

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

UNITED STATES OF AMERICA : **CRIMINAL NO. 15- _____**

v. : **DATE FILED: _____**

FARHAN ALI ABU SIAM : **VIOLATIONS:**
MOHAMMED ABUAWADA : **18 U.S.C. § 371 (conspiracy to commit**
: **wire fraud and SNAP benefit fraud --**
: **1 count)**
: **18 U.S.C. § 1343 (wire fraud – 7 counts)**
: **7 U.S.C. § 2024(b) (unlawful use, transfer,**
: **acquisition and possession of SNAP**
: **benefits – 6 counts)**
: **18 U.S.C. § 2 (aiding and abetting)**
: **Notice of forfeiture**

INDICTMENT

COUNT ONE

(Conspiracy to Commit Wire Fraud and SNAP Benefit Fraud)

THE GRAND JURY CHARGES THAT:

At all times relevant to this indictment:

1. Defendant FARHAN ALI ABU SIAM was an owner of S&S Farmer’s Market, a retail grocery store located at 2722 Germantown Avenue, Philadelphia PA 19133. S&S Farmer’s Market (“S&S”) participated in the Supplemental Nutrition Assistance Program (“SNAP”), formerly known as the Food Stamp Program. Defendant ABU SIAM controlled the bank accounts of S&S and worked the cash register at S&S.
2. Defendant MOHAMMED ABUAWADA was an owner of S&S Farmer’s Market. Defendant ABUAWADA controlled the bank accounts of S&S and did the majority of the

banking for S&S. Another individual related to defendant ABUAWADA, whose identity is known to the grand jury, worked at S&S alongside defendants ABUAWADA and FARHAN ALI ABU SIAM.

3. Mohammed Riyad Hilo, charged elsewhere, was employed by S&S Farmer's Market from in or around June 2012 until in or around April 2013. Hilo worked the cash register and went to the bank to withdraw money from the S&S bank accounts when directed to do so by defendants FARHAN ALI ABU SIAM and MOHAMMED ABUAWADA.

4. 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.

5. 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.

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

7. 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.

8. 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."

9. In order for a retail business such as a grocery store to participate in SNAP, that store's owner was required 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.

10. 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.

11. The Commonwealth of Pennsylvania 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.

12. 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.

13. 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.

14. 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.

15. In or about March 2013, Xerox Corporation (“XEROX”), a company whose principal corporate office was located in Norwalk, Connecticut, became the clearinghouse for the processing, approval and redemption of SNAP benefits in place of JP Morgan.

16. 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, and later, by XEROX.

17. S&S Farmer’s Market maintained a business account at Citizens Bank (“the Citizens account”), and later, at TD Bank (“the TD Bank account”) which accounts were designated to receive SNAP redemptions from USDA, through JPMorgan and later, XEROX.

THE CONSPIRACY

18. From in or about June 2012 through in or about March 2013, at Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendants

**FARHAN ALI ABU SIAM and
MOHAMMED ABUAWADA,**

together and with others known and unknown to the grand jury, including the relation of defendant ABUAWADA, and Mohammed Riyad Hilo, charged elsewhere, agreed, combined and conspired to commit offenses against the United States, that is, (a) to knowingly use, acquire, possess, and aid and abet the use, acquisition and possession of SNAP Access devices, that is PA Access Cards, in a manner contrary to the federal statutes and regulations governing the SNAP program in violation of Title 7, United States Code, Section 2024(b), and (b) to commit wire fraud in violation of Title 18, United States Code, Section 1343.

MANNER AND MEANS

It was part of the conspiracy that:

19. Defendants FARHAN ALI ABU SIAM and MOHAMMED ABUAWADA and others 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 S&S Farmer's Market in exchange for cash and for which S&S Farmer's Market charged the beneficiary a substantial commission or fee.

20. Defendants FARHAN ALI ABU SIAM and MOHAMMED ABUAWADA and others withdrew cash from the bank accounts of S&S Farmer's Market on a regular basis, so that they would have plenty of cash available in the cash register to make unlawful purchases of SNAP benefits from individual SNAP beneficiaries who were customers at S&S Farmer's Market.

