

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
WESTERN DIVISION

UNITED STATES OF AMERICA)	
)	
v.)	
)	No. 17 CR 50005
FEUY KHAIKHAM,)	
LEEFORM XAYVANDY, SR.,)	
also known as "John,")	Violations: Title 7, United States
BOUNLEUNG THAMONTRI,)	Code, Section 2024(b); Title 18, United
also known as "Tommy,")	States Code, Sections 1343,
VANSY XAYVANDY,)	1956(a)(1)(B)(i), 1956(a)(1)(A)(i),
also known as "Dee,")	1956(h), and 1957(a)
SOM XAYVANDY,)	
CHRISTIANA XAYVANDY,)	SUPERSEDING INDICTMENT
also known as "Tina," and)	
AUNG GYAW,)	<u>UNDER SEAL</u>
also known as "AJ")	

COUNT ONE

The MAY 2018 GRAND JURY charges:

1. At times material to this superseding indictment:

a. The United States Department of Agriculture ("USDA"), Food and Nutrition Service ("FNS"), was a federal agency responsible for the administration and implementation of the Supplemental Nutrition Assistance Program ("SNAP") throughout the United States. SNAP, formerly known as the Food Stamp Program, was a federal benefit program that assisted low-income individuals and families purchase food.

b. In Illinois, the State of Illinois administered SNAP and SNAP benefits were provided to participants through electronic benefit transfers ("EBT"). SNAP recipients in Illinois received an EBT card, also known as a "Link card," which

they could use to purchase eligible food products at participating stores. Through the Link card system, SNAP benefits were electronically credited to the Illinois SNAP recipient's Link card each month. To use their SNAP benefits to purchase food items, SNAP recipients were required to present their Link card to a retailer authorized by USDA to participate in SNAP (an "authorized store").

c. To become an authorized store, the owner(s) of the candidate store was required to complete, sign, and submit to FNS a SNAP application for stores, known as Form FNS 252 or FNS 252-E. Upon completion of the application process, if the store and its owner(s) qualified, the store was authorized to participate in SNAP and redeem SNAP benefits from USDA.

d. A store could not lawfully accept SNAP benefits until after it received authorization to do so from FNS. A store's SNAP authorization could not be transferred to new owners, partners, or corporations. If an authorized store owner owned more than one store, a separate application and authorization to accept SNAP benefits were required for each store.

e. Authorized store owners were required to report changes from the initial application in the store's ownership, address, type of business and operation to FNS.

f. Authorized stores could lawfully accept SNAP benefits only as payment for eligible food items. Authorized stores were prohibited from accepting SNAP benefits in exchange for cash. Authorized stores also were prohibited from

accepting SNAP benefits in exchange for items such as alcohol, tobacco, hot foods, medicines, pet foods, or non-food household products.

g. After a store was authorized to participate in SNAP, the store owner was sent training materials from USDA. The training materials instructed the authorized store owner of the prohibitions against accepting SNAP benefits for cash and other ineligible items and of the prohibitions against transferring a store's SNAP authorization to new owners.

h. To process a Link card transaction, an authorized store needed to have a point-of-sale device capable of reading Link cards. The Link card was "swiped" through the point-of-sale device, and the SNAP recipient was then required to enter a personal identification number ("PIN") into the device's keypad to complete the transaction. The point-of-sale device recorded, among other information, the Link card account number, date and time of the transaction, and the amount debited from the recipient's Link card.

i. In the State of Illinois, the redemption of SNAP benefits using the Link card system was administered by Xerox State and Local Solutions, Inc. ("Xerox"), located in Austin, Texas, under contract with the Illinois Department of Human Services. An authorized store in Illinois could contract to process SNAP transactions through a third-party processor or directly through Xerox.

j. For stores that contracted directly with Xerox: When the store conducted a Link card transaction, the point-of-sale device at the store transmitted the transaction information by wire to Xerox's computer system, which is located in

Austin, Texas. Through this contact, the transaction was either approved or rejected, and the result was then communicated by wire to the point-of-sale device at the store. If the transaction was approved, Xerox would transfer or cause to be transferred USDA reimbursement funds to the authorized store's designated bank account. This transfer of funds typically took place within one to two business days as part of a batch settlement reimbursing the store for the total amount of approved EBT transactions during a given time period.

k. For stores that contracted with a third-party processor to process EBT transactions, the transaction process was similar to the process described above in paragraph (j), except that the store interacted with the third-party processor which, in turn, interacted with Xerox. That is, when the store conducted a Link card transaction, the point-of-sale device at the store transmitted the transaction information by wire to the store's third-party processor, which then transmitted the information by wire to Xerox's computer system in Austin, Texas. After the transaction was either approved or rejected, the result was communicated by wire from Xerox, through the third-party processor, back to the point-of-sale device at the store.

l. Tomi's Food and Grocery was a grocery store owned by V.B. In or about January 2015, V.B. submitted a SNAP application on behalf of Tomi's Food and Grocery. The application listed Tomi's Food and Grocery's address as 1205 Broadway, Rockford, Illinois. FNS authorized Tomi's Food and Grocery to participate in SNAP in or about May 2014. Tomi's Food and Grocery was assigned FNS authorization

number 0497773. Tomi's Food and Grocery was withdrawn from SNAP in or about August 2016.

m. FEUY KHAIKHAM, BOUNLEUNG THAMONTRI, and others worked at and operated Tomi's Food and Grocery during its period of operation.

n. Pattaya Grocery Foods was a grocery store owned by defendant AUNG GYAW. In or about February 2015, AUNG GYAW submitted a SNAP application on behalf of Pattaya Grocery Foods. The application listed Pattaya Grocery Foods' address as 108 15th Avenue, Rockford, Illinois. FNS authorized Pattaya Grocery Foods to participate in SNAP in or about April 2015. Pattaya Grocery Foods was assigned FNS authorization number 0499596.

