

ATTACHMENT A

From in or around October 2011 to the present, in Passaic County, in the District of New Jersey and elsewhere, defendants

**Wael Rabee and
Jacques Gary Doghram Apelian**

did knowingly and intentionally conspire and agree with each other and with others to embezzle, steal, purloin, and knowingly convert to their own use and the use of others money and things of value of the United States or of a department or agency of the United States, namely benefits associated with the Supplemental Nutrition Assistance Program ("SNAP"), contrary to Title 18, United States Code, Section 641.

In violation of Title 18, United States Code, Section 371 and Section 2.

ATTACHMENT B

I, Irena DiCostanzo, am a Special Agent with the United States Department of Agriculture – Office of Inspector General Investigations (“USDA-OIG”). I have knowledge of the following facts based upon both my investigation and discussions with other law enforcement personnel and others. Because this affidavit is being submitted for the limited purpose of establishing probable cause to support the issuance of a complaint, I have not set forth each and every fact that I know concerning this investigation. Where statements of others are related herein, they are related in substance and part. Where I assert that an event took place on a particular date, I am asserting that it took place on or about the date alleged.

The Supplemental Nutrition Assistance Program (formerly the Food Stamp Program)

1. The Supplemental Nutrition Assistance Program (“SNAP”) is a program funded by the United States government whereby low-income individuals who qualify receive benefits to purchase eligible food items.¹ SNAP benefits are loaded onto Electronic Benefits Transfer (“EBT”) cards. The EBT cards are automatically credited with the appropriate level of food stamp benefits for each SNAP recipient (the “SNAP Recipients”).

2. Food retailers apply for authorization to participate in SNAP. Once a retailer has been authorized to enroll in SNAP (and thus becoming an “Authorized Retailer”), the Authorized Retailer may redeem purchases of eligible food products by SNAP Recipients.

3. SNAP EBT benefits are transferred directly via electronic transfer from the United States Treasury into a bank account designated by the Authorized Retailer. Authorized Retailers receive training material relating to the rules and regulations of SNAP prior to receiving authorization, and they are responsible for training employees on the proper acceptance and handling of SNAP benefits.

4. To complete a purchase, a SNAP Recipient swipes an EBT card through a point of sale terminal at the Authorized Retailer and enters a Personal Identification Number. If approved, the Recipient’s account is then debited for the amount of the purchase, and the funds are credited to the Authorized Retailer’s account.

¹ SNAP benefits may only be used to purchase specific food items, and may not be used to purchase prepared foods, alcoholic beverages, pet food, or other non-food items. And, more fundamentally, SNAP benefits may not be exchanged for cash.

Overview

5. USDA-OIG has uncovered a long-running scheme to defraud the United States government run through Broadway Deli & Grocery (“Broadway”), an Authorized Retailer located in Paterson, New Jersey. The investigation has revealed that employees of Broadway and others (the “Co-Conspirators”) have unlawfully redeemed SNAP EBT benefits in exchange for cash or for the purchase of non-food items. In sum, the Co-Conspirators enter fictitious dollar amounts for allegedly eligible SNAP EBT transactions, give Recipients a percentage of the transaction’s value in cash, and keep the remainder. As an example, a Recipient might purchase eligible food items worth approximately \$5.00, but the Co-Conspirators will swipe the Recipient’s EBT card for \$95.00 to be debited from the Recipient’s EBT account and credited to Broadway’s bank account. The Co-Conspirators give the Recipient a portion of the cash, and the Co-Conspirators keep a portion of the proceeds, typically 33% of the total amount of SNAP benefits debited from the EBT card (not including the costs of store items that were purchased).

The Scheme To Defraud

6. Defendants Jacques Gary Doghram Apelian (“DOGHRAM”) and Wael Rabee (“RABEE”) are employees of Broadway who have conducted numerous fraudulent SNAP benefits transactions, as detailed in part below.

7. Broadway is a small deli and grocery store. SNAP EBT benefit purchases of eligible food items over \$50 in small groceries such as Broadway are rare because based on these stores’ square footage, number of registers, and the amount of inventory, such stores do not normally lead to customers purchasing high-dollar amounts in food items, as they would at a large supermarket. A high number of SNAP EBT transactions over \$50 is, therefore, indicative of SNAP EBT trafficking.

8. Analysis of EBT transaction data revealed approximately **\$1,493,293.65** in purported EBT purchases of more than \$50 made at Broadway from in or around October 2011 through in or around December 2014. Based on my training and experience, I believe that legitimate EBT purchase in excess of \$50 at Broadway would be highly unusual due to the limited supply of eligible food items at the store, and nearly \$1,500,000 in such transactions in just more than three years is likewise indicative of fraud.

9. From in or around October 2012 to on or about December 2014, a Cooperating Witness (“CW”) working under law enforcement direction engaged in approximately fifteen “purchases” at Broadway. During each of these transactions, the CW exchanged SNAP EBT benefits for cash with Co-Conspirators, in violation of SNAP rules and regulations.