21. Defendants FARHAN ALI ABU SIAM and MOHAMMED ABUAWADA and others presented and caused to be presented, and submitted and caused to be submitted, unlawful “discounted” SNAP transactions for redemption to USDA, through its clearinghouse, JPMorgan, and later, through XEROX, by way of interstate wire transmissions.

22. Through false and fraudulent representations, defendants FARHAN ALI ABU SIAM and MOHAMMED ABUAWADA and others induced USDA to fund the redemption of SNAP benefits presented and submitted, and to transfer those funds to S&S Farmer’s Market Citizens Bank account, and later, its TD Bank account.

23. During the period from June 2012 through March 2013, defendants FARHAN ALI ABU SIAM and MOHAMMED ABUAWADA and others caused S&S Farmer’s Market to seek and receive from USDA the redemption of a total of approximately \$1,177,741 in SNAP benefits.

OVERT ACTS

In furtherance of the conspiracy, defendants FARHAN ALI ABU SIAM and MOHAMMED ABUAWADA and others known and unknown to the grand jury, including Mohammed Riyad Hilo, charged elsewhere, committed the following overt acts in the Eastern District of Pennsylvania and elsewhere:

1. In or about 2009, a person known to the grand jury, related to defendant FARHAN ALI ABU SIAM, applied for a grocery store, S&S Farmer’s Market, to become a participating SNAP merchant, by completing a Form FNS-252.

2. On or about February 23, 2010, the relation of defendant FARHAN ALI ABU SIAM opened a new bank account at Citizens Bank (account xxxxxx722-2) and designated that

account at Citizens Bank as the bank account into which the SNAP deposits for S&S Farmer's Market were to be deposited.

3. On or about October 1, 2012, defendant FARHAN ALI ABU SIAM, along with defendant MOHAMMED ABUAWADA, opened a third bank account for S&S Farmer's Market at TD Bank (account xxxxxx9740) and designated that account at TD Bank as the bank account into which the SNAP deposits for S&S Farmer's Market were to be deposited.

4. On numerous occasions from at least June 2012 through on or about October 1, 2012, each date constituting a separate overt act, defendant MOHAMMED ABUAWADA, and Mohammed Riyad Hilo, charged elsewhere, transferred cash from the Citizens Bank account dedicated to S&S Farmer's Market (account xxxxxx-722-2), to the cash register of S&S Farmer's Market, in order to aid and assist the ongoing illegal exchange of SNAP benefits for cash.

5. On numerous occasions from on or about October 2, 2012 through in or about February 2013, each date constituting a separate overt act, defendant MOHAMMED ABUAWADA, and Mohammed Riyad Hilo, charged elsewhere, transferred cash from the TD Bank account dedicated to S&S Farmer's Market (account xxxxxx9740), to the cash register of S&S Farmer's Market, in order to aid and assist the ongoing illegal exchange of SNAP benefits for cash.

6. On or about November 6, 2012, defendant FARHAN ALI ABU SIAM caused S&S Farmer's Market to electronically transmit, through interstate wires, a SNAP redemption request for \$58.91 which was deducted from a USDA-controlled PA Access EBT card. From this amount, defendant ABU SIAM gave a cooperating government witness \$25 in cash in exchange for the SNAP benefits. Through interstate wire transmission, \$58.91 in SNAP

proceeds were deposited into the business bank account of S&S Farmer's Market, controlled by defendants ABU SIAM and MOHAMMED ABUAWADA, and the relation of defendant ABUAWADA.

7. On or about November 15, 2012, defendant FARHAN ALI ABU SIAM and Mohammed Riyad Hilo, charged elsewhere, caused S&S Farmer's Market to electronically transmit, through interstate wires, a SNAP redemption request for \$125.50 which was deducted from a USDA-controlled PA Access EBT card. From this amount, defendant ABU SIAM and Mohammed Riyad Hilo gave a cooperating government witness \$60 in cash in exchange for the SNAP benefits. Through interstate wire transmission, \$125.50 in SNAP proceeds were deposited into the business bank account of S&S Farmer's Market, controlled by defendants ABU SIAM and MOHAMMED ABUAWADA, and the relation of defendant ABUAWADA.