o. Pattaya Grocery Foods operated at 108 15th Avenue, Rockford, Illinois, while Pattaya Grocery Foods was in the process of obtaining SNAP authorization and for a short period after Pattaya Grocery Foods obtained SNAP authorization. Pattaya Grocery Foods subsequently ceased operations at the location listed on its SNAP application. SNAP transactions continued to be processed using Pattaya Grocery Foods' FNS number at other locations until on or about January 18, 2017.

p. Ngeun Market, located at 1132 Broadway, Rockford, Illinois, was a grocery store owned by N.K. In or about April 2015, N.K. submitted a SNAP application on behalf of Ngeun Market, but FNS did not approve the application. Ngeun Market was never authorized to participate in SNAP.

q. SOM XAYVANDY, CHRISTIANA XAYVANDY, and others worked at and operated Ngeun Market during its period of operation.

r. PB Discount, located at 1115 Broadway, Rockford, Illinois was a grocery store owned by Y.C. FNS authorized PB Discount to participate in SNAP in or about October 2015. PB Discount was assigned FNS authorization number 0524470. PB Discount was withdrawn from SNAP in or about February 2016.

s. VANSY XAYVANDY, AUNG GYAW, and others worked at and operated PB Discount during its period of operation.

t. Mr. Clark Groceries was a grocery store owned by G.C. In or about November 2015, G.C. submitted a SNAP application on behalf of Mr. Clark Groceries. FNS authorized Mr. Clark Groceries to participate in SNAP in or about December 2015. Mr. Clark Groceries was assigned FNS authorization number 0536287. Mr. Clark Groceries operated at 1019 South Main Street, Rockford, Illinois until on or about January 18, 2017.

u. VANSY XAYVANDY, SOM XAYVANDY, and others worked at and operated Mr. Clark Groceries during its period of operation.

v. B&P Foods Market was a grocery store owned by B.P. In or about February 2016, B.P. submitted a SNAP application on behalf of B&P Foods Market. The application listed B&P Food Markets' address as 102 15th Avenue, Rockford, Illinois. FNS authorized B&P Foods Market to participate in SNAP in or about May 2016. B&P Foods Market was assigned FNS authorization number 0546708.

w. B&P Foods Market operated at 102 15th Avenue while B&P Foods Market was in the process of obtaining SNAP authorization and for a short period after B&P Foods Market obtained SNAP authorization. B&P Foods Market subsequently ceased operations at the location listed in its SNAP application. SNAP transactions continued to be processed using B&P Foods Market's FNS number at other locations until on or about January 18, 2017.

x. S&B Discount was a grocery store owned by S.B. In or about July 2016, S.B. submitted a SNAP application on behalf of S&B Discount. The application listed S&B Discount's address as 1207 Broadway, Rockford, Illinois. FNS authorized S&B Discount to participate in SNAP in or about September 2016. S&B Discount was assigned FNS authorization number 0565135. S&B Discount operated at 1207 Broadway, Rockford, Illinois until on or about January 18, 2017.

y. FEUY KHAIKHAM, BOUNLEUNG THAMONTRI, and others worked at and operated S&B Discount during its period of operation.

z. Platinum Electronics and More was owned by CHRISTIANA XAYVANDY and operated at 1114 Broadway, Rockford, Illinois from approximately in or about July 2016 through on or about January 18, 2017. CHRISTIANA XAYVANDY submitted multiple applications for SNAP authorization on behalf of Platinum Electronics and More, but FNS did not approve the applications. Platinum Electronics and More was never authorized to participate in SNAP.

aa. LEEFORM XAYVANDY, SR., AUNG GYAW, CHRISTIANA XAYVANDY, and others worked at and operated Platinum Electronics and More during its period of operation.

bb. SOM XAYVANDY previously was the owner of Rockford Food & Grocery, located at 1209 Broadway, Suite B, Rockford, Illinois. In April 2014, FNS permanently disqualified Rockford Food & Grocery from participating in SNAP after finding that Rockford Food & Grocery was exchanging SNAP benefits for cash, in violation of SNAP regulations.

cc. FEUY KHAIKHAM previously was the owner of Aqua Vite, located at 1205 Broadway, Rockford, Illinois. In July 2014, FNS permanently disqualified Aqua Vite from participating in SNAP after finding that Aqua Vite was exchanging SNAP benefits for cash, in violation of SNAP regulations.

2. Beginning no later than in or about April 2015 and continuing through on or about January 18, 2017, at Rockford, in the Northern District of Illinois, Western Division, and elsewhere,

FEUY KHAIKHAM,
LEEFORM XAYVANDY, SR. (a.k.a. "John"),
BOUNLEUNG THAMONTRI (a.k.a. "Tommy"),
VANSY XAYVANDY (a.k.a. "Dee"),
SOM XAYVANDY,
CHRISTIANA XAYVANDY (a.k.a. "Tina"), and
AUNG GYAW (a.k.a. "AJ"),

defendants herein, together and with others known and unknown to the Grand Jury, knowingly devised and participated in a scheme to defraud USDA and the State of Illinois and to obtain money and property from USDA by means of materially false

and fraudulent pretenses, representations, and promises, and by concealment of material facts, which scheme is further described below.

3. It was part of the scheme that FEUY KHAIKHAM, LEEFORM XAYVANDY, SR., BOUNLEUNG THAMONTRI, VANSY XAYVANDY, SOM XAYVANDY, CHRISTIANA XAYVANDY, AUNG GYAW, and others known and unknown to the Grand Jury, fraudulently accepted and caused to be accepted SNAP benefits in exchange for discounted amounts of cash, knowing that such exchanges were prohibited under SNAP.

