

NEWS

United States Department of Justice
U.S. Attorney, District of New Jersey
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Camden, New Jersey 08101



Paul J. Fishman, U.S. Attorney

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FOR IMMEDIATE RELEASE

Nov. 5, 2009

Owner and Two Employees of Westville Food Mart
Plead Guilty to \$280,000 Food Stamp Fraud

(More)

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CAMDEN – The owner of a Citgo Food Mart in Westville and two store employees pleaded guilty today to defrauding the federal food stamp program of more than \$280,000, U.S. Attorney Paul J. Fishman announced.

Mehal Mothon, 48, of Berlin, who owns a Citgo Food Mart, pleaded guilty before U.S. District Judge Joseph H. Rodriguez to a one-count Information that charged him with conspiracy to embezzle from the U.S. Department of Agriculture’s Supplemental Nutrition and Assistance Program, or “SNAP.”

Two of Mothon’s employees, cousins Palwinder Singh, 30, of Buena Vista, and Lakhwinder Singh, 42, of Cherry Hill, also pleaded guilty to separate Informations charging them with conspiracy to embezzle from the SNAP Program.

Judge Rodriguez scheduled sentencing for Feb. 8 for each of the defendants who pleaded guilty today.

At his plea hearing, Mothon stated that from July 2007 until March 2009, he owned a Citgo Food Mart on Delsea Drive in Westville. Mothon admitted that during this time period, he defrauded the Department of Agriculture’s Food and Nutrition Service of approximately \$283,350.

Mothon said he understood that SNAP benefits were to be redeemed only for the purchase of approved food items. But he admitted exchanging SNAP benefits for cash and authorizing and instructing Palwinder Singh and Lakhwinder Singh on how to exchange cash for SNAP benefits.

Palwinder Singh and Lakhwinder Singh both admitted at their respective plea hearings that at various times they worked for Mothon at his Citgo business and that they participated with Mothon in the scheme to exchange cash for SNAP benefits in return for a 50 percent fee.

According to the Informations to which the defendants pleaded guilty, the defendants regularly charged customers’ Electronic Benefit Transfer (“EBT”) cards for amounts that did not represent payment for approved food item purchases. In fact, although in many instances these EBT transactions involved the purchase of a few, low-cost food items, the defendants typically passed half of the fraudulent charges to the customers in the form of cash and kept half the charges for their own benefit. Mothon received payment from the Department of Agriculture for the full value of the fraudulent transactions when the SNAP program made payment to Citgo Food Mart for the full amount charged to the customers’ EBT cards.

The defendants were arrested on criminal Complaints on April 1, 2009, in an investigation into SNAP benefits trafficking by food retailers authorized to process EBT transactions in exchange for the purchase of food. The undercover investigation was conducted by Special Agents of the USDA Office of Inspector General (USDA OIG), with the assistance of agents from the U.S. Secret Service and investigators with the Camden County Prosecutor’s Office.

The ongoing investigation also resulted in the June 8, 2009, arrest of Arsenio Vargas-Nunez, 31, of Camden, and the Oct. 27, 2009, arrest of Manuel Caba-Nunez, 23, of Camden, who were employees of Caba Grocery in Camden, on separate criminal Complaints that charge embezzlement of SNAP program benefits. The Complaints allege that from June 2008 until June 2009, Vargas-Nunez, Caba-Nunez and others defrauded the SNAP program of approximately \$324,282.

The investigation also resulted in the arrest of Rafael Rosario, 53, of Pennsauken, and Maria Magdalena Rodriguez Caba De Clemente, 30, of Camden, on June 8, 2009. Rosario and Rodriguez, who are employees of the Melina Grocery store in Camden, are charged in separate criminal Complaints which allege that they and others at Melina Grocery embezzled approximately \$455,450 from the SNAP program from August 2008 until June 2009.

In total, the investigation by the U.S. Department of Agriculture uncovered approximately \$1.1 million in fraud at these three small convenience stores through their owners and employees illegally exchanging SNAP program benefits for cash.

The charge of conspiracy to embezzle from the U.S. Department of Agriculture's SNAP Program carries a maximum statutory sentence of five years in prison and a fine of the greatest of \$250,000 or twice the aggregate loss to the victims or gain to the defendant.

In determining an actual sentence, Judge Rodriguez will consult the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The judge, however, is not bound by those guidelines in determining a sentence.

Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Fishman credited Special Agents with the Department of Agriculture Office of the Inspector General, under the direction of Special Agent in Charge Brian L. Haaser; the U.S. Secret Service, Philadelphia Division, under the direction of Special Agent in Charge Robert Slama; Investigators with the Camden County Prosecutor's Office, under the direction of Prosecutor Warren W. Faulk, and the Camden Police Department, under the direction of Chief of Police John Scott Thomson, with the investigation leading to today's guilty pleas.

The government is represented by Assistant U.S. Attorneys Kevin Smith and Deborah Prinszano Mikkelsen of the U.S. Attorney's Office's Criminal Division in Camden.

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Defense Attorneys:

Mothon - Kevin Mark Wray, Esq. Media, Pa.

Lakhwinder Singh - Stanley J. Ellenberg, Esq Philadelphia

Palwinder Singh - Patrick F. Lomax, Esq. Media, Pa.

Vargas-Nunez - Michael Kahn, Esq. Cherry Hill
Caba-Nunez - Maggie Moy, Esq Camden

Rosario - Michael Kahn, Esq. Cherry Hill
Rodriguez - Troy Archie, Esq. Camden