8. On or about January 15, 2013, defendant FARHAN ALI ABU SIAM caused S&S Farmer's Market to electronically transmit, through interstate wires, a SNAP redemption request for \$126.30 which was deducted from a USDA-controlled PA Access EBT card. From this amount, defendant ABU SIAM gave a cooperating government witness \$60 in cash in exchange for the SNAP benefits. Through interstate wire transmission, \$126.30 in SNAP proceeds were deposited into the business bank account of S&S Farmer's Market, controlled by defendants ABU SIAM and MOHAMMED ABUAWADA, and the relation of defendant ABUAWADA.

9. On or about February 21, 2013, defendant FARHAN ALI ABU SIAM caused S&S Farmer's Market to electronically transmit, through interstate wires, a SNAP redemption request for \$171.15 which was deducted from a USDA-controlled PA Access EBT card. From this amount, defendant ABU SIAM gave a cooperating government witness \$80 in cash in exchange for the SNAP benefits. Through interstate wire transmission, \$171.15 in SNAP

proceeds were deposited into the business bank account of S&S Farmer's Market, controlled by defendants ABU SIAM and MOHAMMED ABUAWADA, and the relation of defendant ABUAWADA.

All in violation of Title 18, United States Code, Section 371.

COUNTS TWO THROUGH EIGHT

(Wire Fraud)

THE GRAND JURY FURTHER CHARGES THAT:

1. Paragraphs 1 through 17 of Count One are incorporated here.

THE SCHEME

2. From in or about June 2012, to in or about March 2013, in the Eastern District of Pennsylvania and elsewhere, defendants

**FARHAN ALI ABU SIAM and
MOHAMMED ABUAWADA**

devised and intended to devise a scheme to defraud the United States Department of Agriculture 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:

3. Defendants FARHAN ALI ABU SIAM and MOHAMMED ABUAWADA and others engaged in the manner and means alleged in paragraphs 19 through 23 of Count One, which are incorporated here.

4. On or about the dates set forth in each of the counts below, in the Eastern District of Pennsylvania and elsewhere, defendants

**FARHAN ALI ABU SIAM and
MOHAMMED ABUAWADA**

or the purpose of executing the scheme and artifice to defraud, knowingly transmitted and caused to be transmitted in interstate commerce, by means of wire communications, certain writings, signs and signals, that is, electronic claims for redemption of SNAP benefits, which claims were

from S&S Farmer's Market in Philadelphia PA, to J.P.MorganEFS/FISERV and XEROX, the financial intermediaries for SNAP, located in a state other than the Commonwealth of Pennsylvania:

COUNT	DATE OF WIRE TRANSMISSION (ON OR ABOUT)	DEFENDANT(S)	INTERSTATE WIRE TRANSMISSION ORIGINATING IN THE EASTERN DISTRICT OF PENNSYLVANIA
2	November 6, 2012	FARHAN ALI ABU SIAM MOHAMMED ABUAWADA	PA Access Card interstate wire transaction (SNAP) in the amount of \$58.91
3	November 15, 2012	FARHAN ALI ABU SIAM MOHAMMED ABUAWADA	PA Access Card interstate wire transaction (SNAP) in the amount of \$125.50
4	January 15, 2013	FARHAN ALI ABU SIAM MOHAMMED ABUAWADA	PA Access Card interstate wire transaction (SNAP) in the amount of \$126.30
5	February 21, 2013	FARHAN ALI ABU SIAM MOHAMMED ABUAWADA	PA Access Card interstate wire transaction (SNAP) in the amount of \$171.15
6	April 18, 2013	FARHAN ALI ABU SIAM	PA Access Card interstate wire transaction (SNAP) in the amount of \$147.04
7	June 10, 2013	FARHAN ALI ABU SIAM	PA Access Card interstate wire transaction (SNAP) in the amount of \$166.19
8	September 23, 2013	FARHAN ALI ABU SIAM	PA Access Card interstate wire transaction (SNAP) in the amount of \$170.92

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

COUNTS NINE THROUGH FOURTEEN

(SNAP Benefit Fraud)

THE GRAND JURY FURTHER CHARGES THAT:

5. Paragraphs 1 through 17 and 19 through 23 of Count One are incorporated here.
6. On or about the dates set forth in each of the counts below, in the Eastern District of Pennsylvania and elsewhere, defendants

**FARHAN ALI ABU SIAM and
MOHAMMED ABUAWADA**

knowingly used, transferred, acquired and possessed, and aided and abetted the use, transfer, acquisition and possession, of SNAP benefits having a value greater than \$100 in a manner contrary to the provisions of Chapter 51, of Title 7, United States Code, Section 2024(b) and Chapter II, part 271 *et seq* of Title 7, Code of Federal Regulations, that is, the defendants knowingly and unlawfully exchanged SNAP benefits for cash by processing a SNAP transaction with a PA Access Card in the amounts listed below:

COUNT	ON OR ABOUT DATE	DEFENDANT(S)	UNLAWFUL USE, TRANSFER, ACQUISITION AND POSSESSION OF SNAP BENEFITS
9	November 15, 2012	FARHAN ALI ABU SIAM MOHAMMED ABUAWADA	Using the EBT system to transfer, acquire and possess \$125.50 from a PA Access Card. The card holder was given \$60 in cash.
10	January 15, 2013	FARHAN ALI ABU SIAM MOHAMMED ABUAWADA	Using the EBT system to transfer, acquire and possess \$126.30 from a PA Access Card. The card holder was given \$60 in cash.
11	February 21, 2013	FARHAN ALI ABU SIAM MOHAMMED ABUAWADA	Using the EBT system to transfer, acquire and possess \$171.15 from a PA Access Card. The card holder was given \$80 in cash.
12	April 18, 2013	FARHAN ALI ABU SIAM	Using the EBT system to transfer, acquire and possess \$147.04 from a PA Access Card. The cardholder was given \$65 in cash
13	June 10, 2013	FARHAN ALI ABU SIAM	Using the EBT system to transfer, acquire and possess \$166.19 from a PA Access Card. The cardholder was given \$75 in cash.

COUNT	ON OR ABOUT DATE	DEFENDANT(S)	UNLAWFUL USE, TRANSFER, ACQUISITION AND POSSESSION OF SNAP BENEFITS
14	September 23, 2013	FARHAN ALI ABU SIAM	Using the EBT system to transfer, acquire and possess \$170.92 from a PA Access Card. The cardholder was given \$75 in cash

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

NOTICE OF FORFEITURE #1

THE GRAND JURY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Sections 371 and 1343, as set forth in Counts One through Eight of this indictment, defendants

**FARHAN ALI ABU SIAM and
MOHAMMED ABUAWADA**

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.

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 Eight of this indictment.

3. If any of the property subject to forfeiture, as a result of any act or omission of the defendants:

- a. cannot be located upon the exercise of the 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 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, 2461(c), to seek forfeiture of any other property of the defendant up to the value of the property subject to forfeiture.

All pursuant to Title 28, United States Code, Section 2461(c) and Title 18, United States Code, Section 981(a)(1)(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) set forth in Counts Nine through Fourteen of this indictment, defendants

**FARHAN ALI ABU SIAM and
MOHAMMED ABUAWADA**

shall forfeit to the United States all property, real or personal, involved in the commission of the offenses and all property traceable to such property.

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 charged in Counts Nine through Fourteen of this indictment.

3. If any of the property subject to the forfeiture, as a result of any act or omission by the defendant:

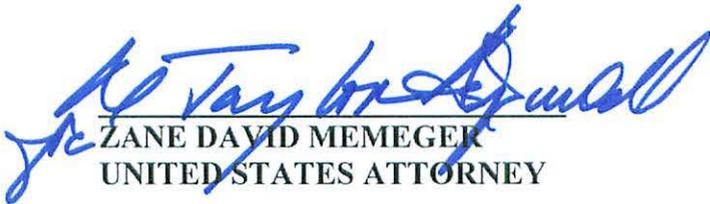
- a. cannot be located upon the exercise of due diligence;
- b. has been transferred to or sold to, or deposited with a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot 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.

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

A TRUE BILL:

GRAND JURY FOREPERSON


ZANE DAVID MEMEGER
UNITED STATES ATTORNEY