10. As just a few examples:

a. On or about January 24, 2013, DOGHRAM debited a total of approximately \$116.49 in SNAP benefits from the CW's undercover EBT card. Approximately \$11.49 was used to purchase store items, including laundry detergent, which is a nonfood item and ineligible for purchase using SNAP benefits. DOGHRAM then provided the CW with approximately \$70.00 in cash in violation of SNAP regulations, and the Co-Conspirators kept the remaining approximately \$35.00, which was deposited into Broadway's account. During this transaction, DOGHRAM stated that \$70.00 in returned cash was his "limit."

b. On or about February 12, 2013, RABEE debited a total of approximately \$108.75 in SNAP benefits from the CW's undercover EBT card. Approximately \$3.75 was used to purchase a store item. RABEE then provided the CW with approximately \$70.00 in cash in violation of SNAP rules and regulations, and the Co-Conspirators kept the remaining approximately \$35.00, which was deposited into Broadway's account.

c. During an undercover operation conducted on or about July 2, 2013, the CW asked DOGHRAM for cash in exchange for SNAP benefits. DOGHRAM told the CW he did not have any more cash. In particular, he stated that he starts early in the morning, around 4:30 a.m., and that the CW came too late.

d. During an undercover operation conducted on or about June 6, 2014, DOGHRAM debited a total of \$90.03 in SNAP benefits from the CW's undercover EBT card. No store items were purchased. DOGHRAM gave \$60.00 in cash to the CW in violation of SNAP rules and regulations, and the remaining \$30.03 was deposited into the store's account. During this interaction, the CW stated that she/he needed "more than sixty," meaning that she/he needed more than \$60.00 in cash in exchange for SNAP benefits. DOGHRAM responded that it was "sixty for ninety," meaning that \$60.00 in cash would be exchanged for \$90.00 in SNAP benefits.

11. During the approximately fifteen undercover operations in which SNAP Benefits were redeemed for cash at Broadway, approximately 66% was given to the CW and the Co-Conspirators retained approximately 33% of the SNAP Benefits.

12. On or about January 2, 2014, the CW entered the store at approximately 4:53 a.m. At that early hour, Broadway was busy and certain Co-Conspirators conducted numerous EBT transactions. Based on my training and experience, the frequency and timing of these SNAP redemptions is indicative of fraud.

13. Below is a chart showing approximately twenty-eight SNAP transactions, all processed on or about January 2, 2014, in just about 75 minutes – from approximately 4:46 a.m. to approximately 6:01 a.m.:

Date	Approximate Time	Approximate Amount
January 2, 2014	4:46 a.m.	\$132.25
January 2, 2014	4:47 a.m.	\$96.25
January 2, 2014	4:48 a.m.	\$110.34
January 2, 2014	4:49 a.m.	\$57.50
January 2, 2014	4:51 a.m.	\$72.00
January 2, 2014	4:52 a.m.	\$103.95
January 2, 2014	4:55 a.m.	\$99.45
January 2, 2014	4:56 a.m.	\$90.02
January 2, 2014	5:02 a.m.	\$69.00
January 2, 2014	5:04 a.m.	\$96.02
January 2, 2014	5:09 a.m.	\$88.02
January 2, 2014	5:22 a.m.	\$30.02
January 2, 2014	5:25 a.m.	\$2.50
January 2, 2014	5:26 a.m.	\$5.33
January 2, 2014	5:27 a.m.	\$48.50
January 2, 2014	5:30 a.m.	\$112.00
January 2, 2014	5:39 a.m.	\$96.75
January 2, 2014	5:42 a.m.	\$47.00
January 2, 2014	5:45 a.m.	\$35.20
January 2, 2014	5:46 a.m.	\$62.00
January 2, 2014	5:47 a.m.	\$75.75
January 2, 2014	5:49 a.m.	\$1.75
January 2, 2014	5:51 a.m.	\$27.59
January 2, 2014	5:52 a.m.	\$16.50
January 2, 2014	5:56 a.m.	\$135.69
January 2, 2014	5:58 a.m.	\$93.50
January 2, 2014	5:59 a.m.	\$97.75
January 2, 2014	6:01 a.m.	\$20.35

14. USDA Agents have reviewed Broadway's SNAP EBT redemption records and have visually inspected its business premises. Despite its small size, Broadway has redeemed a disproportionately high number of SNAP benefits compared to other similarly-sized stores in its vicinity. For example, from in or around October 2011 through in or around September 2012, Broadway redeemed approximately \$460,197.68 in SNAP EBT benefits, a monthly average of approximately \$38,349.81. For that same time period, four other small grocery retailers in the same vicinity, all of which are open year-

round, redeemed far less. Indeed, the highest-redeeming of these stores redeemed approximately 25% of the SNAP EBT benefits as did Broadway, and some comparable stores redeemed less than 10% of Broadway's amount.