



## INVESTIGATIONS

### **Defendant Sentenced to 94 Days in Prison, 36 Months of Supervised Release, and Ordered to Pay \$31,200 in Restitution for Wire Fraud—Florida**

On March 16, 2020, in U.S. District Court, Middle District of Florida, a store employee was sentenced to 94 days in prison and 36 months of supervised release and ordered to pay \$31,200 in restitution. This was a joint investigation between the United States Department of Agriculture (USDA) Office of Inspector General (OIG) and the Jacksonville (Florida) Sheriff's Office. On July 17, 2014, OIG initiated this investigation based on allegations that Supplemental Nutrition Assistance Program (SNAP) benefits were exchanged for cash at two stores in Jacksonville, Florida. OIG's investigation revealed that the storeowners instructed their employees to conduct fraudulent transactions with SNAP recipients. The employees exchanged SNAP benefits for cash for half of the amount of the fraudulent transaction on the EBT card. On September 12, 2018, the two storeowners were charged with conspiracy to commit wire fraud. Between July 2017 and August 2019, 11 defendants pled guilty and have been sentenced for their roles in this scheme. Their sentences range from probation to 16 months in prison, and they have been ordered to pay a total of \$218,629 in restitution. On July 26, 2019, one store owner pled guilty to one count of conspiracy to commit wire fraud, and on August 7, 2019, the other storeowner pled guilty to the same charge. The sentencing of the storeowners are pending.

### **Defendant Sentenced to Time Served in Prison, 36 Months of Supervised Release, and Ordered to Pay \$44,651 in Restitution, \$15,492 of which was paid to the Farm Service Agency for Transportation of Stolen Livestock—Oklahoma**

On March 20, 2020, in U.S. District Court, Western District of Oklahoma, a livestock trader was sentenced to time served with credit for all time in custody since December 11, 2018, and 36 months of supervised release and ordered to pay \$44,651 in restitution—\$15,492 of which was to be paid to the Farm Service Agency (FSA). This investigation was worked jointly with the Oklahoma Department of Agriculture as part of the Federal Bureau of Investigation Major Thefts Task Force. On June 5, 2019, USDA OIG initiated this investigation following a referral from the Kansas FSA State office. The State office reported that on December 11, 2018, the Oklahoma Department of Agriculture (ODA) arrested a livestock trader, who was also an FSA borrower, for stealing cattle in Kansas and transporting them into Oklahoma for sale. The livestock trader later confessed to ODA investigators that he stole over 100 cattle on separate occasions. In 2012, FSA loaned the livestock trader \$120,000 for the purchase of livestock and a stock trailer, which was subsequently impounded by ODA after it was used in the above-described cattle theft. FSA later sold the stock trailer and applied the proceeds to the livestock trader's outstanding note. On December 18, 2018, FSA completed a chattel inspection on the livestock trader's property and recorded that a large amount of the livestock trader's collateral was missing. FSA also found several carcasses on the property.

Based on the inspections and accounting for the carcasses, FSA estimated that the livestock trader sold approximately 32 cows, 1 bull, 15 nannie goats, 8 replacement does, and 2 billy goats. The outstanding amount of the livestock trader's note was \$15,492. On March 19, 2019, in U.S. District Court, Western District of Oklahoma, the livestock trader was indicted on one count of transportation of stolen livestock and one count of conspiracy to transport stolen livestock across state lines. On June 3, 2019, the livestock trader pled guilty to one count of transportation of stolen livestock. As part of the plea agreement, the livestock trader admitted to removing property mortgaged or pledged to FSA and agreed to make restitution to FSA totaling \$15,492.

## **RECENTLY ISSUED AUDITS AND INSPECTIONS**

Report No. 01601-0001-24, *AMS Oversight of the Farmers Market and Local Food Promotion*, Mar. 2020. ([PDF](#))

Report No. 27801-0002-22, *Timeliness of the Disbursement of the \$600 Million Disaster Nutrition Assistance Grant to Puerto Rico*, Mar. 2020. ([PDF](#))

Report No. 50701-0002-21, *Contract for SNAP EBT Services at Farmers Markets and Direct Marketing Farmers*, Mar. 2020. ([PDF](#))

Report No. 50701-0002-21, *USDA's Controls to Prevent the Unauthorized Access and Transfer of Research Technology*, Mar. 2020. ([PDF](#))

Report No. 10801-0001-12, *Review of an NRCS IT-Related Contract*, Mar. 2020. ([PDF](#))

Report No. 03601-0003-41, *FSA's Controls Over Its Contract Closeout Process*, Mar. 2020. ([PDF](#))