



U.S. Department of Justice

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Event: Guilty Plea

Defendant: Mouayad Jendo

Detroit Convenience Store Owner Pleads Guilty

Mouayad Jendo, 53, of Troy, Michigan, part owner of Foodland, Detroit, Michigan, plead guilty to conspiracy to commit wire fraud and structuring financial transactions, United States Attorney Terrence Berg announced.

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, during 2003 through 2006, Jendo, along with others, engaged in a scheme to defraud the United States Department of Agriculture Food stamp Program. Jendo and Foodland, an authorized food stamp program retailer, abused and violated the regulations governing the United States Department of Agriculture funded food stamp program by purchasing food stamp benefits, usually for half of their value, from food stamp benefit recipients. Jendo, along with others, fraudulently processed the purchases of the food stamp benefits, through the Foodland electronic terminal, as purchases of eligible food

items, thereby obtaining the full dollar amount.

Congress created and funded the food stamp program for the express purpose of helping to feed individuals and families that would otherwise be unable to purchase food to sustain themselves.

According to court records, Jendo purchased approximately \$1.6 million in food stamp benefits for cash at a discounted rate. These proceeds were automatically deposited into the Foodland business account. During this time, Jendo made over 100 cash withdrawals each slightly under \$10,000, totaling over \$978,000, to avoid the IRS reporting requirements. These funds were used to purchase additional food stamp benefits for cash at a discounted rate.

According to court records, Jendo has also agreed to a personal money judgment with the United States of over \$1,6 million, which includes forfeiting over \$500,000 in seized currency and his interest in real properties located in Troy, Detroit, and Inkster, Michigan.

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. In addition, failure to report income to the IRS, is a serious federal crime."

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, 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.”

The maximum penalties are 20 years imprisonment and a \$250,000 fine for conspiracy to commit wire fraud, and 10 years imprisonment and \$250,000 for the structuring financial transactions.

Jendo’s sentencing is set for January 26, 2010 at 2:00 pm before United States District Court Judge Marianne O Battani.

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