

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA : **Criminal Number:** _____
v. : **Date Filed:** _____
FLORENCE KINGSLEY : **VIOLATIONS:**
a/k/a “Florence Kingsley Mamulu” : **7 U.S.C. § 2024(b)(1) (food stamp**
: **fraud - 1 count)**
: **Notice of forfeiture**

INFORMATION

COUNT ONE

(Food Stamp Fraud)

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times material to this information:

THE FEDERAL FOOD NUTRITION PROGRAM

1. The United States Department of Agriculture (“USDA”) was responsible for developing and executing federal policies regarding farming, agriculture, and food.
2. The USDA administered the Supplemental Nutrition Assistance Program, formerly known as the Federal Food Stamp Program (hereafter “the SNAP Program”). Retail food stores that were approved for participation in the SNAP Program were permitted to sell certain eligible food items in exchange for food stamp benefits. Food stamp benefits could not lawfully be exchanged for cash. 7 U.S.C. § 2024(b); 7 C.F.R. §§ 271.2, 278.2.
3. The SNAP Program was administered through grocery stores and supermarkets who had been approved as participants. Food merchants who wanted to become participants in the SNAP food nutrition program were required to complete an application which,

among other things, provided an estimate of the gross sales the merchant anticipated making on an annual basis as well as the types of food that the merchant would sell.

4. A merchant was also required, annually, to amend its initial application if the dollar volume of food that the merchant sold exceeded the original estimate provided to the Pennsylvania Department of Public Welfare.

5. In addition to providing an estimate of its anticipated annual sales, the owner of the retail store was required to acknowledge in its application that the owner would not, among other restrictions, trade cash for food stamp benefits or permit its employees to do so.

CONVERSION FROM PAPER COUPON TO A STORED VALUE CARD

6. Before 1998, persons deemed eligible to receive food stamp benefits were given a predetermined monthly dollar amount of food stamp coupons. The coupons were required to be used exclusively to buy food. After 1998, the food stamp coupons were replaced with a plastic card similar in size to a bank credit card which was known as an Electronic Benefit Card (“EBT Card”).

7. In Pennsylvania, the EBT Card was known as a PaAccess Card. A cardholder was assigned a personal identification number (“PIN”). Each month, a predetermined dollar amount of monetary benefits was electronically embedded on the plastic card. The recipient would use the card to pay for certain food products.

8. The PaAccess Card had a magnetic strip which contained electronically coded information. A retail food establishment authorized to accept food nutrition benefits was provided with an electronic terminal, known as a “point of sale” terminal, in order to process food purchase transactions made with the card.

9. JPMorgan Chase was an international financial services firm located in New York, New York. Among other things, JPMorgan Chase provided management services to a number of state welfare departments, including Pennsylvania, which provided EBT cards to use when purchasing food.

THE DEFENDANT

10. Defendant FLORENCE KINGSLEY a/k/a "Florence Kingsley Mamulu" was a resident of Pennsylvania and the owner of a small store located in Darby, Pennsylvania.

11. On or about June 6, 2007, defendant FLORENCE KINGSLEY filed an Application for Registration of Fictitious Name with the Pennsylvania Department of State's Corporation Bureau seeking to register the name "Aunty Florence's West African Market."

THE FOOD STAMP FRAUD SCHEME

12. On or about March 18, 2008, defendant FLORENCE KINGSLEY filed a USDA Food Stamp Application for Stores requesting authority from the USDA's Food and Nutrition Service ("FNS") agency to become a merchant authorized to sell food under the SNAP program. The defendant's application stated that defendant KINGSLEY anticipated earning approximately \$80,000 in annual gross receipts from the sale of authorized FNS food products.

13. Defendant FLORENCE KINGSLEY's store offered a small and limited selection of food products for sale, including spices, fruits, vegetables and a small supply of meat products. Defendant KINGSLEY's store did not provide shopping carts or baskets to customers who shopped in her store, thus requiring a customer to hand carry food products that the customer was purchasing to a single check-out counter where defendant KINGSLEY had located the store's EBT point of sale terminal.

