



Title Agency Owner Sentenced to Prison and Ordered to Pay \$662,000 Restitution for Fraud Related to RD Mortgage Assistance—Ohio

On March 19, 2018, in U.S. District Court, Northern District of Ohio, the owner of a title agency was sentenced to 3 years in prison and was ordered to pay \$662,000 in restitution to over 320 victims. This joint investigation was initiated to investigate a title agency suspected of mortgage and bank fraud involving mortgages guaranteed by Rural Development (RD) and the Department of Housing and Urban Development (HUD). The subject was the longtime owner of the title agency. Over the course of several years, he closed nearly 350 loans and fraudulently collected approximately \$231,000 in fees and title insurance premiums. The defendant's fraud affected 16 RD-backed mortgage loans totaling approximately \$1.3 million. He pled guilty to bank fraud and false statements on a loan.¹

Store Owner Sentenced and Ordered to Pay Restitution of \$1 Million for Theft of Government Funds—South Carolina

On March 14, 2018, in U.S. District Court, District of South Carolina, a store owner was sentenced to 27 months in prison and was ordered to pay \$1.03 million in restitution. This joint investigation into SNAP trafficking determined that the store owner trafficked SNAP benefits on multiple occasions. The store had redeemed over \$1 million in benefits since April 2011. The store owner pled guilty to theft of government money.²

Defendants Sentenced to Probation and Ordered to Pay Restitution to FSA—North Dakota

On March 19, 2018, in U.S. District Court, District of North Dakota, a producer was sentenced to 3 years of probation and was ordered to pay \$25,800 in restitution to the Farm Service Agency (FSA). The defendant was also debarred from participating in government programs. On the same date, an associated farmer was sentenced to 3 years of probation and was ordered to pay \$33,500 in restitution to FSA. OIG's investigation disclosed that the first subject forged employment documents in an effort to obtain an FSA loan, forged signatures on a purported land lease, and falsely advised FSA employees that she had purchased cattle from private individuals. In turn, FSA reimbursed her \$25,800 for the fictitious purchases. The investigation disclosed that both defendants knowingly converted \$33,500 worth of cattle for their personal use. The cattle were pledged to FSA as security on a farm loan.

¹ The investigation was conducted by USDA OIG, HUD OIG, and the Hubbard Ohio Police Department.

² The investigation was conducted by OIG, Internal Revenue Service—Criminal Investigations (IRS-CI), and the Richland County Sheriff's Office.

Defendants Sentenced to Imprisonment for Dog Fighting Activities—New Jersey

On March 19, 2018, in U.S. District Court, District of New Jersey, a defendant was sentenced to 17 months in prison, to be followed by 3 years of supervised release. The sentence followed his guilty plea to felony counts related to possessing and sponsoring a dog in an animal fighting venture. One week earlier, another defendant in the case was sentenced to 1 year in prison, 3 years of supervised release, and was ordered to pay a \$1,000 fine. Initially, the U.S. Drug Enforcement Administration (DEA) contacted OIG about possible dog fighting activities in Vineland, New Jersey. OIG and DEA executed search warrants that obtained pit bull terrier puppies and dogs crated in a basement, a slap/treadmill, vials of liquids believed to be a steroid, and additional animal fighting paraphernalia. This joint investigation ultimately involved individuals in five States and the District of Columbia. Subsequent search warrants were executed in conjunction with the arrest of eight individuals. To date, 98 dogs have been rescued. Further judicial proceedings are pending.³

Store Manager Sentenced and Ordered to Pay \$449,000 in Restitution for SNAP Fraud—Florida

On March 20, 2018, in U.S. District Court, Southern District of Florida, a store manager pled guilty to conspiracy to commit SNAP fraud and wire fraud. He was sentenced to 2 years in prison and was ordered to pay \$449,000 in restitution. Pursuant to a Department of Homeland Security immigration notice filed against him, the defendant is subject to deportation to Jordan upon release from confinement. This case is part of a series of multi-agency investigations in South Florida involving Federal, State, and local law enforcement agencies and the U.S. Attorney's Office. Six retailers in South Florida were involved in the investigations. The cumulative fraud attributable to the 11 subjects charged in the operation is estimated to be more than \$20 million. The defendant sentenced above managed a convenience store that was not authorized to participate in SNAP. The defendant and store employees engaged in a scheme wherein they exchanged cash for SNAP benefits, using equipment registered to another convenience store. During a 2-year period, this defendant's store engaged in an estimated \$2 million in SNAP transactions. To date, 7 defendants have been convicted and sentenced. Judicial proceedings in the cases are pending.⁴

Defendant Sentenced and Ordered to Pay \$72,000 Restitution on SNAP and Tax Fraud Charges—Delaware

On March 13, 2018, in U.S. District Court, District of Delaware, an employee of a food service company participating in the National School Lunch Program (NSLP) was sentenced to 3 years of probation and ordered to pay \$72,000 in restitution. The defendant pled guilty to charges of tax fraud and SNAP fraud. IRS-CI contacted OIG regarding allegations that the food service company was defrauding school feeding programs. The company operated as the primary food

³ The joint investigation into dog fighting activities was conducted by USDA OIG, U.S. Department of Homeland Security's Homeland Security Investigations, and the Federal Bureau of Investigation. The U.S. Department of Justice, Environment and Natural Resources Division, is prosecuting the cases.

⁴ The joint task force was comprised of USDA OIG, Federal Bureau of Investigation, U.S. Secret Service, Fort Lauderdale Police Department, and the Florida Department of Business and Professional Regulation.

service company for several charter schools in Pennsylvania. The investigation revealed that the company inflated the number of meals being served in various schools, and failed to report income when filing taxes. The owner of the company was sentenced in October 2017 to 23 months in prison and was ordered to pay \$1.2 million in restitution.