

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

UNITED STATES OF AMERICA	:	CRIMINAL NO. 15 - _____
v.	:	DATE FILED: _____
SAUD SALEH	:	VIOLATIONS:
d/b/a Twinz Meat Market	:	18 U.S.C. § 1343 (wire fraud – 6 counts)
	:	7 U.S.C. § 2024(b) (unlawful use, transfer, acquisition and possession of SNAP
	:	benefits – 5 counts)
	:	18 U.S.C. § 1001 (false statements – 1
	:	count)
	:	18 U.S.C. § 2 (aiding and abetting)
	:	Notice of forfeiture

INTRODUCTION

COUNTS ONE THROUGH SIX

(Wire Fraud)

THE GRAND JURY CHARGES THAT:

At all times relevant to this indictment:

1. The defendant, SAUD SALEH, owned and operated Twinz Meat Market, a retail grocery store located at 3083 Kensington Avenue, Philadelphia PA 19120. Twinz Meat Market participated in the Supplemental Nutrition Assistance Program (“SNAP”), formerly known as the Food Stamp Program.

2. SNAP was a federally-funded assistance program established and funded by the United States government to alleviate hunger and malnutrition among low and middle income families by increasing their food-purchasing power and ability.

3. The United States Department of Agriculture (“USDA”) was an agency of the United States government’s Executive Branch. USDA administered SNAP through the Food and Nutrition Service (“FNS”), an office within USDA.

4. FNS administered the authorization and revocation procedures for the retail food establishments participating in the redemption of SNAP benefits.

5. Regulations promulgated by the Secretary of Agriculture mandated that retail business participants in SNAP were prohibited from accepting SNAP benefits for the purchase of ineligible food items. Such prohibited items included alcoholic beverages, tobacco products, pet food, household supplies, prepared foods and hot foods.

6. Regulations promulgated by the Secretary mandated further that SNAP benefits could not, under any circumstances, be purchased or sold in exchange for cash, a practice commonly known as “discounting” or “cash-back.”

7. In order for a retail business such as a grocery store to participate in SNAP, that store’s owner had to submit to FNS a Food Stamp Program Application for Stores (“Form FNS-252”), disclosing, among other things, the store owner’s identity and certain background information. Question 14 required the merchant to answer the following question: “was any officer, owner, partner, member, and/or manager convicted of any crime after June 1, 1999?”

8. The Form FNS-252 further required the store owner to certify that he or she had provided truthful and complete information on the form; acknowledge that if he or she provided false information to FNS, the application could be withdrawn or denied; and accept responsibility on behalf of the store for violations of the SNAP regulations by the owner or any employee of the store. Specifically, the Form FNS-252 required the store owner to acknowledge that trading cash for SNAP benefits was a violation of SNAP regulations. Finally, by signing the

Form FNS-252, the store owner certified that he or she had read and understood the conditions of participating in the SNAP program, and agreed to follow the SNAP program statute and regulations.

9. USDA distributed SNAP benefits to individual beneficiaries through electronic benefits transfer (“EBT”) cards, which functioned like debit cards. The amount of SNAP benefits to which a beneficiary was entitled was electronically posted to the beneficiary’s account on a monthly basis.

10. Each SNAP EBT card had a magnetic strip on the back encoded with information identifying the SNAP beneficiary and the beneficiary’s account. After calculating the SNAP subtotal of the total price of the items purchased, the participating store’s cashier or the beneficiary would swipe the EBT card through a card reader or point-of-sale terminal to begin the transaction. The beneficiary would then enter his or her secret PIN number into a keypad and the sale was authorized if sufficient funds were available. When using the EBT card method in a lawful manner, each transaction was for the exact dollar amount of the SNAP-eligible items – the participating store gave no change back to the SNAP beneficiary.

11. With regard to redemption, JPMorgan Chase Bank (“JPMorgan”) functioned on behalf of USDA and the Commonwealth of Pennsylvania as the clearinghouse for the processing, approval and redemption of SNAP benefits. JPMorgan established separate accounts for each SNAP beneficiary which were funded by USDA as appropriate.

12. JPMorgan hired FISERV Corporation (“FISERV”), a global provider of financial services technology, to perform electronic accounting and fund transfers in connection with SNAP through the national automated clearinghouse system, an electronic network for financial

transactions in the United States. FISERV's processing centers were located in Texas and Oregon.