14. After becoming an authorized food merchant in the SNAP Program, defendant FLORENCE KINGSLEY started exchanging cash for food stamp benefits in violation of federal law. In order to conceal the fraudulent nature of the transactions, defendant KINGSLEY would generate phony transaction amounts in varying dollar amounts and would then process the fraudulent EBT transactions through the EBT terminal located in her store. Defendant KINGSLEY would commonly provide the customer with cash back in amounts that were approximately 60% of the transaction amount, and would retain the balance for herself.

15. Through the electronic transmission of fraudulent food purchase transactions generated by the EBT terminal in her store, defendant FLORENCE KINGSLEY caused interstate wire communications to be sent from her store in Pennsylvania to JPMorgan Chase, located in New York, resulting in the deduction by JPMorgan Chase of stored food benefits credits from EBT cardholder accounts, and the corresponding deposit of the funds into an account that had been established for defendant FLORENCE KINGSLEY.

16. Defendant FLORENCE KINGSLEY concealed from DPW and USDA that she was engaging in fraudulent activity relating to the SNAP program throughout the entire time period in which she was authorized to accept food stamp benefits and failed to file an amended participating merchant's FNS application when she started realizing annual gross sales in excess of the \$80,000 she had reported in her initial USDA SNAP program application, in violation of federal program requirements.

17. In 2009, the first full year that defendant FLORENCE KINGSLEY participated in the FNS program, she electronically transmitted to JPMorgan Chase a request for payment of \$120,346 from FNS for what she represented to be eligible food sales to EBT card

holders. Of that amount, individual customer transactions valued at \$100 or more at the time of transmission were \$61,445.

18. In 2010, the second full year that defendant FLORENCE KINGSLEY participated in the FNS program, she electronically transmitted to JPMorgan Chase a request for payment of \$211,766 from FNS for what she represented to be eligible food sales to EBT card holders. Of that amount, individual customer transactions valued at \$100 or more at the time of transmission were \$95,246.

19. In 2011, the third full year that defendant FLORENCE KINGSLEY was a participating FNS merchant, she electronically transmitted to JP Morgan Chase a request for payment of \$270,317 from FNS for what she represented to be eligible food sales to EBT card holders. Of that amount, individual customer transactions valued at \$100 or more at the time of transmission were \$138,547.

20. On or about June 29, 2010, in the Eastern District of Pennsylvania, defendant

FLORENCE KINGSLEY
a/k/a “Florence Kingsley Mamulu”

knowingly used, acquired and possessed, and aided and abetted the use, acquisition and possession, of food stamp access card benefits in an amount greater than \$100 in a manner contrary to the federal statutes and regulations governing the SNAP program in that defendant KINGSLEY purchased \$200.23 worth of USDA food stamp benefits in exchange for \$120.00 cash from a customer.

All in violation of Title 7, United States Code, Section 2024(b).

NOTICE OF FORFEITURE

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. As a result of the violations of Title 7, United States Code, Section 2024(b), as set forth in this Indictment, defendant

**FLORENCE KINGSLEY
a/k/a “Florence Kingsley Mamulu”**

shall forfeit to the United States all property, real or personal, involved in the commission of the offense and all property traceable to such property, including, but not limited to the sum of \$295,236.43.

2. If any of the property subject to forfeiture, as a request of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred to or sold to, or deposited with a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be subdivided without difficult,

it is the intent of the United States, pursuant to Title 18, United States Code, Section 982(b)(1) to seek forfeiture of any other property of the defendant up to the value of the property subject to forfeiture.

All pursuant to Title 7, United States Code, Section 2024(f), Title 18, United States, Section 981(a)(1)(D) and Title 28, United States Code, Section 2461.

Peter F Schenk for

**ZANE DAVID MEMEGER
UNITED STATES ATTORNEY**