

Office of the Inspector General, USDA Investigation Developments

> July 15, 2005 <

Georgia Man Sentenced, Ordered to Pay Restitution for Theft of USDA Property (ARS)

On June 9, 2005, a Georgia man was sentenced in a Federal district court in Georgia to 48 months' incarceration, followed by 36 months' supervised release, and court ordered restitution of \$12,404. He had previously pleaded guilty to various crimes including conspiracy to manufacture (methamphetamine), theft of Government property, and obstruction of justice. The OIG investigation found that on August 24, 2004, the man illegally entered a USDA Agricultural Research Service (ARS) research facility in Georgia for the purpose of stealing and damaging USDA/ARS property. The investigation also revealed that the subject and a co-conspirator used the stolen USDA truck during the theft of anhydrous ammonia from a farm supply store. The subjects used the stolen anhydrous ammonia to manufacture methamphetamine. In April 2005, the co-conspirator pled guilty to conspiracy to commit theft from interstate shipment and theft of anhydrous ammonia.

Former USDA Contractor Sentenced for Wire Fraud Related to Bribery (ARS)

On June 23, 2005, a former ARS contractor, who was also the owner of a construction company, was sentenced in a Federal district court in Mississippi to 5 months' incarceration, 5 months' house arrest, and a special assessment of \$100. The OIG investigation disclosed that an ARS contract specialist accepted bribes and kickbacks from contractors who bid on contracts totaling over \$1 million awarded by the ARS. On July 1, 2004, a former ARS contract specialist was sentenced to serve 24 months in prison and 36 months of supervised release and was ordered to pay \$52,400 in restitution. The former contract specialist had pled guilty to one count of bribery and one count of false claims.

Washington State Produce Company Sentenced, Fined for Submission of False Documents (APHIS)

On June 29, 2005, a produce company was sentenced in a Federal district court in Washington State after having pled guilty to submission of false statements. The sentence included a civil forfeiture of \$30,000, a \$10,000 fine, and a \$125 special assessment. The OIG investigation disclosed that the company was providing false origin documents to certifying officials to obtain Federal phytosanitary certificates to export potatoes to Mexico.

Alabama Grocer Sentenced, Fined for Food Stamp Trafficking (FNS)

On June 28, 2005, a grocery store owner was sentenced in a Federal district court in Alabama to 60 months' probation and was ordered by the court to pay a fine of \$5,000 and restitution of \$28,143. The OIG investigation found that the owner of the grocery store and another individual purchased over \$28,000 in Food Stamp program Electronic Benefit Transfer (EBT) benefits. The store owner was indicted in August 2004 on 41 counts of trafficking in EBT benefits.

Illinois Grocer Sentenced, Ordered to Pay \$801,067 in Food Stamp Fraud (FNS)

On June 28, 2005, a grocery store owner and the store were sentenced in a Federal district court in Illinois. The storeowner was sentenced to 51 months' incarceration and 24 months' supervised release, and was ordered to pay a special assessment of \$300 and restitution of \$801,067. The store was sentenced to 60 months' probation and was ordered to pay a special assessment of \$400 and restitution of \$801,067. The court also ordered forfeiture action in the amount of the restitution. The OIG investigation disclosed that during February 2000 - August 2002, the store redeemed approximately \$1,120,912 through the EBT Program. In March 2004, the storeowner and the store were indicted on charges of wire fraud and money laundering. In February 2005, the storeowner was found guilty in a jury trial and the store was convicted of wire fraud. The storeowner faces possible deportation upon completion of his sentence.

Pennsylvania Cattle Breeder Sentenced, Ordered to Pay Restitution of \$97,109 for Theft of Government Funds (RD)

On June 27, 2005, a Pennsylvania man was sentenced in a Federal district court in Pennsylvania to 24 months' probation and ordered to pay a fine of \$100 and restitution of \$97,109. The OIG investigation disclosed that the man, who was a Rural Development (RD) borrower, operated a cattle-breeding business. He had used the company to convert \$100,000 of RD funds to his personal use. On February 17, 2005, the man pled guilty to false statements and the theft of Government funds.

Wisconsin Woman Pleads Guilty Regarding Fraudulent Demands against the Government (RHS)

On June 29, 2005, a woman pled guilty in a Federal district court in Wisconsin to charges of Fraudulent Demands against the United States. The OIG investigation disclosed that during December 1992 - March 2002, the woman provided false information to the Rural Housing Service to maintain her single-family housing loan and subsidized assistance. The woman received \$26,288 in unauthorized assistance from December 1992 through March 2002. Sentencing is scheduled for September 2005.

Maine Woman Sentenced for Food Stamp Fraud

On June 16, 2005, a woman was sentenced in a Federal district court in Maine to serve 10 months' incarceration and 36 months' probation and was ordered by the court to pay restitution of \$47,299. The OIG investigation identified multiple individuals illegally receiving various Government benefits including Food Stamp benefits. The investigation was conducted jointly with the U.S. Departments of Housing and Urban Development, Agriculture, and Health and Human Services.

Former USDA Employees Sentenced for Theft of Government Funds, Fraud (NRCS)

On June 23, 2005, a man and a woman formerly employed with NRCS in Georgia were sentenced in a Federal district court in Georgia after having previously pled guilty to charges involving conspiracy, theft of Government funds, mail fraud, and wire fraud. The man was sentenced to 12 months' incarceration and the woman was sentenced to 10 months' incarceration. The OIG investigation found that between August 2001 and October 2002, the two former NRCS employees issued approximately \$114,000 in fraudulent checks to their co-conspirator. In April 2005, one employee was suspended indefinitely pending the results of the investigation; the second took a position with another USDA agency after finding out about the ongoing investigation. Both individuals and a third previously sentenced individual will be on three years' supervised release upon completion of their incarcerations.