

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA**

UNITED STATES OF AMERICA

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CRIMINAL DOCKET NO. 13-203

v.

*

SECTION: "S"

LONG T. TRINH

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FACTUAL BASIS

The parties hereby agree this Factual Statement is a true and accurate statement of the defendant's criminal conduct, and it provides a sufficient basis for the defendant's plea of guilty to the charges contained in the Bill of Information which is described in the above captioned matter and as set forth in the plea agreement signed this same day, and had this matter proceeded to trial, the following facts would be established beyond a reasonable doubt through competent evidence and testimony.

A witness from the United States Department of Agriculture (USDA), Food and Nutrition Service (FNS), would testify that the USDA-FNS administers the Supplemental Nutrition Assistance Program (SNAP), a federal government program formerly known as the Food Stamp Program. SNAP helps qualifying individuals and families buy food. SNAP or food stamp benefits are similar to United States currency in that food stamp recipients can purchase food from grocery retailers at the face value of their food stamp benefits. In most states, food stamp benefits are provided to recipients on an Electronic Benefits Transfer (EBT) card that is used like a bank Automated Teller Machine (ATM) card. In Louisiana, recipients receive their food stamp benefits through Electronic Benefit Transfers (EBT). Grocery retailers participate in SNAP only

with the authorization of USDA-FNS. Authorized retailers may only accept and redeem food stamp benefits in exchange for the sale of eligible food items. Retailers may not exchange food stamp benefits for cash or any other ineligible items of value such as tobacco products or alcoholic beverages. During the authorization process retailers that participate in SNAP are informed of the prohibitions against accepting food stamp benefits for anything other than eligible food items, and are also notified of the sanctions for prohibited activities, including possible criminal prosecution. When participating in SNAP, authorized grocery retailers agree to be held liable for all actions of their employees regarding federal regulations governing SNAP, including illegal acts or fraud and food stamp trafficking.

In December 2001, the defendant Long T. Trinh (Trinh) opened a small convenience store named Seafood Heaven, located in Gretna, Louisiana, and became an authorized retailer to accept SNAP benefits on January 20, 2002, under authorization number 5017572.

Seafood Heaven was a small convenience store carrying liquor, beer, wine, tobacco, and limited food items. It had no grocery carts or counter space to check out a large number of eligible food items. It had one register without an optical scanner; therefore all items are manually entered by the cashier.

During the time period of December 2009 through January 2013, an undercover agent and a cooperating witness made buys of ineligible items and obtained cash in exchange for SNAP benefits. The defendant Long T. Trinh scanned the undercover EBT cards and exchanged SNAP benefits for cash and ineligible items, such as beer and cigarettes. Long T. Trinh purchased SNAP benefits for cash at a discounted value and retained the full value of the SNAP benefits from the United States Department of Agriculture at the rate of approximately \$.60 on the dollar.

Therefore, Seafood Heaven profited by keeping a cash transaction fee of approximately 40%.

According to the SNAP retail store eligibility guide, to be eligible the store must sell food for home preparation and consumption and must offer for sale on a continuous basis, at least three varieties of qualifying foods in each of the four staple food groups that are perishable in at least two categories. The food groups include uncooked meat; poultry or fish; bread or cereal; vegetables or fruits; and dairy products. Staple foods do not include accessory foods such as coffee, tea, cocoa, drinks, candy, condiments, spices, and hot foods. Beer and tobacco are not eligible. Cooked seafood and prepared meats are not eligible except during an emergency such as a hurricane.

At various times between December 2009 and January 2013, USDA agents conducted undercover surveys of the store and observed that there were no eggs, milk, cheese, fruits, meats, or butter for sale. There were a few eligible items. Most of the space of the store consisted of coolers containing soft drinks, juice, beer, and wine. Seafood Heaven also carried a large quantity of tobacco products which were not eligible.

During a one year time period, a review of official data reveals that the average individual SNAP sale for Seafood Heaven was approximately \$100.00. During the same time period, the average individual SNAP sale for Wal-Mart Supercenter, located a few miles from Seafood Heaven, which carries a large quantity of eligible items, was only \$55.00. The large dollar amount of individual SNAP sales at Seafood Heaven, a small convenience store with very few eligible food items, is consistent with the illegal sales of EBT food stamp benefits for cash or contraband.

According to Store Tracking and Redemption Systems (STARS) databases reviewed by law enforcement, from January 2009 through February 2012, Seafood Heaven completed or

caused SNAP redemption transactions totaling \$3,683,992 to be deposited into Seafood Heaven's Capital One bank account. A review of bank records, vendor invoicing, and financial documents, reveal that from January 2009 through February 2012, Seafood Heaven's expenditures for eligible food items, with a mark up of 35%, was approximately \$1,387,612. Based on a review and analysis of Seafood Heaven transactions, the amount of fraudulent funds received by Seafood Heaven and Long T. Trinh through food stamp trafficking totals was at least \$2,296,379. The parties stipulate to the amount of \$2,296,379 to be used as relevant conduct in this case.

READ AND APPROVED:

Long T. Trinh
Defendant

Date

Provino Mosca
Attorney for defendant

Date

Loan "Mimi" Nguyen
Assistant United States Attorney

Date