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News Release

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Owner of Stryker Avenue Market pleads guilty to food stamp fraud

MINNEAPOLIS – Earlier today in federal court, the owner of Stryker Avenue Market in St. Paul pleaded guilty to trafficking food stamps. Khaffak Sahib Ansari, age 45, of Arden Hills, pleaded guilty to one count of food stamp fraud. Ansari, who was indicted on May 17, 2011, entered his plea before United States District Court Judge Paul A. Magnuson. In his plea agreement, Ansari admitted that between January 1, 2006, and October 7, 2010, he exchanged Supplemental Nutrition and Assistance Program (“SNAP”) stamps, commonly known as food stamps, for cash and ineligible merchandise. The government believes that Ansari trafficked more than \$3 million in food stamp benefits.

In 1998, the United States Department of Agriculture (“USDA”) authorized Stryker Avenue Market to accept food stamps, and Ansari affirmed that he had attended retailer orientation and understood the rules regarding the federal food stamp program. Each individual who receives SNAP benefits is issued an electronic benefit transfer (“EBT”) card, which contains a monthly allocated benefit amount that can be used at authorized retailers. The USDA then reimburses those retailers for the benefit amounts redeemed. Only eligible food items may be acquired with food stamps, and some items, such as alcoholic beverages, tobacco products, and cell phone minutes, are strictly prohibited. Moreover, food stamps may not be redeemed for cash.

The USDA-Office of Inspector General (“USDA-OIG”) began investigating Stryker Avenue in 2008. On numerous occasions, Ansari admittedly exchanged SNAP benefits for cash or ineligible items. For example, on July 16, 2008, Ansari swiped a person’s SNAP EBT card for \$401.12 and provided that person with \$200 in cash. Then, on January 7, 2010, Ansari swiped another person’s card for \$131.86 and provided that person \$100 in cash.

According to a law enforcement affidavit filed in the case, between 2004 and 2009, the average annual food stamp redemption for a similarly sized store in Minnesota was

approximately \$322,793. In contrast, during that same period, Stryker's annual redemptions totaled approximately \$3.1 million.

For his crime, Ansari faces a potential maximum penalty of 20 years in prison. Judge Magnuson will determine his sentence at a future hearing, yet to be scheduled.

This case is the result of an investigation by the USDA-OIG, the St. Paul Police Department, the Internal Revenue Service-Criminal Investigation Division, and the Minnesota Financial Crimes Task Force. It is being prosecuted by Assistant U.S. Attorney Kevin S. Ueland.

The Financial Crimes Task Force was established pursuant to state law. It is comprised of local, state and federal law enforcement investigators, who work to combat the growing trend of cross-jurisdictional financial crimes. The task force is overseen by an advisory board, also created under state law.

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