4. It was further part of the scheme that FEUY KHAIKHAM, LEEFORM XAYVANDY, SR., BOUNLEUNG THAMONTRI, VANSY XAYVANDY, SOM XAYVANDY, CHRISTIANA XAYVANDY, AUNG GYAW, and others known and unknown to the Grand Jury, fraudulently redeemed and caused to be redeemed SNAP benefits that had been exchanged for cash, knowing that exchanging SNAP benefits for cash was prohibited under SNAP.

5. It was further part of the scheme that FEUY KHAIKHAM, LEEFORM XAYVANDY, SR., and BOUNLEUNG THAMONTRI recruited individuals to act as nominee owners of grocery stores and obtain SNAP authorization for those grocery stores, and FEUY KHAIKHAM, LEEFORM XAYVANDY, SR., BOUNLEUNG THAMONTRI, VANSY XAYVANDY, SOM XAYVANDY, CHRISTIANA XAYVANDY, and AUNG GYAW then used those locations to conduct SNAP transactions, in which SNAP benefits were accepted in exchange for discounted amounts of cash, knowing that such exchanges were prohibited under SNAP.

6. It was further part of the scheme that FEUY KHAIKHAM, LEEFORM XAYVANDY, SR., BOUNLEUNG THAMONTRI, VANSY XAYVANDY, SOM XAYVANDY, CHRISTIANA XAYVANDY, and AUNG GYAW obtained multiple point-of-sale devices registered to Pattaya Grocery Foods, B&P Foods Market, and Mr. Clark Groceries, and used those point-of-sale devices to conduct SNAP transactions using the FNS number for Pattaya Grocery Foods, B&P Foods Market, and Mr. Clark Groceries at locations other than the authorized locations for Pattaya Grocery Foods, B&P Foods Market, and Mr. Clark Groceries.

7. It was further part of the scheme that FEUY KHAIKHAM, LEEFORM XAYVANDY, SR., BOUNLEUNG THAMONTRI, VANSY XAYVANDY, SOM XAYVANDY, CHRISTIANA XAYVANDY, and AUNG GYAW each contributed funds to pay for taxes owed by Pattaya Grocery Foods.

8. It was further part of the scheme that FEUY KHAIKHAM, LEEFORM XAYVANDY, SR., BOUNLEUNG THAMONTRI, VANSY XAYVANDY, SOM XAYVANDY, CHRISTIANA XAYVANDY, AUNG GYAW, and others known and unknown to the Grand Jury, fraudulently obtained over \$3 million in reimbursement for SNAP benefits over the course of the scheme.

9. It was further part of the scheme that FEUY KHAIKHAM, LEEFORM XAYVANDY, SR., BOUNLEUNG THAMONTRI, VANSY XAYVANDY, SOM XAYVANDY, CHRISTIANA XAYVANDY, AUNG GYAW, and others known and unknown to the Grand Jury, did misrepresent, conceal, and hide, and caused to be

misrepresented, concealed, and hidden, the acts done and purposes of the acts done in furtherance of the scheme.

10. On or about November 2, 2015, at Rockford, in the Northern District of Illinois, Western Division, and elsewhere,

SOM XAYVANDY,

defendant herein, for the purpose of executing the scheme described herein and attempting to do so, knowingly caused to be transmitted by means of a wire communication in interstate commerce from Rockford, Illinois, through a third-party processor, to a business in Austin, Texas, certain signs and signals, namely information for a Link card transaction requesting authorization to purchase from the Link cardholder SNAP benefits having a value of approximately \$55.21;

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

COUNT TWO

The MAY 2018 GRAND JURY further charges:

1. Paragraphs 1 through 9 of Count One of this superseding indictment are incorporated here.

2. On or about November 2, 2015, at Rockford, in the Northern District of Illinois, and elsewhere,

VANSY XAYVANDY (a.k.a. “Dee”) and
AUNG GYAW (a.k.a. “AJ”),

defendants herein, for the purpose of executing the scheme described herein and attempting to do so, knowingly caused to be transmitted by means of a wire communication in interstate commerce from Rockford, Illinois, through a third-party processor, to a business in Austin, Texas, certain signs and signals, namely information for a Link card transaction requesting authorization to purchase from the Link cardholder SNAP benefits having a value of approximately \$102.08;

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

COUNT THREE

The MAY 2018 GRAND JURY further charges:

1. Paragraphs 1 through 9 of Count One of this superseding indictment are incorporated here.

2. On or about November 12, 2015, at Rockford, in the Northern District of Illinois, and elsewhere,

FEUY KHAIKHAM,

defendant herein, for the purpose of executing the scheme described herein and attempting to do so, knowingly caused to be transmitted by means of a wire communication in interstate commerce from Rockford, Illinois, through a third-party processor, to a business in Austin, Texas, certain signs and signals, namely information for a Link card transaction requesting authorization to purchase from the Link cardholder SNAP benefits having a value of approximately \$38.79;

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

COUNT FOUR

The MAY 2018 GRAND JURY further charges:

1. Paragraphs 1 through 9 of Count One of this superseding indictment are incorporated here.

2. On or about January 5, 2016, at Rockford, in the Northern District of Illinois, and elsewhere,

VANSY XAYVANDY (a.k.a. “Dee”),

defendant herein, for the purpose of executing the scheme described herein and attempting to do so, knowingly caused to be transmitted by means of a wire communication in interstate commerce from Rockford, Illinois, through a third-party processor, to a business in Austin, Texas, certain signs and signals, namely information for a Link card transaction requesting authorization to purchase from the Link cardholder SNAP benefits having a value of approximately \$36.45;

