



U.S. Department of Justice

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For Immediate Release:

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Oct 27, 2009

Event: Guilty Plea

Defendant: Latif Barash et al

**SOUTHFIELD, STERLING HEIGHTS RESIDENTS PLEAD GUILTY
IN LARGE-SCALE FOOD STAMP FRAUD OPERATION IN DETROIT**

United States Attorney Terrence Berg announced today that Dicra Zia, 39, of Southfield, and Latif Barash, 42, of Sterling Heights, pleaded guilty to committing food stamp fraud. Latif Barash also pleaded guilty to one count of money laundering. Montha Barash, 37, Latif's wife, pleaded guilty to theft of government funds under \$1,000.00. These charges stem from the defendants' operation of Express Lanes Party Store, located at 12546 Dexter, Detroit, Michigan, from April 2004 through November 2005. The pleas were entered and accepted by United States District Judge George Caram Steeh on October 26, 2009.

Mr. Berg was joined in the announcement by Joe N. Smith, Special Agent in Charge, United States Department of Agriculture - Office of Inspector General and Maurice Aouate, Special Agent in Charge, Internal Revenue Service, Criminal Investigation Division.

According to court records and the information provided to the court at the time of the guilty pleas, in April 2004 through November 2005, Dicra Zia and Latif Barash, doing business

as Express Lanes, an authorized food stamp program retailer, abused and violated the regulations governing the food stamp program, funded by the United States Department of Agriculture, by purchasing food stamp benefits, usually for half of their value, from food stamp benefit recipients. It was alleged that the defendants purchased over \$938,000 in food stamp benefits for cash during that period for less than half of their value. Federal law strictly prohibits the use of food stamp benefits for anything but the purchase of eligible food items from authorized program retailers, and explicitly forbids the purchase of food stamp benefits for cash. This is because Congress created and funded the program for the express purpose of helping to feed individuals and families that would otherwise be unable to purchase food to sustain themselves. Both defendants were advised of, and trained in, these and other regulations pertaining to the food stamp program when Express Lanes became an authorized retailer.

The information provided to the court at the guilty plea hearing additionally established that Latif Barash engaged in monetary transactions with the proceeds of food stamp fraud and wire fraud, knowing them to be proceeds of illegal activities, commonly referred to as money laundering.

Lastly, Montha Barash, according to information provided at the plea hearing, obtained for her and her family (including Latif Barash), government program funds from the Department of Agriculture and the Department of Health and Human Services, in the form of food stamps, WIC coupons and Medicaid benefits, to which they were not entitled by providing false family income information to the administrators of those programs.

United States Attorney Terrence Berg said, "Food stamp 'discounting' as it has come to be known, diverts federal funds intended to feed the poor to those business owners who are supposed to be participating in the program in good faith. According to the indictment, for example, one defendant allegedly offered to buy \$10,000 worth of food stamps for only \$5,500, even though the seller - an undercover agent - made it clear that the food stamps were intended to feed residents of a homeless shelter. The federal programs intended to help the poor should not be subjected to such abuse."

Special Agent in-Charge Smith said; "The USDA Office of Inspector General, Office of Investigations, is committed to aggressively investigating the criminal activities of store owners and employees who deprive needy citizens of the Detroit metropolitan area access to nutritious meals. We appreciate the assistance from our partners in the Federal and state law enforcement community."

Special Agent in Charge Aouate said, "IRS Criminal Investigation's unique role is to follow the money and identify those guilty parties who are financially benefitting from these illegal actions. Working with the United States Department of Agriculture Office of Inspector General, Michigan State Police, and our other law enforcement partners, we will make sure that there are stiff consequences to these types of fraudulent activities that prey on the people that can least afford it."

During the execution of the search warrants on the location of the Express Lanes Party Store, Zia's residence, and the Barash residence, as well as a consent search of the safety deposit box of Latif and Montha Barash, approximately \$690,000 in cash was seized. An additional \$20,000 was seized from Express Lanes' bank accounts. As part of their guilty pleas, the defendants agreed to the entry of a forfeiture money judgment in the amount of \$865,000, representing the amount of criminal proceeds obtained by the defendants during the 20 month period between April 2004 and November 2005. The defendants have also agreed to forfeit their interest in the \$690,000 in cash, the \$20,000 from the bank accounts, and two real properties, including the Express Lanes location, as part of the sentence to be imposed upon them in this case.

A sentencing date for all three defendants has been set for February 22, 2009 at 10:00 a.m. before the Honorable George Caram Steeh, United States District Judge.

The case was investigated by special agents of the United States Department of Agriculture Office of Inspector General, the United States Internal Revenue Service, Criminal Investigation Division, with the assistance of the Michigan State Police and the Michigan

Department of Human Services. The case is being prosecuted by Assistant U.S. Attorneys Craig A. Weier and Rita Elizabeth Foley.

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