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Friday, April 28, 2017

## Retailer Sentenced to 2.5 Years in Federal Prison for Food Stamp Fraud

**Baltimore**, Maryland – On April 27, 2017, U.S. District Judge Richard D. Bennett sentenced Shaheen Tasewar Hussain, age 61, of Columbia, Maryland to 30 months in prison, followed by three years of supervised release, for conspiracy to commit food stamp fraud and wire fraud in connection with a scheme to illegally redeem food stamp benefits in exchange for cash. Judge Bennett also ordered Hussain to pay restitution in the amount of \$778,183.00.

The sentence was announced by Acting United States Attorney for the District of Maryland Stephen M. Schenning; Special Agent in Charge Bethanne M. Dinkins of the U.S. Department of Agriculture Office of Inspector General, Northeast Region; and Special Agent in Charge Gordon B. Johnson of the Federal Bureau of Investigation.

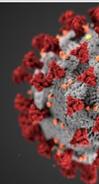
The Supplemental Nutrition Assistance Program (SNAP), previously known as the Food Stamp Program, is administered by the Food and Nutrition Service (FNS) of the United States Department of Agriculture (USDA), together with state agencies. The program funds low-income individuals to allow them to obtain a more nutritious diet. In Maryland, the program provides eligible individuals with an electronic benefit transfer (EBT) card called the Independence Card, which operates like a debit card. Recipients obtain EBT cards through the state Department of Human Resources, then use the EBT card to purchase approved food items from participating retailers.

Retailers must apply to and be approved by FNS to participate in the program. Authorized retailers use a point-of-sale terminal that checks the EBT card



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information and deducts the cash value of the purchase from the customer's SNAP benefit balance. SNAP reimbursements are paid to retailers through electronic funds transfers. Retailers may bill the government only in return for providing approved food items.

Hussain was the owner of Safe #7, Inc. d/b/a Shop & Save (hereinafter sometimes referred to as "the store" or "Shop & Save"), which was a convenience store located at 301 Crain Highway South, Suite D in Glen Burnie, Maryland. Hussain, through the store, participated in the Supplemental Nutrition Assistance Program ("SNAP"), formerly known as the Food Stamp Program.

According to her plea agreement, from July 2011 through August 2016, Hussain redeemed EBT benefits at the Shop & Save in exchange for cash in violation of the food stamp program rules and regulations. Hussain paid individuals presenting SNAP benefits cash in exchange for their benefits and kept up to 50 percent of the benefits for the store. As a result of these unlawful transactions, Hussain obtained more than \$778,183 in EBT deposits for food sales that never actually occurred. Hussain knew that exchanging cash for EBT benefits was in violation of the laws, rules and regulations regarding the food stamp program and that she was not entitled to the EBT deposits made by FNS into the bank account for Safe #7, Inc.

In September 2011, months after being permanently disqualified from the SNAP program for violating FNS regulations, Hussain used a straw owner to submit an application to license Shop and Save to participate in the food stamp program. FNS approved the form which had been signed by another individual other than Hussain and licensed Shop & Save as a SNAP retailer. Hussain, however, subsequently operated Shop & Save.

Hussain was observed by law enforcement working the cash register and personally trafficking SNAP benefits in exchange for giving reduced cash payments to EBT cardholders. Between April 2015 through September 2015, agents working in an undercover capacity entered Shop and Save multiple times and asked to sell food stamp benefits in exchange for cash. Hussain was working behind the register each time and agreed to the transactions. For example, on April 14, 2015, Hussain swiped the undercover agent's SNAP benefit EBT card twice, charging \$75.02 for the first transaction and \$25.60 on the second transaction just seconds later for a total of \$100.62. In exchange, the Defendant gave the undercover agent \$60 in cash.

On each of the occasions, Hussain did not sell the undercover agent any eligible food items. Hussain also broke up these transactions into increments of less than \$100, because she knew that transactions over \$100 for such a small store would likely alert law enforcement that she was trafficking SNAP benefits in exchange for cash.

On August 30, 2015, law enforcement executed a search warrant at Shop & Save. Officers discovered that the vast majority of the food items at the store were



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expired, covered in dust, spoiled by pests, and not amenable for human consumption.

Acting United States Attorney Stephen M. Schenning praised the USDA Office of Inspector General and FBI for their work in the investigation. Mr. Schenning thanked Assistant United States Attorneys Jason D. Medinger and Kathleen O. Gavin, who prosecuted the case.

**Component(s):**

USAO - Maryland

Updated April 28, 2017

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