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Thursday, November 17, 2016

## Meisum Bakery, Inc. and Owner Plead Guilty to Food Stamp Fraud

BOSTON – Meisum Bakery, Inc. and its owner, Xi Xian Lei, pleaded guilty today in U.S. District Court in Boston in connection with a \$740,000 food stamp fraud scheme that Lei and his employees operated out of a Chinatown bakery.

Both Meisum Bakery, Inc. and Lei pleaded guilty to one count of conspiracy to commit SNAP (Supplemental Nutritional Assistance Program) benefits fraud and two counts of SNAP fraud. U.S. District Court Judge Nathaniel M. Gorton scheduled sentencing for Feb. 22, 2017.

SNAP, formerly known as the Food Stamp Program, administered by the U.S. Department of Agriculture (USDA), provides eligible households with government subsidies for food and allows holders to exchange their SNAP benefits for food at authorized retail food stores.

From about October 2010 through April 2012, Lei and bakery employees purchased SNAP benefits from legitimate SNAP beneficiaries for cash at a discounted value of approximately fifty cents for every SNAP dollar; however, neither Meisum Bakery, Inc. nor Lei was authorized to accept SNAP benefits as payment for goods at the bakery. Then, bakery employees and Lei redeemed the SNAP benefits by using the beneficiaries' Electronic Benefit Transfer (EBT) cards to buy goods and earn credit at stores that were authorized to accept SNAP benefits.

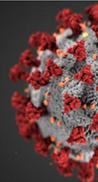
During the course of the conspiracy, Meisum Bakery, Inc. and Lei defrauded the USDA of approximately \$740,000 in SNAP funds.

The charge of conspiracy provides for a sentence of no greater than five years in prison and three years of supervised release, and for a corporation, no greater than five years



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of probation and a fine of \$500,000. The charge of SNAP fraud provides for a sentence of no greater than five years in prison and three years of supervised release, and for a corporation, no greater than five years of probation and a fine of \$10,000. Actual sentences for federal crimes are typically less than the maximum penalties. Sentences are imposed by a federal district court judge based upon the U.S. Sentencing Guidelines and other statutory factors.

United States Attorney Carmen M. Ortiz; William G. Squires, Special Agent in Charge of the U.S. Department of Agriculture, Office of Inspector General, Office of Investigations, Northeast Region; Joel P. Garland, Special Agent in Charge of the Internal Revenue Service’s Criminal Investigations in Boston; and Boston Police Commissioner William Evans, made the announcement today. Assistant U.S. Attorney Giselle J. Joffre of Ortiz’s Major Crimes Unit is prosecuting the case.

**Topic(s):**  
Financial Fraud

**Component(s):**  
USAO - Massachusetts

Updated November 18, 2016



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