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

COUNT FIVE

The MAY 2018 GRAND JURY further charges:

1. Paragraphs 1 through 9 of Count One of this superseding indictment are incorporated here.

2. On or about January 5, 2016, at Rockford, in the Northern District of Illinois, and elsewhere,

CHRISTIANA XAYVANDY (a.k.a. “Tina”),

defendant herein, for the purpose of executing the scheme described herein and attempting to do so, knowingly caused to be transmitted by means of a wire communication in interstate commerce from Rockford, Illinois, through a third-party processor, to a business in Austin, Texas, certain signs and signals, namely information for a Link card transaction requesting authorization to purchase from the Link cardholder SNAP benefits having a value of approximately \$35.96;

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

COUNT SIX

The MAY 2018 GRAND JURY further charges:

1. Paragraphs 1 through 9 of Count One of this superseding indictment are incorporated here.

2. On or about January 5, 2016, at Rockford, in the Northern District of Illinois, and elsewhere,

FEUY KHAIKHAM,

defendant herein, for the purpose of executing the scheme described herein and attempting to do so, knowingly caused to be transmitted by means of a wire communication in interstate commerce from Rockford, Illinois, through a third-party processor, to a business in Austin, Texas, certain signs and signals, namely information for a Link card transaction requesting authorization to purchase from the Link cardholder SNAP benefits having a value of approximately \$39.59;

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

COUNT SEVEN

The MAY 2018 GRAND JURY further charges:

1. Paragraphs 1 through 9 of Count One of this superseding indictment are incorporated here.

2. On or about April 29, 2016, at Rockford, in the Northern District of Illinois, and elsewhere,

FEUY KHAIKHAM,

defendant herein, for the purpose of executing the scheme described herein and attempting to do so, knowingly caused to be transmitted by means of a wire communication in interstate commerce from Rockford, Illinois, through a third-party processor, to a business in Austin, Texas, certain signs and signals, namely information for a Link card transaction requesting authorization to purchase from the Link cardholder SNAP benefits having a value of approximately \$50.74;

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

COUNT EIGHT

The MAY 2018 GRAND JURY further charges:

1. Paragraphs 1 through 9 of Count One of this superseding indictment are incorporated here.

2. On or about May 3, 2016, at Rockford, in the Northern District of Illinois, and elsewhere,

VANSY XAYVANDY (a.k.a. “Dee”), and
AUNG GYAW (a.k.a. “AJ”),

defendants herein, for the purpose of executing the scheme described herein and attempting to do so, knowingly caused to be transmitted by means of a wire communication in interstate commerce from Rockford, Illinois, through a third-party processor, to a business in Austin, Texas, certain signs and signals, namely information for a Link card transaction requesting authorization to purchase from the Link cardholder SNAP benefits having a value of approximately \$50.09;

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

COUNT NINE

The MAY 2018 GRAND JURY further charges:

1. Paragraphs 1 through 9 of Count One of this superseding indictment are incorporated here.

2. On or about May 3, 2016, at Rockford, in the Northern District of Illinois, and elsewhere,

FEUY KHAIKHAM,

defendant herein, for the purpose of executing the scheme described herein and attempting to do so, knowingly caused to be transmitted by means of a wire communication in interstate commerce from Rockford, Illinois, through a third-party processor, to a business in Austin, Texas, certain signs and signals, namely information for a Link card transaction requesting authorization to purchase from the Link cardholder SNAP benefits having a value of approximately \$70.41;

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

COUNT TEN

The MAY 2018 GRAND JURY further charges:

1. Paragraphs 1 through 9 of Count One of this superseding indictment are incorporated here.

2. On or about September 23, 2016, at Rockford, in the Northern District of Illinois, and elsewhere,

FEUY KHAIKHAM,

defendant herein, for the purpose of executing the scheme described herein and attempting to do so, knowingly caused to be transmitted by means of a wire communication in interstate commerce from Rockford, Illinois, through a third-party processor, to a business in Austin, Texas, certain signs and signals, namely information for a Link card transaction requesting authorization to purchase from the Link cardholder SNAP benefits having a value of approximately \$35.89;

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

COUNT ELEVEN

The MAY 2018 GRAND JURY further charges:

1. Paragraphs 1 through 9 of Count One of this superseding indictment are incorporated here.

2. On or about September 23, 2016, at Rockford, in the Northern District of Illinois, and elsewhere,

SOM XAYVANDY,

defendant herein, for the purpose of executing the scheme described herein and attempting to do so, knowingly caused to be transmitted by means of a wire communication in interstate commerce from Rockford, Illinois, through a third-party processor, to a business in Austin, Texas, certain signs and signals, namely information for a Link card transaction requesting authorization to purchase from the Link cardholder SNAP benefits having a value of approximately \$33.20;

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

COUNT TWELVE

The MAY 2018 GRAND JURY further charges:

1. Paragraphs 1 through 9 of Count One of this superseding indictment are incorporated here.

2. On or about November 10, 2016, at Rockford, in the Northern District of Illinois, and elsewhere,

FEUY KHAIKHAM,

defendant herein, for the purpose of executing the scheme described herein and attempting to do so, knowingly caused to be transmitted by means of a wire communication in interstate commerce from Rockford, Illinois, through a third-party processor, to a business in Austin, Texas, certain signs and signals, namely information for a Link card transaction requesting authorization to purchase from the Link cardholder SNAP benefits having a value of approximately \$100.02;

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

COUNT THIRTEEN

The MAY 2018 GRAND JURY further charges:

1. Paragraphs 1 through 9 of Count One of this superseding indictment are incorporated here.

2. On or about November 10, 2016, at Rockford, in the Northern District of Illinois, and elsewhere,

SOM XAYVANDY,

defendant herein, for the purpose of executing the scheme described herein and attempting to do so, knowingly caused to be transmitted by means of a wire communication in interstate commerce from Rockford, Illinois, through a third-party processor, to a business in Austin, Texas, certain signs and signals, namely information for a Link card transaction requesting authorization to purchase from the Link cardholder SNAP benefits having a value of approximately \$167.20;

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

COUNT FOURTEEN

The MAY 2018 GRAND JURY further charges:

1. Paragraphs 1 through 9 of Count One of this superseding indictment are incorporated here.

2. On or about November 10, 2016, at Rockford, in the Northern District of Illinois, and elsewhere,

LEEFORM XAYVANDY, SR. (a.k.a. "John"),

defendant herein, for the purpose of executing the scheme described herein and attempting to do so, knowingly caused to be transmitted by means of a wire communication in interstate commerce from Rockford, Illinois, through a third-party processor, to a business in Austin, Texas, certain signs and signals, namely information for a Link card transaction requesting authorization to purchase from the Link cardholder SNAP benefits having a value of approximately \$102.26;

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

COUNT FIFTEEN

The MAY 2018 GRAND JURY further charges:

1. Paragraphs 1 through 9 of Count One of this superseding indictment are incorporated here.

2. On or about January 6, 2017, at Rockford, in the Northern District of Illinois, and elsewhere,

VANSY XAYVANDY (a.k.a. “Dee”),

defendant herein, for the purpose of executing the scheme described herein and attempting to do so, knowingly caused to be transmitted by means of a wire communication in interstate commerce from Rockford, Illinois, through a third-party processor, to a business in Austin, Texas, certain signs and signals, namely information for a Link card transaction requesting authorization to purchase from the Link cardholder SNAP benefits having a value of approximately \$100.89;

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

COUNT SIXTEEN

The MAY 2018 GRAND JURY further charges:

1. Paragraphs 1 through 9 of Count One of this superseding indictment are incorporated here.

2. On or about January 6, 2017, at Rockford, in the Northern District of Illinois, and elsewhere,

FEUY KHAIKHAM,

defendant herein, for the purpose of executing the scheme described herein and attempting to do so, knowingly caused to be transmitted by means of a wire communication in interstate commerce from Rockford, Illinois, through a third-party processor, to a business in Austin, Texas, certain signs and signals, namely information for a Link card transaction requesting authorization to purchase from the Link cardholder SNAP benefits having a value of approximately \$100.22;

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

COUNT SEVENTEEN

The MAY 2018 GRAND JURY further charges:

1. Paragraphs 1 through 9 of Count One of this superseding indictment are incorporated here.

2. On or about January 6, 2017, at Rockford, in the Northern District of Illinois, and elsewhere,

LEEFORM XAYVANDY, SR. (a.k.a. "John"),

defendant herein, for the purpose of executing the scheme described herein and attempting to do so, knowingly caused to be transmitted by means of a wire communication in interstate commerce from Rockford, Illinois, through a third-party processor, to a business in Austin, Texas, certain signs and signals, namely information for a Link card transaction requesting authorization to purchase from the Link cardholder SNAP benefits having a value of approximately \$101.44;

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

COUNT EIGHTEEN

The MAY 2018 GRAND JURY further charges:

1. Paragraph 1 of Count One of this superseding indictment is incorporated here.

2. From in or about November 2015 through in or about May 2016, at a store located at 1115 Broadway, Rockford, in the Northern District of Illinois, Western Division,

VANSY XAYVANDY (a.k.a. “Dee”), and
AUNG GYAW (a.k.a. “AJ”),

defendants herein, did knowingly acquire, transfer, and possess SNAP benefits of a value of \$100 or more, in a manner not authorized by Title 7, United States Code, Chapter 51, and the regulations issued pursuant thereto (Title 7, Code of Federal Regulations, Subchapter C), in that the SNAP benefits were exchanged for cash, knowing that the acquisition, transfer, and possession of these SNAP benefits was contrary to law;

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

COUNT NINETEEN

The MAY 2018 GRAND JURY further charges:

1. Paragraph 1 of Count One of this superseding indictment is incorporated here.

2. From in or about September 2016 through on or about January 18, 2017, at a store located at 1207 Broadway, Rockford, in the Northern District of Illinois, Western Division,

FEUY KHAIKHAM,

defendant herein, did knowingly acquire, transfer, and possess SNAP benefits of a value of \$100 or more, in a manner not authorized by Title 7, United States Code, Chapter 51, and the regulations issued pursuant thereto (Title 7, Code of Federal Regulations, Subchapter C), in that the SNAP benefits were exchanged for cash, knowing that the acquisition, transfer, and possession of these SNAP benefits was contrary to law;

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

COUNT TWENTY

The MAY 2018 GRAND JURY further charges:

1. Paragraph 1 of Count One of this superseding indictment is incorporated here.

2. From in or about September 2016 through on or about January 18, 2017, at a store located at 1019 South Main Street, Rockford, in the Northern District of Illinois, Western Division,

SOM XAYVANDY,

defendant herein, did knowingly acquire, transfer, and possess SNAP benefits of a value of \$100 or more, in a manner not authorized by Title 7, United States Code, Chapter 51, and the regulations issued pursuant thereto (Title 7, Code of Federal Regulations, Subchapter C), in that the SNAP benefits were exchanged for cash, knowing that the acquisition, transfer, and possession of these SNAP benefits was contrary to law;

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

COUNT TWENTY-ONE

The MAY 2018 GRAND JURY further charges:

1. Paragraph 1 of Count One of this superseding indictment is incorporated here.

2. From in or about November 2016 through on or about January 18, 2017, at a store located at 1019 South Main Street, Rockford, in the Northern District of Illinois, Western Division,

VANSY XAYVANDY (a.k.a. “Dee”),

defendant herein, did knowingly acquire, transfer, and possess SNAP benefits of a value of \$100 or more, in a manner not authorized by Title 7, United States Code, Chapter 51, and the regulations issued pursuant thereto (Title 7, Code of Federal Regulations, Subchapter C), in that the SNAP benefits were exchanged for cash, knowing that the acquisition, transfer, and possession of these SNAP benefits was contrary to law;

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

COUNT TWENTY-TWO

The MAY 2018 GRAND JURY further charges:

1. Paragraph 1 of Count One of this superseding indictment is incorporated here.

2. From in or about November 2016 through on or about January 18, 2017, at a store located at 1114 Broadway, Rockford, in the Northern District of Illinois, Western Division,

LEEFORM XAYVANDY, SR. (a.k.a. "John"),
defendant herein, did knowingly acquire, transfer, and possess SNAP benefits of a value of \$100 or more, in a manner not authorized by Title 7, United States Code, Chapter 51, and the regulations issued pursuant thereto (Title 7, Code of Federal Regulations, Subchapter C), in that the SNAP benefits were exchanged for cash, knowing that the acquisition, transfer, and possession of these SNAP benefits was contrary to law;

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

COUNT TWENTY-THREE

The MAY 2018 GRAND JURY further charges:

1. Sub-paragraphs 1(a)-1(k) and 1(v)-1(aa) of Count One of this superseding indictment are incorporated here.

2. Beginning at least as early as in or about January 2016 and continuing through on or about January 18, 2017, at Rockford, in the Northern District of Illinois, Western Division, and elsewhere,

FEUY KHAIKHAM,
LEEFORM XAYVANDY, SR. (a.k.a. "John"), and
BOUNLEUNG THAMONTRI (a.k.a. "Tommy"),

defendants herein, did knowingly conspire with each other and with others known and unknown to the Grand Jury to knowingly conduct and attempt to conduct financial transactions affecting interstate commerce, which transactions involved the proceeds of specified unlawful activity, namely wire fraud, in violation of Title 18, United States Code, Section 1343, knowing that the transactions were designed in whole and in part to conceal and disguise the nature, ownership, and control of the proceeds of said specified unlawful activity, and that while conducting and attempting to conduct such financial transactions, knew that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

3. It was the object of the conspiracy for the defendants to liquidate and distribute to each other and others known and unknown to the Grand Jury the proceeds of specified unlawful activity, namely wire fraud, in violation of Title 18,

United States Code, Section 1343, with the intent and design to conceal the nature, control and ownership of those proceeds.

4. It was part of the conspiracy that FEUY KHAIKHAM and BOUNLEUNG THAMONTRI recruited B.P. to act as a nominee owner of B&P Foods Market, to open a USBank account ending in 3177 (“USBank Account 3177”) in the name of B.P. doing business as B&P Foods Market, and to obtain SNAP authorization for B&P Foods Market.

5. It was further part of the conspiracy that FEUY KHAIKHAM, LEEFORM XAYVANDY, SR., and BOUNLEUNG THAMONTRI, and others known and unknown to the Grand Jury, fraudulently accepted and caused to be accepted SNAP benefits in exchange for discounted amounts of cash, using the FNS number for B&P Foods Market, knowing that such exchanges were prohibited under SNAP.

6. It was further part of the conspiracy that FEUY KHAIKHAM, LEEFORM XAYVANDY, SR., and BOUNLEUNG THAMONTRI, and others known and unknown to the Grand Jury, fraudulently redeemed and caused to be redeemed SNAP benefits that had been exchanged for cash, using the FNS number for B&P Foods Market. knowing that exchanging SNAP benefits for cash was prohibited under SNAP.

7. It was further part of the conspiracy that the proceeds of SNAP trafficking transactions conducted by FEUY KHAIKHAM, LEEFORM XAYVANDY, SR., BOUNLEUNG THAMONTRI, and others known and unknown to the Grand

Jury, using B&P Foods Market's FNS number were deposited into USBank Account 3177.

8. It was further part of the conspiracy that FEUY KHAIKHAM, LEEFORM XAYVANDY, SR., and BOUNLEUNG THAMONTRI, and others known and unknown to the Grand Jury, not B.P., owned the funds in USBank Account 3177, as defendants well knew.

9. It was further part of the conspiracy that FEUY KHAIKHAM and BOUNLEUNG THAMONTRI, not B.P., controlled the funds in USBank Account 3177 and the checkbook and debit card for USBank Account 3177, as defendants well knew.

10. It was further part of the conspiracy that FEUY KHAIKHAM and BOUNLEUNG THAMONTRI caused B.P. to pre-sign blank checks for USBank Account 3177, which FEUY KHAIKHAM and BOUNLEUNG THAMONTRI then issued to themselves, LEEFORM XAYVANDY, SR., and others known and unknown to the Grand Jury, for the purpose of distributing the proceeds of specified unlawful activity, namely wire fraud, while concealing the true nature, ownership and control of the funds in USBank Account 3177.

11. It was further part of the conspiracy that FEUY KHAIKHAM, and BOUNLEUNG THAMONTRI issued checks from USBank Account 3177 to B.P. or "Cash" and directed B.P. to cash the checks and return the cash proceeds to FEUY KHAIKHAM and BOUNLEUNG THAMONTRI for the purpose of liquidating the

proceeds of specified unlawful activity, namely wire fraud, while concealing the true nature, ownership and control of the funds in USBank Account 3177.

