetting naturalization fraud.

RECENTLY ISSUED AUDITS

Report No. 88026-0001-41, *OCIO—Final Action Verification—Management and Security Over USDA's Universal Telecommunications Network (UTN)*, Jan. 2020. ([PDF](#))