

## Office of Inspector General, USDA Investigation Developments

>> **June 1, 2007** <<

### **Investigation of Multi-State Dog Fighting Enterprise Yields Currency, Illegal Drugs, and Firearms**

An underground dog fighting and gambling organization operating in Ohio, Kentucky, and Michigan was the subject of an OIG investigation conducted jointly with the Ohio Organized Crime Investigations Committee. Electronic Benefits Transfer (food stamp) fraud, wagering, sale and use of narcotics, illegal firearms, and the sale of stolen property were observed during the dog fights. Search warrants resulted in seizure of pit bulls, U.S. currency, marijuana, cocaine, firearms, a bulletproof vest with a ski mask, and a warehouse full of dog fighting equipment and blood-stained fighting pits. Seven Ohio residents were arrested in March 2007 and charged with numerous State charges. These individuals subsequently pled guilty in Ohio State court in May 2007 to participating in a dog fighting enterprise. Sentencing dates have not been scheduled.

### **California Woman Sentenced for Obstruction of Justice and Failing to Maintain Exotic Pet Records**

A Federal court in California sentenced a woman to serve 8 months of home detention after she and a co-defendant pled guilty to felony counts of making false statements, obstruction of justice, and a misdemeanor count of failing to maintain records of exotic felines. The OIG investigation disclosed that in January 2005, the women moved exotic cats from their USDA-inspected facility in Temecula, California, to an uninspected facility in Moorpark, California, without notifying USDA personnel. An Animal and Plant Health Inspection Service (APHIS) Animal Care Inspector inspected the facility and determined that the individuals provided false information regarding the number and types of animals housed. The co-defendant's sentencing is pending.

### **North Dakota Woman Sentenced, Ordered to Pay \$82,557 for Embezzlement**

Following an OIG investigation, a project manager for a Rural Renting Housing project in North Dakota pled guilty in Federal court to one count of embezzlement from a program receiving Federal funds, in this case from Rural Development (RD). The woman was sentenced in May 2007 to serve 6 months in prison, 36 months of probation, and ordered to pay \$82,557 in restitution.

### **Illinois Man Sentenced, Ordered to Pay \$26,129 for Possession of Counterfeit ID Cards**

Following an OIG investigation conducted jointly with the FBI, an Illinois man was arrested by the Cairo, Illinois Police Department in September 2005 and found to be in possession of hundreds of counterfeit identification cards, including two APHIS Veterinary Service photo ID cards. The man was sentenced in May 2007 in Federal court to serve 60 months in prison, 60 months of supervised release, and ordered to pay \$26,129 in restitution for possession of counterfeit government identification badges. The Cairo Police Department also found an identification-making machine and related paraphernalia.

## **Joint Investigation in New York Results in Forfeiture of \$350,000 and Imprisonment for Food Stamp Fraud and State Firearms Charges**

An OIG investigation conducted jointly with the Westchester County, New York, Police Department and the Westchester County District Attorney's Office disclosed that a retail grocery store was involved in Electronic Benefit Transfer (EBT) Trafficking and other criminal activity. During the period February 2001–February 2006, EBT redemptions at the store totaled approximately \$1.9 million. Search warrants at the store and the owner's residence netted firearms, currency, records of EBT fraud, and EBT cards. The store owner pled guilty and was sentenced in a New York State court in April 2007 to 24–48 months of imprisonment for food stamp fraud and State firearms charges. As part of the plea agreement, the store owner agreed to forfeit \$350,000.

## **Misbranding Meat Products Results in Two Texas Companies Being Sentenced and Fined**

Two closely held and related Texas companies pled guilty in Federal court in April 2007 and were each sentenced to 12 months of probation and ordered to pay \$10,250 in fines for misbranding meat products. The OIG investigation disclosed that one of the companies initiated the sale and transportation of adulterated meat products to a retail store in New Mexico. Portions of the invoices for the meat products sold to the retail store were misrepresented by failing to properly and consistently identify the products as being over 30 months old. No adulterated meat reached consumers.

## **Joint OIG-IRS Investigation in New York Yields \$385,000 in Restitution for Food Stamp Fraud and Money Laundering**

A New York retail grocery store whose owners and store employees conspired to commit Food Stamp Fraud and redeemed over \$600,000 in EBT was the subject of an OIG investigation, conducted jointly with the IRS. In September 2004, IRS' Criminal Investigation Division executed a seizure warrant for the store's bank account. The investigation proved that the store owners and employees were purchasing food stamp benefits at a discount for cash, with no food items being purchased. In April 2007 a Federal court in New York sentenced the store owners to 15 months of imprisonment, 48 months of probation, and ordered him to pay \$385,000 in restitution after he pled guilty to Food Stamp Trafficking and Money Laundering.

## **Georgia Man Sentenced to 60 Months of Imprisonment for Food Tampering**

A multi-agency investigation was triggered by a Georgia man's claims that his two children were harmed by eating contaminated soup. OIG conducted the investigation jointly with USDA's Food Safety Inspection Service (FSIS), the Clayton County, Georgia, Police Department, and the Food and Drug Administration (FDA). One of his children, an 8-month-old infant, had been flown to an Atlanta hospital. OIG obtained a sample of the soup and submitted it to an FDA laboratory for analysis. The sample tested positive for Prozac and other anti-depressants. The joint investigation disclosed that the man making the claim was the person responsible for contaminating the soup. The man was charged in Federal court with food tampering in April 2007, and he was ultimately sentenced to 60 months of imprisonment and 36 months of supervised release. As part of his sentencing, the judge ordered the man to have no contact with his children.