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Department of Justice

U.S. Attorney's Office

Northern District of Illinois

FOR IMMEDIATE RELEASE

Tuesday, July 14, 2020

Six Rockford Residents Sentenced on Federal Fraud Charges Related to Supplemental Nutrition Assistance Program (“SNAP”)

ROCKFORD — Six Rockford residents were sentenced Monday in federal court by U.S. District Judge Matthew F. Kennelly on wire fraud or money laundering charges.

Leeform “John” Xayvandy, Sr., 39, pleaded guilty on Nov. 27, 2019, to one count of wire fraud and one count of money laundering. He was sentenced to three years in prison and ordered to pay approximately \$3.18 million in restitution.

Som Xayvandy, 49, pleaded guilty on Nov. 4, 2019, to one count of wire fraud. He was sentenced to 18 months in prison and ordered to pay approximately \$2.77 million in restitution.

Vansy “Dee” Xayvandy, 45, pleaded guilty on Jan. 27, 2020, to one count of wire fraud. She was sentenced to 15 months in prison and ordered to pay approximately \$2.77 million in restitution.

Christiana “Tina” Xayvandy, 28, pleaded guilty on Nov. 4, 2019, to one count of wire fraud. She was sentenced to 15 months in prison and ordered to pay approximately \$2.97 million in restitution.

Feuy Khaikham, 59, pleaded guilty on Nov. 18, 2019, to one count of wire fraud and one count of money laundering. She was sentenced to 15 months in prison and ordered to pay approximately \$2.03 million in restitution.

Aung Gyaw, 25, pleaded guilty on Jan. 3, 2020, to one count of wire fraud. He was sentenced to six months of home confinement and ordered to pay approximately \$2.97 million in restitution.

The sentencings were announced by John R. Lausch, Jr., United States Attorney for the Northern District of Illinois; Anthony Mohatt, Special Agent-in-Charge of the Midwest Regional Office of the

U.S. Department of Agriculture, Office of Inspector General in Chicago; and Kathy A. Enstrom, Special Agent-in-Charge of the Chicago office of the Internal Revenue Service, Criminal Investigation Division. The Rockford Police Department and Winnebago County Sheriff's Office assisted in the investigation. The government was represented by Assistant U.S. Attorney Talia Bucci.

The wire fraud charges relate to the Supplemental Nutrition Assistance Program ("SNAP"), formerly known as the food stamp program. SNAP is a federal benefit program administered by the U.S. Department of Agriculture in conjunction with state governments. It provides nutrition benefits to supplement the food budgets of eligible individuals and families. Stores authorized to participate in SNAP can accept SNAP benefits only as payment for eligible food items, and it is illegal for stores and individuals to exchange SNAP benefits for cash - a practice commonly referred to as SNAP trafficking.

According to written plea agreements entered by the six defendants, between April 2015 and January 2017, the defendants schemed to defraud the USDA by fraudulently accepting and redeeming SNAP benefits exchanged for discounted amounts of cash, knowing that such exchanges were prohibited under SNAP. As part of the scheme, defendants conducted SNAP trafficking at multiple stores in Rockford, including Pattaya Grocery Foods, formerly located at 108 15th Ave., B&P Foods Market, formerly located at 102 15th Ave.), Platinum Electronics and More, formerly located at 1114 Broadway, and Mr. Clark Groceries, formerly located at 1019 S. Main St.. Proceeds from the SNAP trafficking transactions were deposited into bank accounts controlled by the defendants and then distributed to other members of the scheme through cash payments or check. Som Xayvandy and Khaikham admitted in their plea agreements that they previously owned stores that were permanently disqualified from participating in SNAP in 2014 after USDA Food and Nutrition Services found that SNAP trafficking had been conducted at those stores.

Leeform Xayvandy, Sr., and Khaikham also admitted that they conducted financial transactions affecting interstate commerce involving the proceeds of the wire fraud scheme. Khaikham admitted that she directed a nominee owner of B&P Foods Market to cash checks from the store's bank account and return the proceeds to Khaikham. Leeform Xayvandy, Sr., admitted that he issued checks from B&P Foods Market's bank account to two other individuals, and directed those individuals to cash the checks and return the proceeds to him. Leeform Xayvandy, Sr., and Khaikham admitted that they did so in order to conceal the nature, ownership, and control of the wire fraud proceeds involved in those transactions.

A seventh defendant, Bounleung "Tommy" Thamontri, 56, was also charged with wire fraud, food stamp fraud, money laundering, and conspiracy to commit money laundering. Thamontri remains at large.

Topic(s):

Financial Fraud

Component(s):

USAO - Illinois, Northern

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