

Office of the Inspector General, USDA Investigation Developments

[> May 19, 2005 <](#)

Maryland Woman Sentenced and Ordered to Pay \$19,186 for Fraudulent Use of Government Credit Card (APHIS)

On May 4, 2005, a Silver Spring, Maryland, woman was sentenced in U.S. district court, Beltsville, Maryland, to serve 48 months of supervised probation and undergo mental health counseling. She was also ordered to pay \$19,186 in restitution. The Office of Inspector General (OIG) investigation determined that the woman, a convicted bank robber, previously operated a furniture business through which an Animal and Plant Health Inspection Service (APHIS) employee from Minneapolis, Minnesota, made furniture purchases using her Government purchase card. Without the APHIS employee's knowledge, the Silver Spring woman maintained the Government purchase card account number and submitted approximately \$19,000 in fraudulent charges under the guise of a fictitious business operating in her name. The Silver Spring woman pled guilty to the charges in January 2005.

Arkansas Producer Pleads Guilty in Conversion of Mortgaged Property (FSA)

On May 2, 2005, a Woodson, Arkansas, producer pled guilty in U.S. district court to charges of conversion of Commodity Credit Corporation mortgaged property and bank fraud. The OIG investigation determined that the producer sold approximately 54,259 bushels of mortgaged corn for \$141,218 and did not remit the proceeds to the Farm Service Agency. Sentencing is scheduled for September 2005.

Ohio Gang Members Sentenced for Extensive Criminal Activity Including Food Stamp Fraud (FNS)

On May 3, 2005, two members of a violent street gang in Dayton, Ohio, were each sentenced in the District Court of the United States for the Southern District of Ohio to 40 years in prison. The joint OIG investigation with the Ohio Organized Crime Investigations Commission determined that the gang was involved in a conspiracy to defraud welfare programs including the food stamp program. The gang was also engaged in various other crimes including drug trafficking, dealing in stolen goods, illegal use of firearms, money laundering, and homicide. Many of the gang members, including its upper echelon, were collecting food stamp and welfare benefits. As a result of the investigation, 14 members were found guilty and have been sentenced. One remaining individual has been found guilty and is awaiting sentencing.

Former USDA Employee in Michigan Pleads Guilty to Embezzlement of Milk Program Funds (FSA)

On April 28, 2005, a former Farm Service Agency (FSA) employee from Zeeland, Michigan pled guilty to one count of embezzlement in the District Court of the United States for the Western District of Michigan. The OIG investigation determined that the former employee embezzled \$39,236 from FSA's Milk Income Loss Contract Program. The former employee confessed to embezzling the funds by diverting program payments into her personal bank account. Sentencing is scheduled for July 2005.

Chicago Retailer Sentenced for Food Stamp Trafficking, Ordered to Pay \$801,000 (FNS)

On April 19, 2005, the owner of a Chicago retail store was sentenced in the District Court of the United States for the Northern District of Illinois to serve 41 months in prison and 24 months of probation and was further ordered to pay \$801,000 in restitution and a \$600 fine. The OIG investigation revealed that the owner of the store, disqualified by the Food and Nutrition Service, was involved in a food stamp benefit trafficking scheme that resulted in the loss of approximately \$1.8 million between July 1997 and October 1998. In October 2003, the owner was indicted on wire fraud and food stamp trafficking charges. He was found guilty of the charges in February 2005.