13. Transfers of funds from a SNAP beneficiary's account to the bank account of a participating grocery store was by electronic transmission performed by FISERV.

14. The defendant, SAUD SALEH, d/b/a Twinz Meat Market, maintained a business account at Wachovia Bank ("the Wachovia account"), which account was designated to receive SNAP redemptions from USDA, through JPMorgan and FISERV.

THE SCHEME

15. From in or around March 2011, to at least in or around February 2012, in Philadelphia, in the Eastern District of Pennsylvania, defendant

SAUD SALEH d/b/a Twinz Meat Market

devised and intended to devise a scheme to defraud USDA and FNS and to obtain money and property by means of false and fraudulent pretenses, representations and promises.

MANNER AND MEANS

It was part of the scheme that:

16. Defendant SAUD SALEH applied for his grocery store, Twinz Meat Market, to become a participating SNAP merchant, by completing a Form FNS-252 containing the false statement that defendant SALEH had not been convicted of a crime, when defendant SALEH well knew that he had been convicted of felony theft offense on April 8, 2010 in Johnson County Kansas District Court (10th Judicial District).

17. Defendant SAUD SALEH knowingly used, transferred, acquired and possessed SNAP benefits in a manner contrary to law and applicable regulations by unlawfully purchasing SNAP benefits from individual SNAP beneficiaries who were customers at Twinz Meat Market

in exchange for cash and for which Twinz Meat charged the beneficiary a substantial commission or fee.

18. Defendant SAUD SALEH presented and submitted unlawful “discounted” SNAP transactions for redemption to USDA, through its clearinghouse, JPMorgan, and through FISERV, by way of interstate wire transmissions.

19. Through the submission of false and fraudulent representations, defendant SAUD SALEH induced USDA to fund the redemption of SNAP benefits presented and submitted, and to transfer those funds to Twinz Meat Market’s Wachovia account.

20. During the period from July 2010 through December 2012, defendant SAUD SALEH sought and received from USDA the redemption of a total of approximately \$1,125,586 in SNAP benefits.

21. On or about each of the dates set forth below, in the Eastern District of Pennsylvania, defendant

**SAUD SALEH
d/b/a Twinz Meat Market**

for the purpose of executing the scheme described above, and attempting to do so, caused to be transmitted by means of wire communication in interstate commerce the signals and sounds described below, that is, electronic claims for redemption of SNAP benefits, which claims were sent from Twinz Meat Market in Philadelphia through interstate wire transmissions to JPMorgan through FISERV in Texas and/or Oregon, each transmission constituting a separate count:

COUNT	ON OR ABOUT DATE	INTERSTATE WIRE TRANSMISSION ORIGINATING FROM THE EASTERN DISTRICT OF PENNSLVANIA
One	March 10, 2011	EBT transaction claiming redemption of \$129.00 worth of SNAP benefits
Two	April 12, 2011	EBT transaction claiming redemption of \$179.00 worth of SNAP benefits
Three	April 14, 2011	EBT transaction claiming redemption of \$194.98 worth of SNAP benefits
Four	May 2, 2011	EBT transaction claiming redemption of \$144.99 worth of SNAP benefits
Five	November 9, 2011	EBT transaction claiming redemption of \$185.03 worth of SNAP benefits
Six	February 9, 2012	EBT transaction claiming redemption of \$99.99 worth of SNAP benefits

In violation of Title 18, United States Code, Section 1343.

COUNTS SEVEN THROUGH ELEVEN

(Unlawful use, transfer, acquisition and possession of SNAP benefits)

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 14 and 16 through 20 of Counts One through Six are incorporated here.
2. On or about each of the dates set forth below, at Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

**SAUD SALEH
d/b/a Twinz Meat Market**

knowingly used, transferred, acquired, and possessed SNAP benefits having a value greater than \$100 in a manner contrary to the provisions of Chapter 51 of Title 7, United States Code, and Chapter II, part 271 *et seq.* of Title 7, Code of Federal Regulations, that is, defendant SALEH knowingly and unlawfully exchanged SNAP benefits for cash with a person possessing an EBT card:

COUNT	ON OR ABOUT DATE	UNLAWFUL USE, TRANSFER, ACQUISITION AND POSSESSION OF SNAP BENEFITS
Seven	March 10, 2011	Using the EBT system to transfer, acquire and possess \$129 worth of SNAP benefits
Eight	April 12, 2011	Using the EBT system to transfer, acquire and possess \$179 worth of SNAP benefits
Nine	April 14, 2011	Using the EBT system to transfer, acquire and possess \$194.98 worth of SNAP benefits
Ten	May 2, 2011	Using the EBT system to transfer, acquire and possess \$144.99 worth of SNAP benefits
Eleven	November 9, 2011	Using the EBT system to transfer, acquire and possess \$185.03 worth of SNAP benefits

In violation of Title 7, United States Code, Section 2024(b)(1) and Title 18, United States Code, Section 2.

COUNT TWELVE

(False Statement)

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 14 and 16 of Counts One through Six are incorporated here.
2. On or about April 8, 2010, before defendant SAUD SALEH applied to USDA for his grocery store, Twinz Meat Market, to become authorized to participate in SNAP, defendant SALEH had been convicted in the State of Kansas of felony theft charges in criminal case number 09-cr-02233 in the Superior Court of Johnson County, Kansas.
3. On or about May 1, 2010, defendant SAUD SALEH submitted an application, FNS Form 252, to USDA's Food and Nutrition Service for his grocery store, Twinz Meat Market, to become authorized to participate in SNAP.
4. The FNS Form 252 contained a number of questions that defendant SAUD SALEH was required to answer. Question number 14 asked defendant SALEH whether "any officer, owner, partner, member, and/or manager convicted of any crime after June 19, 1999." In response to Question 14, Defendant SALEH checked the "no" box, affirming that he had not been convicted of any crime after June 1, 1999.
5. FNS Form 252 contained a section labeled Penalty Warning Statement informing defendant SAUD SALAH that if he provided false information, or if he tried to hide information from FNS, he could be charged with the felony of making false statements to the government.
6. On or about May 7, 2010, at Philadelphia, in the Eastern District of Pennsylvania, defendant

**SAUD SALEH
d/b/a Twinz Meat Market**

in a matter within the jurisdiction of the United States Department of Agriculture (“USDA”), an agency of the executive branch of the United States, knowingly and willfully made a materially false, fictitious and fraudulent statement and representation and falsified and concealed a material fact, in that defendant SALEH submitted an FNS form 252 to USDA’s Food and Nutrition Service on behalf of Twinz Meats Market, which stated that neither he, nor anyone else associated with Twinz Meats, had been convicted of a crime after June 1, 1999 when, as defendant SALEH well knew, he had been convicted of the felony offense of theft on or about April 8, 2010 in Johnson County Kansas under Criminal Number 09-cr-02233.

In violation of Title 18, United States Code, Section 1001.

NOTICE OF FORFEITURE #1

THE GRAND JURY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Section 1343, as set forth in Counts One through Six of this Indictment, defendant

**SAUD SALEH
d/b/a/ Twinz Meat Market**

shall forfeit to the United States of America all property, real or personal, which constitutes or is derived from proceeds traceable to the offenses.

2. The property to be forfeited includes, but is not limited to, a forfeiture money judgment in the amount of the proceeds of the violations alleged in Counts One through Six of this Indictment.

3. If any of the property subject to the forfeiture, as a request of any act or omission by 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 difficulty,

it is the intent of the United States, pursuant to Title 28, United States Code, Section 2461(c), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the property subject to forfeiture.

All pursuant to Title 18, United States Code, Section 982(a)(1)(C) and Title 28, United States Code, Section 2461(c).

NOTICE OF FORFEITURE #2

THE GRAND JURY FURTHER CHARGES THAT:

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

**SAUD SALEH
d/b/a Twinz Meat Market**

shall forfeit to the United States all property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of the offenses.

2. The property to be forfeited includes, but is not limited to, a forfeiture money judgment in the amount of the proceeds of the violations alleged in Counts Nine through Fifteen of this Indictment.

3. If any of the property subject to the forfeiture, as a request of any act or omission by 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 difficulty,

it is the intent of the United States, pursuant to Title 28, United States Code, Section 2461(c), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of property subject to forfeiture.

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

A TRUE BILL:

GRAND JURY FOREPERSON

**ZANE DAVID MEMEGER
UNITED STATES ATTORNEY**