12. It was further part of the conspiracy that LEEFORM XAYVANDY, SR. issued and caused to be issued checks from USBank Account 3177, pre-signed by B.P., to other individuals and directed those individuals to cash the checks and return the cash proceeds to LEEFORM XAYVANDY, SR. for the purpose of liquidating the proceeds of specified unlawful activity, namely wire fraud, while concealing the true nature, ownership and control of the funds in USBank Account 3177.

All in violation of Title 18, United States Code, Section 1956(h).

COUNT TWENTY-FOUR

The MAY 2018 GRAND JURY further charges:

On or about November 14, 2016, at Rockford, in the Northern District of Illinois, Western Division, and elsewhere,

FEUY KHAIKHAM, and
BOULEUNG THAMONTRI (a.k.a. “Tommy”),

defendants herein, did knowingly conduct and attempt to conduct a financial transaction affecting interstate commerce, namely withdrawing and causing to be withdrawn a check from USBank Account 3177 for approximately \$9,000, which involved the proceeds of specified unlawful activity, namely wire fraud, in violation of Title 18, United States Code, Section 1343, knowing that the transaction was designed in whole and in part to conceal and disguise the nature, ownership, and control of the proceeds of said specified unlawful activity, and that while conducting and attempting to conduct such financial transaction, knew that the property involved in the financial transaction represented the proceeds of some form of unlawful activity;

In violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

COUNT TWENTY-FIVE

The MAY 2018 GRAND JURY further charges:

On or about November 21, 2016, at Rockford, in the Northern District of Illinois, Western Division, and elsewhere,

FEUY KHAIKHAM, and
BOULEUNG THAMONTRI (a.k.a. “Tommy”),

defendants herein, did knowingly conduct and attempt to conduct a financial transaction affecting interstate commerce, namely withdrawing and causing to be withdrawn a check from USBank Account 3177 for approximately \$8,700, which involved the proceeds of specified unlawful activity, namely wire fraud, in violation of Title 18, United States Code, Section 1343, knowing that the transaction was designed in whole and in part to conceal and disguise the nature, ownership, and control of the proceeds of said specified unlawful activity, and that while conducting and attempting to conduct such financial transaction, knew that the property involved in the financial transaction represented the proceeds of some form of unlawful activity;

In violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

COUNT TWENTY-SIX

The MAY 2018 GRAND JURY further charges:

On or about September 7, 2016, at Rockford, in the Northern District of Illinois, Western Division, and elsewhere,

LEEFORM XAYVANDY, SR. (a.k.a. "John"),

defendant herein, did knowingly conduct and attempt to conduct a financial transaction affecting interstate commerce, namely withdrawing and causing to be withdrawn a check from USBank Account 3177 for approximately \$4,782, which involved the proceeds of specified unlawful activity, namely wire fraud, in violation of Title 18, United States Code, Section 1343, knowing that the transaction was designed in whole and in part to conceal and disguise the nature, ownership, and control of the proceeds of said specified unlawful activity, and that while conducting and attempting to conduct such financial transaction, knew that the property involved in the financial transaction represented the proceeds of some form of unlawful activity;

In violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

COUNT TWENTY-SEVEN

The MAY 2018 GRAND JURY further charges:

On or about October 7, 2016, at Rockford, in the Northern District of Illinois, Western Division, and elsewhere,

LEEFORM XAYVANDY, SR. (a.k.a. "John"),

defendant herein, did knowingly conduct and attempt to conduct a financial transaction affecting interstate commerce, namely withdrawing and causing to be withdrawn a check from USBank Account 3177 for approximately \$3,513, which involved the proceeds of specified unlawful activity, namely wire fraud, in violation of Title 18, United States Code, Section 1343, knowing that the transaction was designed in whole and in part to conceal and disguise the nature, ownership, and control of the proceeds of said specified unlawful activity, and that while conducting and attempting to conduct such financial transaction, knew that the property involved in the financial transaction represented the proceeds of some form of unlawful activity;

In violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

COUNT TWENTY-EIGHT

The MAY 2018 GRAND JURY further charges:

On or about October 11, 2016, at Rockford, in the Northern District of Illinois, Western Division, and elsewhere,

LEEFORM XAYVANDY, SR. (a.k.a. "John"),

defendant herein, did knowingly conduct and attempt to conduct a financial transaction affecting interstate commerce, namely withdrawing and causing to be withdrawn a check from USBank Account 3177 for approximately \$2,690, which involved the proceeds of specified unlawful activity, namely wire fraud, in violation of Title 18, United States Code, Section 1343, knowing that the transaction was designed in whole and in part to conceal and disguise the nature, ownership, and control of the proceeds of said specified unlawful activity, and that while conducting and attempting to conduct such financial transaction, knew that the property involved in the financial transaction represented the proceeds of some form of unlawful activity;

In violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

COUNT TWENTY-NINE

The MAY 2018 GRAND JURY further charges:

On or about October 13, 2016, at Rockford, in the Northern District of Illinois, Western Division, and elsewhere,

LEEFORM XAYVANDY, SR. (a.k.a. "John"),

defendant herein, did knowingly conduct and attempt to conduct a financial transaction affecting interstate commerce, namely withdrawing and causing to be withdrawn a check from USBank Account 3177 for approximately \$2,660, which involved the proceeds of specified unlawful activity, namely wire fraud, in violation of Title 18, United States Code, Section 1343, knowing that the transaction was designed in whole and in part to conceal and disguise the nature, ownership, and control of the proceeds of said specified unlawful activity, and that while conducting and attempting to conduct such financial transaction, knew that the property involved in the financial transaction represented the proceeds of some form of unlawful activity;

In violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

COUNT THIRTY

The MAY 2018 GRAND JURY further charges:

On or about October 13, 2016, at Rockford, in the Northern District of Illinois, Western Division, and elsewhere,

LEEFORM XAYVANDY, SR. (a.k.a. "John"),

defendant herein, did knowingly conduct and attempt to conduct a financial transaction affecting interstate commerce, namely withdrawing and causing to be withdrawn a check from USBank Account 3177 for approximately \$2,540, which involved the proceeds of specified unlawful activity, namely wire fraud, in violation of Title 18, United States Code, Section 1343, knowing that the transaction was designed in whole and in part to conceal and disguise the nature, ownership, and control of the proceeds of said specified unlawful activity, and that while conducting and attempting to conduct such financial transaction, knew that the property involved in the financial transaction represented the proceeds of some form of unlawful activity;

In violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

COUNT THIRTY-ONE

The MAY 2018 GRAND JURY further charges:

On or about November 10, 2016, at Rockford, in the Northern District of Illinois, Western Division, and elsewhere,

LEEFORM XAYVANDY, SR. (a.k.a. "John"),

defendant herein, did knowingly conduct and attempt to conduct a financial transaction affecting interstate commerce, namely withdrawing and causing to be withdrawn a check from USBank Account 3177 for approximately \$3,417, which involved the proceeds of specified unlawful activity, namely wire fraud, in violation of Title 18, United States Code, Section 1343, knowing that the transaction was designed in whole and in part to conceal and disguise the nature, ownership, and control of the proceeds of said specified unlawful activity, and that while conducting and attempting to conduct such financial transaction, knew that the property involved in the financial transaction represented the proceeds of some form of unlawful activity;

In violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

COUNT THIRTY-TWO

The MAY 2018 GRAND JURY further charges:

On or about July 15, 2016, at Rockford, in the Northern District of Illinois,
Western Division, and elsewhere,

LEEFORM XAYVANDY, SR. (a.k.a. "John"),

defendant herein, did knowingly conduct and attempt to conduct a financial transaction affecting interstate commerce, namely withdrawing and causing to be withdrawn a check from a Bank of America account ending in 5870 for approximately \$5,000, which involved the proceeds of specified unlawful activity, namely wire fraud, in violation of Title 18, United States Code, Section 1343, with the intent to promote the carrying on of such specified unlawful activity, and that while conducting and attempting to conduct such financial transaction, knew that the property involved in the financial transaction represented the proceeds of some form of unlawful activity;

In violation of Title 18, United States Code, Section 1956(a)(1)(A)(i).

COUNT THIRTY-THREE

The MAY 2018 GRAND JURY further charges:

On or about August 12, 2016, at Rockford, in the Northern District of Illinois,
Western Division,

LEEFORM XAYVANDY, SR. (a.k.a. "John"),

defendant herein, did knowingly engage in a monetary transaction by and through a financial institution, affecting interstate and foreign commerce, in criminally-derived property of a value greater than \$10,000, namely a wire transfer of approximately \$63,493 from a Bank of America account number ending in 2381 to a JPMorgan Chase Bank account for the purchase of 2636 Bluffside Drive, Rockford, Illinois, such criminally-derived property having been derived from a specified unlawful activity, namely wire fraud, in violation of Title 18, United States Code, Section 1343;

All in violation of Title 18, United States Code, Section 1957(a).

FIRST FORFEITURE ALLEGATION

The MAY 2018 GRAND JURY alleges:

1. The allegations of Counts One through Seventeen of this superseding indictment are incorporated here for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

2. As a result of their violations of Title 18, United States Code, Section 1343, as alleged in Counts One through Seventeen of this superseding indictment,

VANSY XAYVANDY (a.k.a. “Dee”),
AUNG GYAW (a.k.a. “AJ”),
LEEFORM XAYVANDY, SR. (a.k.a. “John”),
FEUY KHAIKHAM,
BOUNLEUNG THAMONTRI (a.k.a. “Tommy”),
SOM XAYVANDY, and
CHRISTIANA XAYVANDY (a.k.a. “Tina”),

defendants herein, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any and all right, title, and interest they may have in any property, real and personal, that constitutes and is derived, directly and indirectly, from proceeds traceable to the commission of the offense, which property is subject to forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

3. The interests of defendants are subject to forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c).

4. If any of the forfeitable property described above, as a result of any act or omission by the defendants:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred 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 divided without difficulty,

the United States of America shall be entitled to forfeiture of substitute property under the provisions of Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c);

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

SECOND FORFEITURE ALLEGATION

The MAY 2018 GRAND JURY alleges:

1. The allegations of Counts Thirty-Two and Thirty-Three of this superseding indictment are incorporated here for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 982(a)(1) and Title 28, United States Code, Section 2461(c).

2. As a result of his violations of Title 18, United States Code, Sections 1956(a)(1)(A)(i) and 1957(a), as alleged in Counts Thirty-Two and Thirty-Three of this superseding indictment,

LEEFORM XAYVANDY, SR. (a.k.a. "John"),

defendant herein, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(1), any and all right, title, and interest he may have in any property, real and personal, involved in the offense, or property traceable to such property, which property is subject to forfeiture pursuant to Title 18, United States Code, Section 982(a)(1).

3. The interests of defendant that are subject to forfeiture pursuant to Title 18, United States Code, Section 982(a)(1), and Title 28, United States Code, Section 2461(c), including but are not limited to: (a) the real property located at 1018 South Main Street, Rockford, Illinois; and (b) the real property located at 2636 Bluffside Drive, Rockford, Illinois.

4. If any of the forfeitable property described above, as a result of any act or omission by the defendants:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred 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 divided without difficulty,

the United States of America shall be entitled to forfeiture of substitute property under the provisions of Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b).

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

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY