



U.S. Department of Justice

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NEWS RELEASE

AJ's KWIK MART, FIVE INDIVIDUALS CHARGED IN ALLEGED SCHEME TO DEFRAUD NUTRITION ASSISTANCE PROGRAM

SALT LAKE CITY – A federal grand jury returned a 20-count indictment Wednesday afternoon charging AJ's Kwik Mart in Salt Lake City and five individuals with violations of federal law in connection with an alleged scheme to defraud the Supplemental Nutrition Assistance Program (SNAP) operated by the U.S. Department of Agriculture Food and Nutrition Service.

AJ's Kwik Mart is a small convenience store located at 268 South Main Street. It carries small food and convenience items such as soft drinks, chips, candy, canned soups, pastas, prepared sandwiches, and miscellaneous snack items, among other things.

Charged in the indictment along with the business are Muhammed Omar Mullahkhel aka Omar Mullahkhel, age 59, and Ajmal Omar Mullahkhel aka AJ, age 24, both of West Valley City; and Bilqis Shahnaz Mullahkhel, age 26, Nargas Parwana Mullahkhel, age 28, and Abdul Subur Mumtaz Mullahkhel aka Mumtaz, all of Salt Lake City. A summons will be issued to each defendant to appear in federal court for an arraignment. (No date has been set.)

The indictment includes one count of conspiracy to commit wire fraud; 13 counts of Supplemental Nutrition Assistance Program benefits fraud; one count of access device fraud; and five counts of money laundering. The charges follow an investigation by agents of the U.S. Department of Agriculture-Office of Inspector General and the FBI.

The SNAP program provides assistance to low income individuals and families to purchase food. States are given authority to determine eligibility and to certify recipients who qualify for the program. In Utah, SNAP benefits are administered by the Utah State Department of Workforce Services. Approved applicants are given a benefits transactions card, similar to a bank debit card, linked to a SNAP account. Benefits for recipients are electronically encoded to the account on a monthly basis to allow beneficiaries to purchase eligible food items. SNAP card benefits can only be exchanged for eligible food items and can only be used at authorized stores. SNAP benefits may not be redeemed for cash.

The indictment alleges the defendants devised a scheme to redeem SNAP benefits for cash paid in amounts less than the amounts charged to the SNAP benefits cards. On multiple occasions between December 2007 and May 2011, according to the indictment, a SNAP benefits card would be presented to an employee of the store, along with a request to redeem the value on the card for cash. Employees would require the customer to purchase a nominal amount of food or non-food items, such as cigarettes, and in one or more card transactions would process the purchase and an additional amount up to the SNAP benefit limit on the card. The indictment alleges approximately 50 percent of the cash value of the transaction over the value of the merchandised purchased would be refunded to the customer and the other 50 percent would be kept by the store. The full value of the transaction would subsequently be deposited by electronic funds transfer into the bank account of AJ's Kwik Mart. A portion of the excess SNAP benefits purchased would be allocated to various employees of the store, the indictment alleges.

AJ's Kwik Mart was authorized to accept SNAP benefits on March 3, 2004. According to the indictment, on an application to participate as a SNAP retailer, Muhammed Omar Mullahkhel reported estimated annual food sales of items eligible for purchase with SNAP benefits of \$175,000.

A.J.'s Kwik Mart redeemed approximately \$1,371,600 in SNAP benefits during the period of December 2007 to February 2011.

The potential maximum penalty for conspiracy to commit wire fraud is up to 20 years in prison. SNAP benefits fraud carries a potential five-year penalty. The potential penalty for access device fraud is up to 15 years in prison and money laundering is up to 10 years.

Indictments are not findings of guilt. Individuals charged in indictments are presumed innocent unless or until proven guilty in court.

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