

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MARYLAND

IN THE MATTER OF THE SEARCH OF )

The premises/vehicles known as: )

A. C&C Market )  
4752 Park Heights Ave )  
Baltimore, MD )

B. 4412 Stonecrest Drive )  
Ellicott City, Maryland )



And for seizure of the funds held in the )  
following bank accounts: )

D. Columbia Bank Account )  
Number: XXXXXX2501 )

E Wells Fargo Bank Account )  
Number: XXXXXXXXXX4844 )

Criminal No. 13-21-0000

FILED UNDER SEAL

AFFIDAVIT IN SUPPORT OF APPLICATION FOR SEARCH WARRANT

I, Jeffrey Weiland, being duly sworn depose and state the following:

INTRODUCTION

1. I am a Special Agent with the Federal Bureau of Investigation (FBI) and have been so employed since March 2008. I am currently assigned to the Public Corruption squad in the Baltimore Division of the FBI. The Public Corruption Squad investigates crimes involving fraud against the government. As a Special Agent, I have investigated crimes including arson, forced labor trafficking, distribution of controlled substances, money laundering, possession of stolen goods in interstate commerce and racketeering.



4. Based on the facts listed herein, there is probable cause to believe that within the above premises and vehicle, to include all computers and locked containers therein, and that the funds held in COLUMBIA BANK account number XXXXXX2501 and WELLS FARGO BANK account number XXXXXXXXXXX4844, there is evidence of the commission of a crime, contraband, the fruits of a crime or things otherwise criminally possessed and instrumentalities of the crimes described below, including: fraud associated with the Supplemental Nutrition Assistance Program in violation of Title 7, United States Code, Section 2024; wire fraud in violation of Title 18, United States Code, Section 1343; access device fraud in violation of Title 18, United States Code, Section 1029; and Money Laundering in violation of Title 18, United States Code, Section 1956.

#### THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

5. The Supplemental Nutrition Assistance Program (SNAP), formerly known as the Food Stamp Program, is a federally funded, national program established by the United States Government to alleviate hunger and malnutrition among lower income families. The United States Department of Agriculture (USDA) administers the SNAP through its agency, the Food and Nutrition Service (FNS). FNS is responsible for the authorization and disqualification of retail food establishments participating in the redemption of SNAP benefits. Social service agencies from each state share responsibility with FNS for administration of the program through authorization and revocation of individual SNAP benefit customers.
6. In Maryland, the program is administered by the MD Department of Human Resources (DHR) and is known as the Food Supplement Program (FSP). In 1993, Maryland changed the issuance method of SNAP benefits from a traditional paper coupon system to an Electronic Benefits Transfer (EBT) system. DHR awarded Xerox (formerly ACS) the current network management contract for its FSP EBT system. The system is similar to those employed by financial institutions and credit card companies. FSP customers are issued plastic EBT cards which contain an embedded magnetic stripe that stores basic information required for food purchases. Retailers approved by FNS to accept SNAP are

FNS is designed to educate and train store owner/management personnel on the proper procedures for the acceptance and redemption of SNAP benefits. Training materials are available upon request in six different languages, including Korean. Store owners/managers are responsible for training their employees in the proper procedures for the program. Retailers may lose their authorization to redeem SNAP benefits or be subjected to criminal or civil penalties if they break program rules or no longer qualify for participation in the program.

10. Pursuant to the Food and Nutrition Act and regulations promulgated by the Secretary of Agriculture, SNAP authorized retailers may only accept SNAP benefits in exchange for eligible food items. SNAP benefits may not, in any case, be exchanged for cash (a practice commonly referred to as trafficking) or other forbidden items such as alcohol, paper products, tobacco products, lottery tickets, or fuel.
11. In accordance with Title 7 United States Code section 2024 and Maryland Code Section 8-503, SNAP benefits may be transacted only by members of the household to which they were issued. Any individual who is not a member of a given household may not use, obtain, or purchase that household's SNAP benefits.

#### C&C SNAP REDEMPTION LICENSE HISTORY

12. A review of the FNS Form 252 on file for C&C disclosed that JEUNG ("JUNG") EUN KIM (J. KIM) signed the form on or about January 21, 2005. The signature page of this form contained an AGREEMENT, where the signer states "I UNDERSTAND AND AGREE" to the following:
  - A. "I will follow, and ensure employees will follow, the Food Stamp Program regulations. I am aware that the violations of program rules can result in fines, legal sanctions, withdraw, or disqualification from the Food Stamp Program."

14. On May 3, 2013 one HU NAM SON (H. SON)<sup>1</sup> electronically applied to FNS for a SNAP redemptions license for location 4752 Park Heights Ave, Baltimore, MD in the name of C&C MARKET. At this time C&C MARKET stopped redeeming food stamps under J. KIM's FNS license number of 0016686. FNS assigned H.SON anticipatory license number 0417479.
15. A check of the Maryland Secretary of State website revealed that KH SON, INC filed for incorporation on April 1, 2013 and was assigned Maryland Department ID # D15162688. The Articles of Incorporation list the corporation's address as 4752 Park Heights Ave, Baltimore, MD. The Resident Agent of KH SON, INC is listed as H. SON. There are no other officers listed on the Articles of Incorporation.
16. Still images from the April 9, 2013 UC operation (paragraph 31) of the Asian male identified by J. KIM as her brother appear to match the likeness of KYUNG CHUL SON (K. SON). K. SON is a male, four years younger than H. SON, who resides at the same address as H. SON (according to his Maryland driver's license) and shares the same last name. H. SON is the Asian female who applied for the new C&C SNAP redemption license noted in paragraphs 14 and 15.
17. Due to the "High Risk" area where C&C MARKET is located, the application process for H. SON requires more documentation and checks than normal. For this reason, H. SON was not granted a FNS license to redeem SNAP benefits until September 3, 2013. As a result, there were no redemptions at this store during the months of MAY, JUNE, JULY, and AUGUST of 2013. Note: This geographic area is "High Risk" per FNS because 10 or more stores in this zip code have been permanently disqualified from the SNAP program or had other serious sanctions levied against them.

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<sup>1</sup> HU NAM SON is a 37 year-old Asian female. She is a lawful permanent resident of the U.S. She does not have a known criminal record. Her Maryland Driver's license lists her residential address as 305 Foxfire Pl, Apt B, Cockeysville, MD.

individual SNAP purchase at the other 4 stores in the sample is \$5.21. An excerpt of this analysis for those 12 months is presented below.

**Transactions- total dollar amount and avg individual sale for May 2012 thru April 2013**

FNS Num	Store Name	Store Ty	State	Total Xtn Dollar Volume	Total number of trans	Average amount per trans
0016686	C & C MARKET	CS	MD	\$452,893.23	22,633	\$20.01
6020402	DASH CONVENIENCE MART	CS	MD	\$112,136.54	23,966	\$4.68
0115567	Hoons Beer & Wine	CS	MD	\$21,778.21	4,364	\$4.99
0139470	Nelsons Deli & Grocery	CS	MD	\$21,490.75	3,394	\$6.33

22. C&C consistently exceeded the statewide average redemptions for convenience stores doing business during the same period. C&C SNAP redemptions exceeded the state average by more than \$859,000.00 from November 1, 2010 through May 31, 2013. Excerpts of these analyses for the preceding 31 months are presented below:

**Total amt of SNAP benefits redeemed from 11/1/10 thru 5/31/13 and avg individual purchase amt**

FNS #	Store Name	Store Type	State	Total Xtn Dollar Vol	Total # Purchases	Average Sale
0016686	C&C Market	CS	MD	\$955,666.68	55,182	\$17.32
	Avg for all MD stores	CS	MD	\$96,097.50	10,420	\$9.22

23 A review of FNS records disclosed that the average purchase amount for a convenience store in Maryland for the 4 month period from January of 2013 through April 2013 was \$9.73. The average purchase amount for C&C during the same period was \$19.13, an amount that is nearly 2 times greater. The USDA's Food and Nutrition Service (FNS) has a computer analytical tool called ALERT that easily brings up redemption data, fraud analysis, and state and local store comparisons for review. Based on a review of this data from November 2010 through April 2013, the ALERT system was able to take the total sales of every Convenience Store (CS) in the state of Maryland and average their sales. The average amount of sales is \$96,097.50 per store. The average amount spent during each transaction at every CS class

Transactions in April 2013 that exceeded the MD state purchase average (\$9.41) by 800 percent or more

9633	179	MD	04/08/2013	01:33:42 PM	\$399.42
328	613	MD	04/09/2013	09:36:17 AM	\$299.60
176	777	MD	04/06/2013	09:26:39 AM	\$269.86
395	946	MD	04/13/2013	03:08:34 PM	\$259.86
074	606	MD	04/09/2013	06:24:37 PM	\$249.86
168	492	MD	04/08/2013	11:51:38 AM	\$221.36
380	438	MD	04/06/2013	01:36:18 PM	\$212.65
674	978	MD	04/09/2013	10:34:33 AM	\$203.85
8971	772	MD	04/09/2013	09:50:54 AM	\$203.58
1072	247	MD	04/07/2013	10:52:26 AM	\$201.70
8653	0152	MD	04/08/2013	04:11:45 PM	\$201.56
2297	6736	MD	04/08/2013	02:30:20 PM	\$201.44
8849	2705	MD	04/05/2013	05:44:53 PM	\$201.42
9633	9179	MD	04/11/2013	11:43:34 AM	\$200.22
4296	6055	MD	04/10/2013	11:41:50 AM	\$199.98
8962	134	MD	04/15/2013	06:02:10 PM	\$199.64
8736	613	MD	04/15/2013	05:22:49 PM	\$189.88
2097	1003	MD	04/08/2013	11:25:05 AM	\$180.39
4446	8487	MD	04/20/2013	12:13:33 PM	\$179.86
2062	1743	MD	04/07/2013	10:26:58 AM	\$165.73
8881	8453	MD	04/02/2013	05:07:43 PM	\$165.69
5857	6649	MD	04/06/2013	12:16:48 PM	\$160.23
4296	6055	MD	04/10/2013	01:38:43 PM	\$152.25
4781	6710	MD	04/15/2013	10:48:26 AM	\$151.24
4169	8770	MD	04/08/2013	12:35:14 PM	\$149.56
4702	6560	MD	04/06/2013	07:27:19 PM	\$140.29
8157	9293	MD	04/13/2013	04:37:45 PM	\$139.63
8202	4575	MD	04/11/2013	09:42:12 AM	\$137.25
1735	0039	MD	04/07/2013	11:37:08 AM	\$136.89
5074	7736	MD	04/08/2013	09:36:56 AM	\$132.43
4513	4935	MD	04/11/2013	05:51:04 PM	\$130.11
8647	8884	MD	04/11/2013	11:20:57 AM	\$128.20
4302	7899	MD	04/11/2013	03:06:23 PM	\$125.93
8902	6909	MD	04/15/2013	11:45:38 AM	\$122.98
5444	1286	MD	04/13/2013	07:17:06 PM	\$121.13
8883	4035	MD	04/13/2013	01:29:38 PM	\$120.81
5914	8571	MD	04/08/2013	07:26:42 PM	\$120.55
7494	2484	MD	04/20/2013	04:10:58 PM	\$120.10

26. During April of 2013, C&C conducted 1781 SNAP transactions in total. Of those 1781 transactions, 83 of them follow a pattern indicative of structuring SNAP transactions to avoid trafficking detection. These 83 transactions were conducted by 37 cardholders (households).

transactions conducted at the store. Based on my training and experience and the collective experience of agents of the USDA, I know that a high volume of such transactions is indicative of SNAP benefits trafficking.

### INVESTIGATIVE OPERATIONS

28. Between June of 2011 and April of 2013, a Cooperating Witness (CW) working under the direction of USDA OIG special agents, a Confidential Human Source (CHS) working under the direction of FBI special agents, and an undercover agent employed by USDA OIG had been into C&C MARKET on multiple occasions wearing video and audio recording/monitoring devices. These three people have brought investigative MD Independence Cards into the store and sold the benefits on these cards to J. KIM for cash.<sup>2</sup> In total, the government has sold \$8,858.29 in SNAP EBT benefits to J. KIM during this time period. The following are 4 examples of these transactions:
29. On January 7, 2013 a Special Agent of USDA OIG acting in the undercover capacity of a customer (herein referred to as "UC") and working under the direction of Special Agent Stan Wojtkonski of USDA OIG exchanged SNAP benefits for cash with C&C owner J. KIM. While equipped with both a recording device and a monitoring device, the UC entered C&C along with a cooperating witness (CW) acting at the direction of Special Agent Wojtkonski. J. KIM and C. KIM were behind the counter. The CW approached J. KIM and introduced the UC as a member of his/her family. The UC was in position to hear the entire conversation between J. KIM and the CW. The CW told J. KIM he/she had stamps to sell. The CW told her how much money was on his/her card and how much was on the card the UC was carrying. The UC was carrying investigative Maryland Independence card number XXXX XXXX XXXX 6526 with \$569.05 on it. The CW was carrying investigative Maryland Independence card number XXXX XXXX XXXX 5676 with \$622.75 on it. J. KIM took the cards from both the UC and CW, and swiped them to check the balances. J. KIM then took \$595.50 in cash (half the value of the benefits on both cards combined) out of

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<sup>2</sup> JUNG EUN KIM is a 51 year old Korean female. She is a naturalized U.S. citizen. J. KIM does not have a criminal record. J. KIM'S Maryland Driver's License has a listed address of 4412 Stonecrest Drive, Ellicott City, MD.

took the cards from the CW and checked the balances. She said she would have to keep the cards because she was going to use them at Sam's Club. J. KIM gave the CHS \$105.50 in cash up front. She told the CHS to come back tomorrow after 5 or Friday morning to pick up the cards and the remainder of the cash. The CHS and CW left cards ending in 6119 and 6101 with J. KIM. The CHS and CW then left the store where the cash was turned over to SA Wojtkonski. This meeting was recorded and contemporaneously monitored by agents from USDA-OIG, the FBI, and IRS CI.

32. A check of the EPPIC system by SA Wojtkonski, which monitors SNAP card activity in the state of Maryland, showed that the two investigative EBT cards left with J. KIM on April 9, 2013 were used later that same day. EBT Card 6119 was used three times on April 9, 2013: at 21:39 hrs, 21:45 hrs, and 21:48 hrs at "H Mart", 800 North Rolling Rd, Catonsville, MD. It was then fully depleted at C&C Market on 4/10/13 at 10:18 hrs. EBT Card 6101 was completely depleted on April 9, 2013 at 21:38 hrs at "H Mart", 800 North Rolling Rd, Catonsville, MD.
33. On April 15, 2013, following the same procedure, The CHS again entered C&C MARKET. He/she observed J. KIM behind the counter. The Asian male that J. KIM had introduced as her brother on April 9, 2013 was also present. The CHS approached J. KIM and stated he/she had come to pick up the cards he/she had left with J. KIM. J. KIM asked the CHS where he/she had been. The CHS answered he/she had been out of town. The CHS asked J. KIM if she has used the cards at Sam's Club like she had stated on April 9, 2013. Kim replied "no", that she has used them at the market instead. J. KIM went into the back and retrieved the two cards and cash which were bound together with rubber bands. J. KIM made it a point of telling the CHS that there was \$289.00 in cash with the cards, which was 50 cents more than KIM owed the CHS. The CHS then exited the store where the cash and cards were turned over to SA Wojtkonski. This meeting was recorded and contemporaneously monitored by agents from USDA-OIG, the FBI, and IRS CI.

\$107.35 purchase on April 10th were made by the same card number within 84 minutes of each other. My knowledge and experience shows that this splitting of a transaction into two parts is indicative of store operators structuring large purchases of SNAP benefits to avoid detection.

#### SURVEILLANCE AT 4412 STONECREST DRIVE

38. On June 27, 2013, Agents conducted a surveillance of 4412 Stonecrest Drive, Ellicott City, MD. At this time they observed the same white Toyota minivan, MD tag 41362M2, listed above parked in the driveway. Agents also observed a black Mercedes sedan, MD tag 7DZP52, in the driveway. This tag comes back to "JUNG EUN KIM, 4412 STONECREST DR, ELLICOTT CITY, MD 21043."
39. On July 15, 2013, Agents conducted surveillance of 4412 Stonecrest Drive, Ellicott City, MD. At this time they observed a black Nissan SUV, MD tag 5AD1832, in the driveway. This vehicle is registered to "CHANG KI KIM, 4412 Stonecrest Drive, Ellicott City, MD." In addition to this vehicle, the white minivan, MD tag 41362M2 and the black Mercedes sedan, 7DZP53 were also present. Based on surveillance and review of various databases, it appears that C. KIM is the husband of J. KIM, and that C. KIM is the co-owner of C&C Market.<sup>3</sup> See ¶ 12D, supra.

#### INVESTIGATIVE COLLECTION OF RESIDENTIAL TRASH

40. On July 19, 2013, Agents collected the trash of the KIM residence, 4412 Stonecrest Dr, Ellicott City, MD, as soon as it was removed by trash collectors during their regular collection route.
- A. A search of this refuse disclosed the following documents: An "INVOICE For Week Ending July 14, 2013" which, according to the document, was printed on July 15, 2013 at

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<sup>3</sup> CHANG KIM is a 53 year old Korean male who is a naturalized U.S. citizen. C. KIM has a MD driver's license that lists 4412 Stonecrest Drive, Ellicott City, MD, as his current residence.

on a variety of systems and storage devices including hard disk drives, floppy disks, compact disks, magnetic tapes and memory chips. I also know that during a search of premises it is not always possible to search computer equipment and storage devices for data for a number of reasons, including the following:

43. Searching computer systems is a highly technical process which requires specific expertise and specialized equipment. There are so many types of computer hardware and software in use today that it is impossible to bring to the search site all of the necessary technical manuals and specialized equipment necessary to conduct a thorough search. In addition, it may also be necessary to consult with computer personnel who have specific expertise in the type of computer, software application or operating system that is being searched.
44. Searching computer systems requires the use of precise, scientific procedures that are designed to maintain the integrity of the evidence and to recover "hidden", erased, compressed, encrypted or password-protected data. Computer hardware and storage devices may contain "booby traps" that destroy or alter data if certain procedures are not scrupulously followed. Since computer data is particularly vulnerable to inadvertent or unintentional modification or destruction, a controlled environment, such as a law enforcement laboratory, is essential to conduct a complete and accurate analysis of the equipment and storage devices from which the data will be extracted.
45. The volume of data stored on many computer systems and storage devices typically will be so large that it is highly impractical to search for data during the execution of the physical search of the premises. A single megabyte of storage space is the equivalent of 500 double-sided pages of text. A single gigabyte of storage space or 1,000 megabytes is the equivalent of 500,000 double-spaced pages of text. Storage devices capable of storing 160 gigabytes (GB) of data are now commonplace in desktop computers. Consequently, each non-networked, desktop computer found during a search can easily contain the equivalent of 80 million pages of data, which, if printed out, would completely fill a 35' x 35' x 10' room to the ceiling. Further, a 160 GB drive could contain as many as approximately 150 full run movies or 150,000 songs.

typically maintains a fixed amount of hard drive space devoted to these files, and the files are only overwritten as they are replaced with more recently viewed Internet pages.

c. The storage capacity of personal computers has increased dramatically over the last few years. Common and commercially available hard drives are now capable of storing over 500 GB of data. With that amount of storage space, an individual could store thousands of video files and/or hundreds of thousands of image files.

d. Thus, the ability to retrieve residue of an electronic file from a hard drive depends less on when the file was downloaded or viewed than on a particular user's operating system, storage capacity, and computer habits. Since the storage capacity of hard drives has increased dramatically over the last several years, it is more likely that the above described information will be recovered during forensic analysis. and that said records can be stored in that state for a long period of time at little cost. This is due to the fact that most computers today have a high volume of storage space. It is therefore fair to conclude that computers at these locations will contain evidence or fruits of the crimes herein despite the passage of time.

#### ITEMS TO BE SEIZED

48. Based on my knowledge and experience investigating SNAP benefits fraud and other financial crimes, as well as the experience of other agents who have investigated similar types of cases, I know that the instrumentalities of these crimes (EBT Cards), the cash used to purchase SNAP benefits facilitating these crimes, the purchasing records, sales records, and contact information for food vendors that would prove legitimate and illegitimate SNAP sales, are often kept on the person of the owner or employee's at a store or in vehicles under the control of the owner or employees at the warrant location.
49. One common method of facilitating SNAP fraud is for the owner of a store to give cash to a card holder for their benefits and in return take custody of the recipient's EBT card. The store owner then takes the recipient's EBT card to a wholesale store or grocery store and buys food for personal use or to restock the inventory of their own store, which is precisely what the records show was done with the cards in this case. See ¶¶ 30-33, supra. In this way the fraudulent EBT transaction is not associated with the POS machine of the subject

51. Based on my training and experience, and the collective experience of other law enforcement officers, I know that product invoices, sales receipt confirmations, product delivery confirmations, vendor contact information, account numbers, vendor related correspondence, and other information that can be used to identify food purchases and sources are delivered and kept electronically in email form. The advent and proliferation of Personal Data Assistants (PDAs) and Smart Phones that can connect directly to the internet to receive and store email as well as access websites, such as vendor websites for ordering purposes, means that owners of stores can now keep much of their record keeping and vendor lists stored in their phones and on their persons at all times. As indicated supra at ¶ 47, there is probable cause to believe these items will contain evidence of the listed criminal violations despite the passage of time.

#### FINANCIAL TRANSACTIONS

52. A review of records provided by First Data disclosed that Jung E. Kim signed a Merchant Processing Application and Agreement form on January 23, 2008 which designated account number XXXXXX2501 at The Columbia Bank as the repository for C&C Market SNAP EBT reimbursements.
53. A review of bank records disclosed that small business checking account number XXXXXX2501 was opened on February 3, 2005 in the name of Jung E Kim DBA C&C Market. Jung E Kim was the sole signatory listed on the account.
54. From January 2011 through April 2013, Columbia Bank account number XXXXXX2501 has received approximately \$1,043,867.43 in SNAP EBT reimbursements from the Federal Reserve Bank via electronic funds transfer, which were issued under the authority of FNS pursuant to the Food and Nutrition Act. These reimbursements have consistently been deposited in said account.
55. From March 2011 through July 31, 2013, no less than \$76,000 in checks were drawn on Columbia Bank account number XXXXXX2501 and deposited into account Wells Fargo

allow funds to be credited to the account but to disallow any of such funds to be debited out of the accounts for any reason for a period of 14 days from the issuance of such warrants. I ask that FBI be allowed to periodically remove such funds after initial execution of any seizure warrant during that 14 day period.

### CONCLUSION

60. Based on my training and experience, and the collective experience of other law enforcement officers involved in this investigation, I know that convenience stores such as C&C must maintain records to facilitate operation of the business. Product invoices detailing the volume of wholesale food purchased by the store can be compared to the corresponding retail sales negotiated using SNAP benefits. Based on this comparison, it can be determined whether a particular store has adequate inventory to support the volume of food purportedly purchased with SNAP benefits.
61. Based on my training and experience, and the collective experience of other law enforcement officers involved in this investigation, principles (owners, officers, and managers) of businesses dealing in the illegal purchase of SNAP benefits commonly maintain evidence of assets purchased with the proceeds of such illegal enterprises, including but not limited to, books, records, receipts, notes, logs, ledgers, canceled checks, bank statements, telephone bills, electronically stored records, and other sources of information relating to the purchase, sale, transfer, or concealment of illegally obtained proceeds and assets.
62. As stated above, there is probable cause to believe that within the business of C&C Market, located at 4752 Park Heights Ave., Baltimore MD; the residence of J. KIM, located at 4412 Stonecrest Drive, Ellicott City, MD, as well as the following vehicle, a White Toyota minivan, Maryland tag 41362M2, registered to CHANG KIM at 4412 Stonecrest Dr, Ellicott City, Maryland, and all further described in Attachments A1-A3, respectively, and that same will contain evidence and instrumentalities of violations of Title 7, United States Code, Section 2024; and Title 18, United States Code, Sections 1343, 1029, and 1956.

UNITED STATES DISTRICT COURT

for the

District of Maryland

In the Matter of the Seizure of )
(Briefly describe the property to be seized) )
Columbia Bank )
Account Number: [redacted] 2501 )

Case No.

13-220-3KG

WARRANT TO SEIZE PROPERTY SUBJECT TO FORFEITURE

To: Any authorized law enforcement officer

An application by a federal law enforcement officer or an attorney for the government requests that certain property located in the District of Maryland be seized as being subject to forfeiture to the United States of America. The property is described as follows:

Any and all funds up to \$618,888.93 contained in Columbia Bank account number [redacted] 2501, less any amount seized from Wells Fargo account number [redacted] 4844. THE ABOVE-REFERENCED FINANCIAL INSTITUTION IS HEREBY COMMANDED for a period of fourteen (14) days from the date of this warrant, to effect the seizure of the contents of the above-referenced account up to the amount of \$618,888.93 and to refuse the withdrawal of any amount from said account by anyone other than duly authorized law enforcement agents, promptly provide officers or contractors of the duly authorized law enforcement agents with the current account balances, and continue to accrue any deposits, interest, dividends, and any other amount credited to said accounts until the aforementioned law enforcement agents direct that the contents of said accounts be finally liquidated. Service of this seizure warrant may be made by facsimile, provided that a hard copy is thereafter served by regular mail, overnight mail, or personal delivery.

I find that the affidavit(s) and any recorded testimony establish probable cause to seize the property.

YOU ARE COMMANDED to execute this warrant and seize the property on or before 9/26/2013

(not to exceed 14 days)

[ ] in the daytime - 6:00 a.m. to 10:00 p.m.

[ ] at any time in the day or night, as I find reasonable cause has been established.

Unless delayed notice is authorized below, you must also give a copy of the warrant and a receipt for the property taken to the person from whom, or from whose premises, the property was taken, or leave the copy and receipt at the place where the property was taken.

An officer present during the execution of the warrant must prepare, as required by law, an inventory of any property seized and the officer executing the warrant must promptly return this warrant and a copy of the inventory to (name)

[ ] I find that immediate notification may have an adverse result listed in 18 U.S.C. § 2705 (except for delay of trial), and authorize the officer executing this warrant to delay notice to the person who, or whose property, will be searched or seized (check the appropriate box) [ ] for days (not to exceed 30).

[ ] until, the facts justifying, the later specific date of

Date and time issued:

9/13/13
at 4:40 pm

[Handwritten Signature]
Judge's signature

City and state:

Baltimore, Maryland

Susan K. Gauvey, U.S. Magistrate Judge
Printed name and title

UNITED STATES DISTRICT COURT

for the

District of Maryland

In the Matter of the Seizure of )
(Briefly describe the property to be seized) )
Columbia Bank )
Account Number: [redacted] 2501 )

Case No.

15-220-303

APPLICATION FOR A WARRANT TO SEIZE PROPERTY SUBJECT TO FORFEITURE

I, a federal law enforcement officer or attorney for the government, request a seizure warrant and state under penalty of perjury that I have reason to believe that the following property in the District of Maryland is subject to forfeiture to the United States of America under 18 U.S.C. §

981(b) (describe the property):

Any and all funds up to \$618,888.93 contained in Columbia Bank account number [redacted] 2501, less any amount seized from Wells Fargo account number [redacted] 4844. THE ABOVE-REFERENCED FINANCIAL INSTITUTION IS HEREBY COMMANDED for a period of fourteen (14) days from the date of this warrant, to effect the seizure of the contents of the above-referenced account up to the amount of \$618,888.93 and to refuse the withdrawal of any amount from said account by anyone other than duly authorized law enforcement agents, promptly provide officers or contractors of the duly authorized law enforcement agents with the current account balances, and continue to accrue any deposits, interest, dividends, and any other amount credited to said accounts until the aforementioned law enforcement agents direct that the contents of said accounts be finally liquidated. Service of this seizure warrant may be made by facsimile, provided that a hard copy is thereafter served by regular mail, overnight mail, or personal delivery.

Additional Statutory Authority: 21 U.S.C. § 853(f); 28 U.S.C. § 2461; 7 U.S.C. § 2024, and 18 U.S.C. § 1343.

The application is based on these facts: See Attached Affidavit

X Continued on the attached sheet.

[Handwritten signature of Jeffrey Weiland]
Applicant's signature

Jeffrey Weiland, Special Agent
Printed name and title

Sworn to before me and signed in my presence.

Date: 9/13/13

[Handwritten signature of Susan K. Gauvey]
Judge's signature

City and state: Baltimore, Maryland

Susan K. Gauvey, U.S. Magistrate Judge
Printed name and title

[Handwritten initials]

UNITED STATES DISTRICT COURT

for the

District of Maryland

In the Matter of the Seizure of )
(Briefly describe the property to be seized) )
Wells Fargo )
Account Number: [redacted] 4844 )

Case No. 13-2705-019

WARRANT TO SEIZE PROPERTY SUBJECT TO FORFEITURE

To: Any authorized law enforcement officer

An application by a federal law enforcement officer or an attorney for the government requests that certain property located in the District of Maryland be seized as being subject to forfeiture to the United States of America. The property is described as follows: Any and all funds up to \$618,888.93 contained in Wells Fargo account [redacted] 4844, less any amount seized from Columbia Bank account number [redacted] 2501 THE ABOVE-REFERENCED FINANCIAL INSTITUTION IS HEREBY COMMANDED for a period of fourteen (14) days from the date of this warrant, to effect the seizure of the contents of the above-referenced account up to the amount of \$618,888.93 and to refuse the withdrawal of any amount from said account by anyone other than duly authorized law enforcement agents, promptly provide officers or contractors of the duly authorized law enforcement agents with the current account balances, and continue to accrue any deposits, interest, dividends, and any other amount credited to said accounts until the aforementioned law enforcement agents direct that the contents of said accounts be finally liquidated. Service of this seizure warrant may be made by facsimile, provided that a hard copy is thereafter served by regular mail, overnight mail, or personal delivery.

I find that the affidavit(s) and any recorded testimony establish probable cause to seize the property.

YOU ARE COMMANDED to execute this warrant and seize the property on or before 9/26/2013 (not to exceed 14 days)

- in the daytime - 6:00 a.m. to 10:00 p.m.
at any time in the day or night, as I find reasonable cause has been established.

Unless delayed notice is authorized below, you must also give a copy of the warrant and a receipt for the property taken to the person from whom, or from whose premises, the property was taken, or leave the copy and receipt at the place where the property was taken.

An officer present during the execution of the warrant must prepare, as required by law, an inventory of any property seized and the officer executing the warrant must promptly return this warrant and a copy of the inventory to (name)

I find that immediate notification may have an adverse result listed in 18 U.S.C. § 2705 (except for delay of trial), and authorize the officer executing this warrant to delay notice to the person who, or whose property, will be searched or seized (check the appropriate box) for days (not to exceed 30).

until, the facts justifying, the later specific date of

Date and time issued: 9/13/13 at 4:40 pm

Judge's signature

City and state: Baltimore, Maryland Susan K. Gauvey, U.S. Magistrate Judge Printed name and title

A.H.C.

UNITED STATES DISTRICT COURT

for the

District of Maryland

In the Matter of the Seizure of )  
(Briefly describe the property to be seized) )  
Wells Fargo )  
Account Number: [redacted] 4844 )

Case No. 13-2006-SAG

APPLICATION FOR A WARRANT TO SEIZE PROPERTY SUBJECT TO FORFEITURE

I, a federal law enforcement officer or attorney for the government, request a seizure warrant and state under penalty of perjury that I have reason to believe that the following property in the \_\_\_\_\_ District of Maryland \_\_\_\_\_ is subject to forfeiture to the United States of America under 18 U.S.C. §

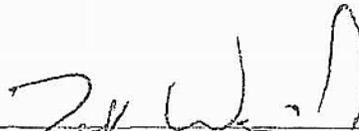
981(b), et al. (describe the property):

Any and all funds up to \$618,888.93 contained in Wells Fargo account number [redacted] 4844, less any amount seized from Columbia Bank account number [redacted] 2501. THE ABOVE-REFERENCED FINANCIAL INSTITUTION IS HEREBY COMMANDED for a period of fourteen (14) days from the date of this warrant, to effect the seizure of the contents of the above-referenced account up to the amount of \$618,888.93 and to refuse the withdrawal of any amount from said account by anyone other than duly authorized law enforcement agents, promptly provide officers or contractors of the duly authorized law enforcement agents with the current account balances, and continue to accrue any deposits, interest, dividends, and any other amount credited to said accounts until the aforementioned law enforcement agents direct that the contents of said accounts be finally liquidated. Service of this seizure warrant may be made by facsimile, provided that a hard copy is thereafter served by regular mail, overnight mail, or personal delivery.

Additional Statutory Authority: 21 U.S.C § 853(f); 28 U.S.C. § 2461; 7 U.S.C. §2024; and 18 U.S.C. §1343.

The application is based on these facts:  
See Attached Affidavit

X Continued on the attached sheet.

  
Applicant's signature

Jeffrey Weiland, Special Agent  
Printed name and title

Sworn to before me and signed in my presence.

Date: 9/13/13

  
Judge's signature

City and state: Baltimore, Maryland

Susan K. Gauvey, U.S. Magistrate Judge  
Printed name and title



UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MARYLAND

IN THE MATTER OF THE SEARCH OF )  
The premises known as: )

Criminal No: 13-2-00326  
13-2-00326

A. K&S Food Market )  
3910 West Belvedere Ave )  
Baltimore, MD )

B. 1516 King William Drive )  
Catonsville, MD )

FILED UNDER SEAL



AFFIDAVIT IN SUPPORT OF APPLICATION FOR SEARCH WARRANT

I, Jeffrey Weiland, being duly sworn depose and state the following:

INTRODUCTION

1. I am a Special Agent with the Federal Bureau of Investigation (FBI) and have been so employed since March 2008. I am currently assigned to the Public Corruption squad in the Baltimore Division of the FBI. The Public Corruption Squad investigates crimes involving fraud against the government. As a Special Agent, I have investigated crimes including arson, forced labor trafficking, distribution of controlled substances, money laundering, possession of stolen goods in interstate commerce and racketeering.
2. This affidavit is based on my personal knowledge, as well as information obtained from documents, electronic databases, witnesses and other law enforcement officers involved in this investigation. The information contained in this affidavit is provided for the purpose of establishing probable cause for a search warrant and does not contain all the details of the case as they are known to me.

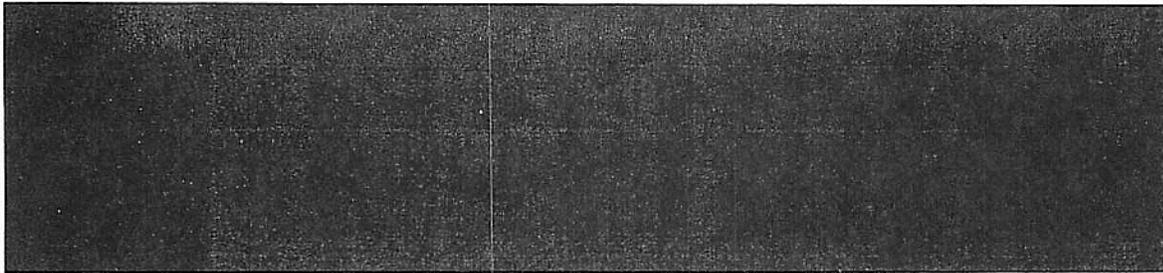
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20130326

PURPOSE OF THE AFFIDAVIT

3. This affidavit is submitted in support of the Government's application for issuance of a warrant to search the following locations and vehicle:

A. K&S FOOD MARKET, 3910 West Belvedere Ave., Baltimore, Maryland, further described in Attachment A1, is to be searched for the items further described in Attachment B1. Probable cause to search K&S FOOD MARKET can be found in paragraphs 17-32, and 36.

B. 1516 King William Dr, Catonsville, Maryland, further described in Attachment A2, is to be searched for the items further described in Attachment B2. Probable cause to search 1516 King William Dr, Catonsville, MD can be found in paragraphs 16, 40-43, and 50.



4. There is probable cause to believe that within the store K&S, located at 3910 West Belvedere Ave., Baltimore, Maryland; the residence of DAE UY CHO, located at 1516 King William Drive; [REDACTED]

[REDACTED] to include all computers and locked containers therein and the vehicle listed above, there is evidence of the commission of a crime, contraband, the fruits of a crime or things otherwise criminally possessed and instrumentalities of the crimes described below, including: fraud associated with the Supplemental Nutrition Assistance Program in violation of Title 7, United States Code, Section 2024; access device fraud in violation of Title 18, United States Code, Section 1029; wire fraud in violation of Title 18, United States Code, Section 1343; and Money Laundering in violation of Title 18, United States Code, Section 1956.

## THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

5. The Supplemental Nutrition Assistance Program (SNAP), formerly known as the Food Stamp Program, is a federally funded, national program established by the United States Government to alleviate hunger and malnutrition among lower income families. The United States Department of Agriculture (USDA) administers the SNAP through its agency, the Food and Nutrition Service (FNS). FNS is responsible for the authorization and disqualification of retail food establishments participating in the redemption of SNAP benefits. Social service agencies from each state share responsibility with FNS for administration of the program through authorization and revocation of individual SNAP benefit customers.
  
6. In Maryland, the program is administered by the MD Department of Human Resources (DHR) and is known as the Food Supplement Program (FSP). In 1993, Maryland changed the issuance method of SNAP benefits from a traditional paper coupon system to an Electronic Benefits Transfer (EBT) system. DHR awarded Xerox (formerly ACS) the current network management contract for its FSP EBT system. The system is similar to those employed by financial institutions and credit card companies. FSP customers are issued plastic EBT cards which contain an embedded magnetic stripe that stores basic information required for food purchases. Retailers approved by FNS to accept SNAP are assigned an FNS authorization number and in some cases, are provided with a point of sale (POS) device to access the electronic funds allocated to customer's EBT cards (larger retailers use their own POS devices). POS devices communicate with the Maryland EBT central database to debit a customer's available SNAP benefit balance for the cash value of eligible food items purchased.
  
7. When an EBT card is swiped through a retailer's POS terminal, the store employee or customer, (depending on the type of POS device) must actively select SNAP/food stamp purchase as the transaction type from the POS terminal menu. The employee must then enter the total dollar amount of the transaction to be conducted. The transaction request is completed when the cardholder enters their unique personal identification number (PIN).

This causes an electronic transmission of information through a series of network switches and gateway to the central Maryland EBT database located in Texas, which maintains customer account balance information. The EBT Contractor verifies the retailer is authorized to conduct SNAP EBT transactions. The Maryland EBT system verifies the amount of benefits available, authorizes the transaction and deducts the purchase amount from the customer's available balance. The system also calculates cumulative FSP sales for each retailer and authorizes electronic payments to the retailer's bank account.

8. Once the transaction is approved, information flows back to the POS terminal and the store employee receives confirmation that the cardholder's account has been successfully debited. Unlike the procedure with the original paper food stamp coupons, FSP EBT transactions are made for the exact amount of the sale and no change is given to the cardholder. SNAP reimbursements are paid to authorized retailers through a series of electronic funds transfers. On a daily basis, Xerox, located in Austin, Texas, reconciles accounts for participating MD SNAP retailers by drawing on funds available through an open letter of credit with the American Management Agent (AMA).
9. In order to participate in the SNAP as an authorized retailer, a business must submit FNS Form 252, Food Stamp Program Application for Stores, and the owner/manager of that business must acknowledge receiving mandatory SNAP retailer training. This training from FNS is designed to educate and train store owner/management personnel on the proper procedures for the acceptance and redemption of SNAP benefits. Training materials are available upon request in six different languages, including English, Arabic, Spanish, and Korean. Store owners/managers are responsible for training their employees in the proper procedures for the program. Retailers may lose their authorization to redeem SNAP benefits if they break program rules or no longer qualify for participation in the program.
10. Pursuant to the Food and Nutrition Act and regulations promulgated by the Secretary of Agriculture, SNAP authorized retailers may only accept SNAP benefits in exchange for eligible food items. SNAP benefits may not, in any case, be exchanged for cash (a practice

commonly referred to as trafficking) or other forbidden items such as alcohol, paper products, tobacco products, lottery tickets, or fuel.

11. In accordance with Title 7 United States Code section 2024 and Maryland Code Section 8-503, SNAP benefits may be transacted only by members of the household to which they were issued. Any individual who is not a member of a given household may not use, obtain, or purchase that household's SNAP benefits.

#### K&S SNAP REDEMPTION LICENSE HISTORY

12. A review of the FNS Form 252 on file for K&S disclosed that KYUNG KAP CHO (CHO) completed the form on or about March 1, 2004.<sup>1</sup> According to computer application data, the street address listed was 3910 West Belvedere Avenue, Baltimore, MD. The FNS computer data states that K&S FOOD MARKET is owned by K&D CHO, LLC. CHO listed himself and his wife DAE CHO (D. CHO) as corporate officers for K&D CHO, LLC.<sup>2</sup> The firm was authorized as a SNAP retailer on or about April 5, 2004. Though CHO listed K&D CHO, LLC as the owner on the application, CHO had to manually sign a "Certification and Signature" page and submit it for the FNS file. On this page CHO signs the document and lists his title as "PRESIDENT" of K&D CHO, LLC.
13. The signature page of this form contained a statement directly above the signature line which states "Your signature attests to the accuracy and truthfulness of all the information on this form and that you read the warnings and certification on the enclosed statement, 'Food Stamp Program Store Privacy Statement, Warnings, & Certification.' You may be required to submit copies of tax returns, or other proof of sales, copies of inventory, or other records to verify information provided on this form."

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<sup>1</sup> KYUNG CHO is a 68 yr. old Korean male. His Maryland Driver's License lists him as living at 1516 King William Dr, Catonsville, MD. He does not have a criminal record in the United States. His citizenship status is explained in the Immigration Status section of the affidavit at ¶¶ 33-34.

<sup>2</sup> DAE CHO IS a 66 yr. old Korean female. Her Maryland Driver's License lists her as living at 1516 King William Dr, Catonsville, MD. She does not have a criminal record in the United States. Her citizenship status is explained in the Immigration Status section of the affidavit at ¶¶ 33-34.

14. The page under the signature page is the "Food Stamp Program Privacy Act Statement, Warnings, and Certification." It says in very large bold letters at the top "(TEAR OFF THIS PAGE AND KEEP IT FOR YOUR RECORDS).

a. The "Certification and Signature" section of this one page document states: "By signing your name on this application, you are telling us that: (1) you are the store owner or that the store owner(s) have asked you to apply for them; (2) the information you and/or the owner(s) gave us on this form, or papers we asked for, are true; (3) you read and understand all the information on this sheet; (4) you understand that you and the person(s) for whom you are applying are responsible for stopping workers, paid and unpaid, from breaking food stamp rules such as, but not limited to: (a) trading cash for food stamp benefits; (b) taking food stamp benefits from people not allowed to use them; (c) taking food stamp benefits to pay on a credit account or loan; (d) taking food stamp benefits to pay for items not allowed to be paid for with food stamp benefits."

15. A check of the MD Secretary of State website lists K&D CHO, LLC to hold Department ID #W07572100. The LLC is listed as in "Good Standing." The corporate license has CHO listed as the Resident Agent, and the LLC's address is listed as 3910 West Belvedere Ave, Baltimore, MD.

16. A check of Maryland Driver's License shows that CHO and D. CHO both have valid Maryland Driver's Licenses that are registered to 1516 King William Drive, Catonsville, MD. HYUNG CHO (H.CHO), the adult son of CHO and D. CHO, also has a MD driver's license listed to this same address.

#### HISTORY OF SNAP TRANSACTIONS AT K&S

17. A review of SNAP transactions at K&S, as recorded and monitored by FNS, disclosed patterns of suspicious SNAP transaction activity. The total monthly SNAP transactions conducted by K&S were much greater than those of similar sized stores located in the same area. In addition, a substantial number of those transactions were of an unusually high

amount and/or conducted in rapid and repeated fashion. These patterns are consistent with illegal trafficking of SNAP benefits.

18. According to official records on file with FNS, as well as my observations, K&S is a small grocery (SG) store which stocks a limited inventory of food and beverage products. Many purchasable items are kept behind the counter with the owner/employee behind a barrier of ballistic glass. Items purchased and payments have to be passed back and forth through the barrier. This method, while safe, is not conducive or realistic for purchasing multiple items.
19. During the 31 month period from November 1, 2010 through the end of May 2013, K&S redeemed a total of \$1,722,285.59 in SNAP benefits. This averaged over \$55,500.00 a month over the life of the SNAP license.
20. A review of FNS records showed that K&S is classified as a Small Grocery (SG) store. FNS uses a classification system to aid in analyzing transaction activity and volume by SNAP authorized retailers. Retailers are assigned a classification based on store size, layout, inventory and reported annual sales volume. An analysis of K&S's monthly transaction volume for the period of May 1, 2012 through the end of May 2013 as compared to the four closest stores also classified as Small Grocery stores by FNS disclosed that K&S's redemptions far exceeded those of the peer group. The analysis included SG-class stores similar in size to K&S, located within a 0.86 mile radius, which had no incidence of adverse criminal or administrative action during the review period and are not currently under investigation by OIG or FNS. K&S's total redemptions during that period were \$817,323.74. The 4 sample stores together averaged \$49,880.96 in sales during that same period. In addition, the average individual SNAP purchase at K&S was \$33.22 during this time frame. The average individual SNAP purchase at the other 4 stores in the sample was \$6.31. An excerpt of this analysis for the preceding 5 months is presented below.

**Transactions- total dollar amount and avg individual sale for Jan 2013 thru May 2013**

FNS Num	Store Name	Store Ty	State	Total Xtn Dollar Volume	Total number of trans	Average amount per trans
6001726	K & S FOOD MARKET	SG	MD	\$817,323.74	24,607	\$33.22
3865053	OAKMONT CONFECTIONARY	SG	MD	\$32,751.17	6,112	\$5.36
5960452	NEW SLATER MARKET INC	SG	MD	\$92,530.10	16,195	\$5.71
0045143	OAKLEY FOOD MARKET	SG	MD	\$47,144.99	5,519	\$8.54
0011612	DOLFIELD FRESH FOOD MAR	SG	MD	\$27,097.56	4,815	\$5.63

21. K&S consistently exceeded the statewide and monthly average redemptions for convenience stores doing business during the same period. K&S monthly SNAP redemptions exceeded the state average for all other Small Groceries stores in MD by more than \$750,766.96 from May 1, 2012 through May 31, 2013. Excerpts of these analyses for the preceding 13 months are presented below:

**Total amt of SNAP benefits redeemed from 5/1/12 thru 5/31/13 and avg individual purchase amt**

FNS #	Store Name	Store Type	State	Total Xtn Dollar Vol	Total # Purchases	Average Sale
6001726	K & S FOOD MARKET	SG	MD	\$817,323.74	24,607	\$33.22
	Avg of all other SG stores in MD	SG	MD	\$66,556.78	5,826	\$11.42

22. A review of FNS records disclosed that the average purchase amount for a Small Grocery store in Maryland from May 1, 2012 through May 31, 2013 was \$11.42. The average purchase amount for K&S during the same period was \$33.22, an amount that is almost 3 times greater. K&S's \$33.22 purchase average is almost on par with the average purchase amount for Supermarket (SM) class stores in the state of Maryland. Supermarket class stores are 3 license classifications larger than Small Grocery Stores (Small Grocery, Medium Grocery, Large Grocery, and Supermarket). Furthermore, Aldi, a Supermarket (SM) class store in Baltimore, MD, is located at 3601 West Cold Spring Lane, Baltimore, MD, just 0.68 miles away from K&S. During the months of May 1, 2012 through May 2013, Aldi's

average SNAP sale was \$39.72. During the same time frame K&S averaged \$33.22 per SNAP sale.

23. The Redemption data was included in the K&S search warrant affidavit from November of 2010 to the time current with writing the warrant. This was feasible because USDA's Food and Nutrition Service (FNS) has a computer analytical tool called ALERT that easily brings up redemption data, fraud analysis, and state and local store comparisons for review. The data in ALERT goes back to November 2010. K&S was redeeming SNAP back in Nov 2010. The first positive UC sale of SNAP benefits at K&S occurred on June 16, 2011. However, data from ALERT had shown that overly high redemption amounts, and patterns of fraud, predated the positive SNAP deal all the way back to our starting data point of Nov 2010. Based on this information, the numbers were calculated using data from Nov 2010 through July of 2013. Monthly state averages will be based on those 33 months and compared to K&S's redemptions for the same 33 months.
24. The ALERT system has taken the total sales of every Small Grocery store in the state of Maryland over the listed 33 months (Nov 2010 to July 2013) and averaged their sales. The average amount of sales are \$130,911.18 per store. The average amount spent during each transaction at every SG class store in MD during that time period is \$10.96. K&S's sales for the same period are \$1,822,289.31. The average amount spent during each transaction at K&S during that time is \$30.34. So, if the state wide average for redemptions at a Small Grocery is tripled from \$10.96 per transaction to \$32.88 per transaction, K&S's total redemptions over triple the state average during this same time frame (Nov 2010 to July 2013) is \$1,499,857.36.
25. Undercover operations at K&S revealed that the store does not use laser barcode scanners to aid in the checkout process. There are only two registers (one used for lottery) with a small counter. The registers and counter are behind ballistic glass. All purchases, cash, credit cards, and EBT cards must be passed through a small window in the glass. There are no carts available for customers to carry large purchases while inside the store. The store also contains an abundance of non-eligible items, to include tobacco products. Simply put, the

limited inventory, layout of the store, and restricted check out process make purchasing a substantial number of SNAP eligible items impractical and unrealistic.

26. A review of individual SNAP EBT transactions conducted at K&S disclosed that the store regularly conducts a high volume of transactions that match known patterns of illegal SNAP benefits trafficking activity. For example, during the month of May 2013, K&S conducted 1620 transactions for SNAP benefits. Of these transactions, 413 of them exceeded the average single purchase amount of a Small Grocery store in the state of Maryland (\$12.04) by 300 percent or more. 156 of those 413 transactions were for \$90.00 or more, which is 7 times the MD average. A sample of these transactions are detailed below:

Transactions in May 2013 that exceeded the MD state purchase average (\$12.04) by 300 percent or more

0764	5807	MD	05/17/2013	01:06:25 PM	\$144.11
3130	6122	MD	05/15/2013	09:55:57 AM	\$129.99
9804	3724	MD	05/23/2013	04:09:02 PM	\$129.50
5823	4542	MD	05/28/2013	06:51:44 PM	\$125.00
5823	4542	MD	05/28/2013	06:52:10 PM	\$125.00
0764	5807	MD	05/17/2013	01:04:14 PM	\$121.87
3833	3291	MD	05/06/2013	05:14:06 PM	\$120.09
8902	8245	MD	05/15/2013	02:07:24 PM	\$120.00
0754	7238	MD	05/11/2013	09:15:35 AM	\$119.64
4708	0521	MD	05/06/2013	02:03:13 PM	\$119.48
8661	7200	MD	05/09/2013	08:55:56 AM	\$119.40
0052	8036	MD	05/10/2013	07:59:44 AM	\$119.11
2393	4823	MD	05/06/2013	06:30:51 PM	\$118.54
7537	3759	MD	05/10/2013	07:19:06 AM	\$118.03
0187	9922	MD	05/07/2013	09:31:08 AM	\$117.69
8630	9698	MD	05/15/2013	06:02:24 PM	\$110.75
8569	8296	MD	05/11/2013	03:07:06 PM	\$110.00
0615	7275	MD	05/15/2013	09:08:43 AM	\$109.77
9910	7009	MD	05/07/2013	03:25:10 PM	\$109.50
7467	2326	MD	05/11/2013	02:10:11 PM	\$109.50
7682	9563	MD	05/24/2013	04:03:14 PM	\$109.50
0646	3466	MD	05/06/2013	09:24:43 AM	\$109.46
4069	2709	MD	05/10/2013	12:08:36 PM	\$108.87
5542	8097	MD	05/06/2013	03:57:23 PM	\$107.94
7531	9342	MD	05/07/2013	08:26:50 AM	\$107.44
3994	5166	MD	05/03/2013	09:35:40 AM	\$107.04
7910	2554	MD	05/21/2013	09:39:31 AM	\$105.14
2917	3543	MD	05/16/2013	12:15:25 PM	\$104.79
3306	5863	MD	05/07/2013	10:25:23 AM	\$103.87
9509	6630	MD	05/09/2013	11:20:39 AM	\$102.94
3395	2615	MD	05/11/2013	09:17:09 AM	\$102.88
8109	1436	MD	05/07/2013	05:48:39 PM	\$102.69
3554	2223	MD	05/11/2013	05:31:45 PM	\$102.50
5081	5515	MD	05/24/2013	01:00:11 PM	\$102.40
7466	7953	MD	05/11/2013	08:54:18 AM	\$102.34
0600	5982	MD	05/02/2013	02:44:53 PM	\$102.20
7912	6143	MD	05/13/2013	08:27:54 AM	\$102.10
5081	5515	MD	05/23/2013	11:08:19 AM	\$102.09
2905	6137	MD	05/11/2013	08:37:28 AM	\$119.95
6525	2534	MD	05/11/2013	08:38:52 AM	\$119.95

27. During May of 2013, K&S conducted 1620 SNAP transactions in total. Of those 1620 transactions, 177 of them follow a pattern indicative of structuring SNAP transactions to avoid trafficking detection. These 177 transactions were conducted by 77 cardholders (households). Each of the 77 cards was used twice or more within 24 hours at K&S to make large purchases. The multiple purchases made by each card often occurred within a seconds or minutes of each other. Each transaction is for an amount much larger than the MD state average single purchase price. The experience of the USDA OIG agents is that when store owners purchase large amounts of EBT benefits they divide the purchase into smaller transactions so that large suspicious sales do not show up on government computer systems. A sample of these structured transactions are displayed below:

Household	Card #	State	Date	Time	Elapsed Time	Amount
[REDACTED]	6130	MD	05/20/2013	03:45:54 PM	00:00:26	\$50.85
[REDACTED]	6130	MD	05/20/2013	03:46:17 PM	00:00:26	\$49.99
[REDACTED]	6823	MD	05/28/2013	06:51:44 PM	00:00:26	\$125.00
[REDACTED]	6823	MD	05/28/2013	06:52:10 PM	00:00:26	\$125.00
[REDACTED]	4400	MD	05/11/2013	10:36:20 AM	00:00:27	\$60.00
[REDACTED]	4400	MD	05/11/2013	10:36:47 AM	00:00:27	\$60.00
[REDACTED]	4745	MD	05/10/2013	03:06:08 PM	00:00:30	\$49.49
[REDACTED]	4745	MD	05/10/2013	03:06:38 PM	00:00:30	\$51.09
[REDACTED]	8923	MD	05/13/2013	03:40:55 PM	00:00:30	\$82.00
[REDACTED]	8923	MD	05/13/2013	03:41:25 PM	00:00:30	\$79.99
[REDACTED]	6425	MD	05/10/2013	02:09:11 PM	00:00:32	\$51.00
[REDACTED]	6425	MD	05/10/2013	02:09:43 PM	00:00:32	\$49.99
[REDACTED]	7467	MD	05/10/2013	01:23:26 PM	00:00:33	\$98.78
[REDACTED]	7467	MD	05/10/2013	01:23:59 PM	00:00:33	\$98.75
[REDACTED]	4613	MD	05/14/2013	03:10:56 PM	00:00:39	\$75.00
[REDACTED]	4613	MD	05/14/2013	03:11:35 PM	00:00:39	\$75.00
[REDACTED]	6368	MD	05/24/2013	12:54:21 PM	00:00:40	\$96.16
[REDACTED]	6368	MD	05/24/2013	12:55:01 PM	00:00:40	\$36.09
[REDACTED]	4424	MD	05/16/2013	12:46:23 PM	00:00:48	\$98.77
[REDACTED]	4424	MD	05/16/2013	12:47:11 PM	00:00:48	\$99.63
[REDACTED]	0653	MD	05/16/2013	04:35:51 PM	00:00:52	\$69.99
[REDACTED]	0653	MD	05/16/2013	04:36:43 PM	00:00:52	\$71.24
[REDACTED]	8130	MD	05/15/2013	09:55:04 AM	00:00:53	\$69.99
[REDACTED]	8130	MD	05/15/2013	09:55:57 AM	00:00:53	\$129.99
[REDACTED]	6052	MD	05/09/2013	04:37:27 PM	02:39:04	\$98.99

28. A review of transactions conducted at K&S from March 1, 2013 to May 31, 2013 disclosed these patterns of transaction activity continue to make up a substantial portion of the transactions conducted at the store. Based on my training and experience and the collective experience of agents of the USDA OIG, I know that a high volume of such transactions is indicative of SNAP benefits trafficking.

### INVESTIGATIVE OPERATIONS

29. Between June of 2011 and May of 2013, a Cooperating Witness (CW) working under the direction of USDA OIG special agents, a Confidential Human Source (CHS) working under the direction of FBI special agents, and an undercover agent employed by USDA OIG had been into K&S FOOD MARKET wearing video and audio recording/monitoring devices. These three people have brought investigative MD Independence Cards into the store and sold the benefits on these cards to DAE CHO, HYUNG CHO,<sup>3</sup> and other employees of K&S FOOD MARKET for cash. In total, the government has sold \$11,974.27 in SNAP EBT benefits for cash at K&S FOOD MARKET during this time period. Of that total, DAE CHO purchased or assisted in the purchase of \$5,895.00 of those SNAP benefits. HYUNG CHO purchased or assisted in the purchase of \$8,704.27 of those SNAP benefits. The following are examples of these transactions:

30. On July 14, 2011, a Confidential Witness (CW) working under the direction of USDA-OIG entered K&S. The CW was carrying recording and monitoring devices. The CW told D. CHO that he/she had two cards to sell. D. CHO said she would buy them, but would have to do it in multiple transactions. The CW provided the PINs for the two cards. D. CHO swiped one card twice and took the full \$466.00 of SNAP benefits off of it in two transactions. She swiped the second card 3 times and took the full \$504.00 in benefits off of it in three transactions. She then paid the CW half the value of these benefits, or \$485.00, in cash. This

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<sup>3</sup> HYUNG CHO is the 40 yr. old son of D. CHO and K. CHO. His Maryland Driver's license lists him as living at 1516 King William Dr, Catonsville, MD. He does not have a criminal record in the United States. His citizenship status is explained in the Immigration Status section of the affidavit at ¶¶ 33-34.

meeting was recorded and contemporaneously monitored by USDA-OIG Special Agent Wojtkonski. The card and cash were then turned over to SA Wojtkonski.

31. On January 7, 2013, following the same procedure, an undercover special agent (UC) of USDA OIG working under the direction of Special Agent Stan Wojtkonski of USDA OIG exchanged SNAP benefits for cash with K&S employee HYUNG KUN CHO (H. CHO). H. CHO was identified by the UC via driver's license photo and this photo was also compared by this affiant to covert video images obtained during this operation. H. CHO is 40 years old and is the son of DAE CHO and KYUNG CHO. While equipped with a recording device, the UC entered K&S along with the same CW identified above. The CW approached H. CHO and told H. CHO that he/she had "stamps" to sell (SNAP benefits are still most commonly referred to as food stamps). The CW showed H. CHO two small slips of paper that accompanied each of the two investigative EBT cards. These pieces of paper showed H. CHO how much money was on each EBT card, the PIN for each card, and what half the value of the card was. This was to facilitate H. CHO in giving the CW and the UC half the value of the EBT cards back to them in cash. H. CHO took both cards, swiped them, entered the PINs, and checked the balances. H. CHO then used a calculator to figure out what the total amount of both cards would be and what half of that would be. H. CHO told the CW that he would have to swipe each card multiple times to split up the transactions. H. CHO swiped the cards multiple times and then took \$417.62 in cash from the middle register behind the counter and gave it to the CW along with 7 receipts. The UC was next to the CW and observed the entire transaction. This meeting was recorded and contemporaneously monitored by agents from USDA-OIG, the FBI and IRS CI. The cards and cash were turned over to Special Agent Wojtkonski.

32. On February 11, 2013, following the same procedure, the same CW mentioned above entered K&S accompanied by a Confidential Human Source (CHS) acting under the direction of the FBI. The CHS was carrying recording and monitoring devices. The CHS and CW entered K&S and observed H. CHO behind the counter. The CHS approached H. CHO and told him that he/she had some stamps to get rid of. H. CHO asked the CHS how much he/she had. The CHS said \$161.00. H. CHO agreed to buy the benefits. H. CHO told the CHS that he

was going to swipe the CHS's investigative EBT card twice. The CHS agreed. H. CHO swiped the card twice and the CHS entered the PIN twice. H. CHO then gave the CHS two receipts and retrieved \$80.50 out of the cash register. H. CHO gave the cash to the CHS. After the transaction, the cooperators exited the store, met the surveillance team and relinquished the evidence to investigating agents. This meeting was recorded and contemporaneously monitored by agents from USDA-OIG, the FBI, and IRS CI. The card and cash were turned over to SA Wojtkowski.

### IMMIGRATION STATUS

33. Immigration systems checks conducted on August 26, 2013, indicated that DAE CHO (aka DAE UY SONG, DAE UY CHO), A# [REDACTED] 6845, entered the US as a nonimmigrant B2 (I94 # [REDACTED] 0106) on 7/17/2001 with spouse KYUNG KAP CHO, A# [REDACTED] 5413 (I94 # [REDACTED] 9206). When DAE CHO became the beneficiary of an approved employment-based visa petition filed by PETITIONING ORG: Executive Club, she and her spouse KYUNG KAP CHO sought permanent resident status on the basis of this approved petition. The underlying employment petition was revoked in 2003 and, consequently, both D. CHO's application for permanent residence and spouse K. CHO's application were denied by United States Citizen and Immigration Service (USCIS). This couple was placed in removal proceedings and granted Voluntary Departure by the Immigration Judge during a hearing on November 14, 2007. They were ordered to voluntarily depart the U.S. on or before March 13, 2008. There is no evidence D. CHO and her spouse K. CHO ever departed the U.S. in accordance with the judge's order, so both appear to be immigration absconders/fugitives at this time.
34. Immigration systems checks conducted on August 26, 2013, indicated that HYUNG KUN CHO, A# [REDACTED] 1131, entered the U.S. as a nonimmigrant B2 (I94 # [REDACTED] 6110) on 9/30/2003, and became the beneficiary of an approved employment-based visa petition filed by PETITIONING ORG: King Sports, Inc. H. CHO sought permanent resident status on the basis of this approved petition however this underlying petition was revoked in 2009. USCIS denied both his application for permanent residence and his later appeal/motion to reopen the case. While H. CHO has not yet been placed in removal proceedings, it does appear that he

lacks legal status to be present in the United States.

#### SURVEILLANCE AT K&S

35. On August 30, 2012, Agents conducted surveillance at K&S. At this time agents observed a black Honda Pilot SUV, MD tag 18340M9, parked on the street in front of the store. This vehicle was registered to "DAE UY CHO, 1516 KING WILLIAM DR, CATONSVILLE, MD 21228."
36. On April 11, 2013, and May 8, 2013, agents conducted static video surveillance of K&S FOOD MARKET. Video footage was time stamped and the footage captured the front entrance of K&S FOOD MARKET. People in the video could clearly be seen walking in and out of the store. April 11<sup>th</sup> and May 8<sup>th</sup> SNAP purchase reports for K&S FOOD MARKET were then compared to the video. SNAP redemption reports reflect the date, time (hour:minute:second), and dollar amount when a SNAP card is run through a store's Point of Sale (POS) machine to complete a SNAP transaction. The results of this comparison show a pattern of customers walking into the store, the SNAP report showing a large purchase was made, then the same people exiting the store without any groceries corresponding to the purchase. Three such observations were made on May 8, 2013 for \$98.64, \$100.75, and \$40.00. Five such observations were made on April 11, 2013 for \$39.89, \$88.05, \$90.50, \$52.75, and \$59.45. The \$88.05 purchase and the \$90.50 purchase on April 11, 2013 were made by the same card number within 30 seconds of each other. My knowledge and experience shows that this splitting of a transaction into two parts is indicative of store operators structuring large purchases of SNAP benefits to avoid detection.
37. On June 27, 2013, an Agent conducted surveillance at K&S. At this time, the Agent observed a black Honda Pilot SUV, MD tag 18340M9, parked on the street in front of the store. This vehicle was registered to "DAE UY CHO, 1516 KING WILLIAM DR, CATONSVILLE, MD 21228."

SURVEILLANCE AT 1516 KING WILLIAM DRIVE

38. On August 13, 2012, an Agent conducted surveillance at 1516 King William Drive. At this time the Agent observed a silver Mercedes SUV, MD tag 7AE6623 in the driveway. This vehicle was registered to "DAIMLER TRUST C/O K&D CHO LLC, 3910 WEST BELVEDERE AVE, BALTIMORE, MD." Parked on the street in front of the house was a black Honda Pilot SUV, MD tag 18340M9, the same vehicle referred to in paragraph 37. This vehicle was registered to "DAE UY CHO, 1516 KING WILLIAM DR, CATONSVILLE, MD 21228."
39. On December 20, 2012, an Agent conducted surveillance at 1516 King William Drive. At this time the Agent observed a Mercedes SUV bearing MD tag 7AE6623 in the driveway. This car is registered to "DAIMLER TRUST C/O K&D CHO LLC, 3910 WEST BELVEDERE AVE, BALTIMORE, MD." I also observed a Toyota minivan, MD tag 194M807. This vehicle was registered to "DAE UY CHO, 1516 KING WILLIAM DR, CATONSVILLE, MD."

INVESTIGATIVE COLLECTION OF RESIDENTIAL TRASH

40. On July 19, 2013, Agents collected the trash of the CHO residence, 1516 King William Drive, Catonsville, MD, as soon as it was removed by trash collectors during their regular collection route.

41. A search of this refuse disclosed the following documents:

b. Deposit slips, filled out by hand:

BANK	DATE	NAME	ACCOUNT	DEPOSIT	CASH/CHECK
Wells Fargo	None	KS Food Market	██████0031 ("XXXXXXX0031")	\$11,000.00	Check
Wells Fargo	7/5/13	KS Food Market	XXXXXXX0031	\$19,600.00	Cash
Wells Fargo	7/1/13	KS Food Market	XXXXXXX0031	\$3,500.00	Cash
Wells Fargo	7/8/13	KS Food Market	██████0098	\$1219.79	Check

Fargo		Market	("XXXXXXX0098")		
Wells Fargo	7/9/13	KS Food Market	XXXXXXX0098	\$2957.95	Check

c. Bank receipts for deposits made, computer generated:

BANK	DATE	ACCOUNT	DEPOSIT	CASH/OTHER
Wells Fargo	6/17/13	XXXXXXX0098	\$430.00	Other
Wells Fargo	6/18/13	XXXXXXX0031	\$1,000.00	Cash
Wells Fargo	6/19/13	XXXXXXX0031	\$1,700.00	Cash
Wells Fargo	6/19/13	XXXXXXX0098	\$915.00	Other
Wells Fargo	6/20/13	XXXXXXX0098	\$6,473.40	Other
Wells Fargo	6/21/13	XXXXXXX0098	\$1,068.31	Other
Wells Fargo	6/22/13	XXXXXXX0098	\$495.00	Other
Wells Fargo	6/24/13	XXXXXXX0098	\$864.03	Other

42. These documents clearly show that the DAE CHO and HYUNG CHO transport K&S Market related business records to their residence where they store and review them.

MAIL COVER OF 1516 KING WILLIAM DR

43. A United States Postal Service Mail Cover was started in August of 2013. This mail cover has revealed the following pieces of mail that have been delivered to 1516 King William Dr:

- a. August 9, 2013, SENDER: Verizon, RECIPIENT: Dae Cho, Han Yang, Inc, 1516 King William Dr, Catonsville, MD.
- b. August 9, 2013, SENDER: OCWEN, RECIPIENT: Dae Uy Cho, Kyung Kap Cho, 1516 King William Dr, Catonsville, MD
- c. August 9, 2013, SENDER: Ink from CHASE, RECIPIENT: Hyung Cho, 1516 King William Dr, Catonsville, MD
- d. August 10, 2013, SENDER: "MAKE CHECKS PAYABLE TO: MEDSTAR HEALTH ANES SERV, PO BOX 418714, BOSTON, MA 02241", RECIPIENT: Kyung Cho, 1516 King William Dr, Catonsville, MD
- e. August 10, 2013, SENDER: Bank of America, RECIPIENT: Kyung K Cho, 1516 King William Dr, Catonsville, MD

44. A review of bank records, the SNAP application, and Maryland MVA records, in addition to surveillance of K&S FOOD MARKET, surveillance of 1516 KING WILLIAM DR, and a trash pull of 1516 KING WILLIAM DR provide probable cause to believe that the business and financial records of K&S FOOD MARKET are stored/reviewed at 1516 KING WILLIAM DR, CATONSVILLE, MD.

#### COMPUTER DATA

45. Based on my training and experience, I know that convenience stores commonly use computers to perform business calculations, compile and store inventory records, purchase inventory, issue payroll checks, and maintain employee records. Authority is requested to search any computer hardware or computer-related equipment capable of creating and/or storing information in electronic or magnetic form. Computer-related equipment includes, but is not limited to, central processing units, and/or peripheral equipment used to facilitate the creation, transmission, encoding or storage of information. I seek the authority to search for any or all information and/or data stored in the form of magnetic or electronic encoding on computer media, or on media capable of being read by a computer, or with the aid of computer-related equipment. This media includes, but is not limited to, floppy disks, fixed hard disks, removable hard disk cartridges, tapes, laser disks, videocassettes, CD-ROMs, zip disks, MARKET cards, memory sticks, memory calculators, PDAs, USB flash drives and/or other media that is capable of storing magnetic coding.
46. Based on my training and experience and information provided to me by agents and others involved in the forensic examination of computers, I know that computer data can be stored on a variety of systems and storage devices including hard disk drives, floppy disks, compact disks, magnetic tapes and memory chips. I also know that during a search of a premises it is not always possible to search computer equipment and storage devices for data for a number of reasons, including the following:

47. Searching computer systems is a highly technical process which requires specific expertise and specialized equipment. There are so many types of computer hardware and software in use today that it is impossible to bring to the search site all of the necessary technical manuals and specialized equipment necessary to conduct a thorough search. In addition, it may also be necessary to consult with computer personnel who have specific expertise in the type of computer, software application or operating system that is being searched.
48. Searching computer systems requires the use of precise, scientific procedures that are designed to maintain the integrity of the evidence and to recover "hidden," erased, compressed, encrypted or password-protected data. Computer hardware and storage devices may contain "booby traps" that destroy or alter data if certain procedures are not scrupulously followed. Since computer data is particularly vulnerable to inadvertent or unintentional modification or destruction, a controlled environment, such as a law enforcement laboratory, is essential to conduct a complete and accurate analysis of the equipment and storage devices from which the data will be extracted.
49. The volume of data stored on many computer systems and storage devices typically will be so large that it is highly impractical to search for data during the execution of the physical search of the premises. A single megabyte of storage space is the equivalent of 500 double-sided pages of text. A single gigabyte of storage space or 1,000 megabytes is the equivalent of 500,000 double-spaced pages of text. Storage devices capable of storing 160 gigabytes (GB) of data are now commonplace in desktop computers. Consequently, each non-networked, desktop computer found during a search can easily contain the equivalent of 80 million pages of data, which, if printed out, would completely fill a 35' x 35' x 10' room to the ceiling. Further, a 160 GB drive could contain as many as approximately 150 full run movies or 150,000 songs.
50. Computer users can attempt to conceal data within computer equipment and storage devices through a number of methods, including the use of innocuous or misleading filenames and extensions. For example, files with the extension ".jpg" often are image files; however, a user can easily change the extension to ".txt" to conceal the image and make it appear that

the file contains text. Computer users can also attempt to conceal data by using encryption, which means that a password or device, such as a “dongle” or “keycard,” is necessary to decrypt the data into readable form. In addition, computer users can conceal data within another seemingly unrelated and innocuous file in a process called “steganography.” For example, by using steganography a computer user can conceal text in an image file, which cannot be viewed when the image file is opened. Therefore, a substantial amount of time is necessary to extract and sort through data that is concealed or encrypted to determine whether it is evidence, contraband, or instrumentalities of a crime.

51. It is my experience, and the experience of other agents, that people commonly store financial documents on their computers and that computer files or remnants of such files can be recovered months or even years after they have been downloaded onto a hard drive, deleted, or viewed via the Internet. Electronic files downloaded to a hard drive can be stored for years at little to no cost. Even when such files have been deleted, they may be recoverable months or years later using readily available forensic tools.

a. When a person “deletes” a file on a home computer, the data contained in the file does not actually disappear; rather, that data remains on the hard drive until it is overwritten by new data. Therefore, deleted files, or remnants of deleted files, may reside in free space or slack space that is, in space on the hard drive that is not allocated to an active file or that is unused after a file has been allocated to a set block of storage space for long periods of time before they are overwritten.

b. In addition, a computer’s operating system may also keep a record of deleted data in a “swap” or “recovery” file. Similarly, files that have been viewed via the Internet are automatically downloaded into a temporary Internet directory or cache. The browser typically maintains a fixed amount of hard drive space devoted to these files, and the files are only overwritten as they are replaced with more recently viewed Internet pages.

c. The storage capacity of personal computers has increased dramatically over the last few years. Common and commercially available hard drives are now capable of storing over 500 GB of data. With that amount of storage space, an individual could store thousands of video files and/or hundreds of thousands of image files.

d. Thus, the ability to retrieve residue of an electronic file from a hard drive depends less on when the file was downloaded or viewed than on a particular user's operating system, storage capacity, and computer habits. Since the storage capacity of hard drives has increased dramatically over the last several years, it is more likely that the above described information will be recovered during forensic analysis. and that said records can be stored in that state for a long period of time at little cost. This is due to the fact that most computers today have a high volume of storage space. It is therefore fair to conclude that computers at these locations will contain evidence or fruits of the crimes herein despite the passage of time.

#### ITEMS TO BE SEIZED

52. Based on my knowledge and experience investigating SNAP benefits fraud and other financial crimes, as well as the experience of other agents who have investigated similar types of cases, I know that the instrumentalities of these crimes (EBT cards), the cash used to purchase SNAP benefits facilitating these crimes, the purchasing records, sales records, and contact information for food vendors that would prove legitimate and illegitimate SNAP sales, are often kept on the person of those known to have engaged in SNAP fraud, or in their store or in vehicles under their control.
53. One common method of facilitating SNAP fraud is for the owner of a store to give cash to a card holder for their benefits and in return take custody of the recipient's EBT card. The store owner then takes the recipient's EBT card to a wholesale store or grocery store and buys food for personal use or to restock the inventory of their own store. In this way the fraudulent EBT transaction is not associated with the POS machine of the subject store, but the store owner still receives full value (in goods) for the benefits he or she purchased from the recipient. Because of this common methodology to perpetrate the fraud, it is usual for store owners who perpetrate SNAP fraud to have the EBT cards of other people on their person. This affiant has spoken with an investigator with personal knowledge from a prior EBT fraud case using just such a scheme whereby store owners who purchased EBT cards from recipients in volume kept EBT cards in their personal vehicles and on their person

ostensibly so they would have easy access to these cards when driving to a grocery or wholesale store. Other investigations have also directly shown that store owners keep large sums of cash on their person which are used to purchase SNAP benefits.

54. The scheme of paying below value in cash for benefits and then taking possession of the recipient card to use at another retail or wholesale location is not isolated to store owners. Store employees often commit this crime as well. Employees working in a store that is committing SNAP fraud commonly know the crime is being perpetrated by the owner. This is because customers will constantly enter a store known to be committing this fraud and solicit the employees to buy SNAP benefits. Employees will sometimes buy the cards with their personal funds for their own use or may purchase the card with store funds and keep the card to turn over to the store owner at a later time. It is the experience of investigators that employees of subject stores have been found to have EBT cards in other people's names on their person at the time of a search warrant that were purchased from the benefit recipient for cash. Based on the facts detailed supra, to include the fact that DAE CHO, one of the principal owners of K&S Food Market, and HYUNG CHO, her son and employee, both residing at 1516 King William Dr, Catonsville, Maryland, in addition to the trash collected and reviewed from the residence, as well as surveillance, that there is probable cause to conclude that evidence of the criminal violations outlined will be located at 1516 King William Dr, Catonsville, Maryland, and in the Black Honda Pilot SUV, Maryland tag 18340M9, registered to DAE UY CHO, 1516 KING WILLIAM DR, CATONSVILLE, MD 21228.
55. Based on my training and experience, and the collective experience of other law enforcement officers, I know that product invoices, sales receipt confirmations, product delivery confirmations, vendor contact information, account numbers, vendor related correspondence, and other information that can be used to identify food purchases and sources are delivered and kept electronically in email form. The advent and proliferation of Personal Data Assistants (PDAs) and "smart" phones that can connect directly to the internet to receive and store email as well as access websites, such as vendor websites for ordering purposes, means that owners of stores can now keep much of their record keeping, purchase orders, and vendor lists stored in their phones and on their persons at all times. As indicated supra at ¶

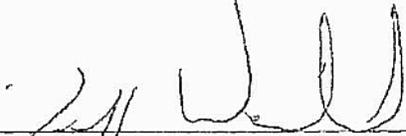
51, there is probable cause to believe these items will contain evidence of the listed criminal violations despite the passage of time.

### CONCLUSION

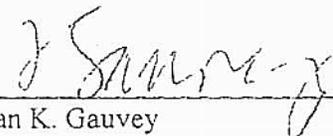
56. Based on my training and experience, and the collective experience of other law enforcement officers involved in this investigation, I know that convenience stores such as K&S must maintain records to facilitate operation of the business. Product invoices detailing the volume of wholesale food purchased by the store can be compared to the corresponding retail sales negotiated using SNAP benefits. Based on this comparison, it can be determined whether a particular store has adequate inventory to support the volume of food purportedly purchased with SNAP benefits.
57. Based on my training and experience, and the collective experience of other law enforcement officers involved in this investigation, principles (owners, officers, and managers) of businesses dealing in the illegal purchase of SNAP benefits commonly maintain evidence of assets purchased with the proceeds of such illegal enterprises, including but not limited to, books, records, receipts, notes, logs, ledgers, canceled checks, bank statements, telephone bills, electronically stored records, and other sources of information relating to the purchase, sale, transfer, or concealment of illegally obtained proceeds and assets.
58. As stated above, there is probable cause to believe that within the store K&S Food Market, 3910 West Belvedere Ave, and the residence of Dae Uy Cho, located at 1516 King William Drive, Catonsville, MD, to include all computers and containers therein, [REDACTED], [REDACTED], will contain evidence and instrumentalities of violations of Title 7, United States Code, Section 2024; and Title 18, United States Code, Sections 1029, 1343, and 1956.
59. Based on the information contained in this affidavit, I respectfully request issuance of a search warrant for the store K&S Food Market, 3910 West Belvedere Ave, Baltimore, MD,

the residence of 1516 King William Drive, Catonsville, MD, [REDACTED]  
[REDACTED]  
[REDACTED]

I declare under penalty of perjury that the forgoing is true and correct to the best of my knowledge.

  
\_\_\_\_\_  
Special Agent Jeffrey Weiland  
Federal Bureau of Investigation

Sworn to before me, and subscribed in  
my presence, this 13 day of September, 2013.

  
\_\_\_\_\_  
Honorable Susan K. Gauvey  
United States Magistrate Judge

**AFFIDAVIT IN SUPPORT OF AN APPLICATION FOR A SEARCH WARRANT**

Your Affiant, Jeffrey Weiland, being duly sworn, deposes and state the following:

**I. INTRODUCTION**

1. I am a Special Agent with the Federal Bureau of Investigation (FBI) and have been so employed since March 2008. I am currently assigned to the Public Corruption squad in the Baltimore Division of the FBI. The Public Corruption Squad investigates crimes involving fraud against the government. As a Special Agent, I have investigated crimes including arson, forced labor trafficking, distribution of controlled substances, money laundering, possession of stolen goods in interstate commerce and racketeering.

**II. LOCATION TO BE SEARCHED**

2. This affidavit is submitted in support of the Government's application for issuance of a warrant to search the premises of **CUNNINGHAM'S AMOCO, 4419 Park Heights Avenue, Baltimore, MD 21215**, more specifically described in Attachment A, and seize the items described on Attachment B.

**III. BACKGROUND**

3. Based on the facts listed herein, there is probable cause to believe the owner and employees of **CUNNINGHAM'S AMOCO** have committed and are committing the following violations of the United States Code: fraud associated with the Supplemental Nutrition Assistance Program, in violation of 7 U.S.C. § 2024; access device fraud, in violation of 18 U.S.C. § 1029; and wire fraud in violation of 18 U.S.C. § 1343 (the "Subject Offenses").

4. There exists probable cause to believe that within the premises of **CUNNINGHAM'S AMOCO**, there is evidence of the commission of a crime, contraband, the

fruits of a crime or things otherwise criminally possessed and instrumentalities of the Subject Offenses.

**A. The Supplemental Nutrition Assistance Program**

5. The Supplemental Nutrition Assistance Program (“SNAP”), formerly known as the Food Stamp Program, is a federally funded, national program established by the United States Government to alleviate hunger and malnutrition among lower income families. The United States Department of Agriculture (USDA) administers the SNAP through its agency, the Food and Nutrition Service (FNS). FNS is responsible for the authorization and disqualification of retail food establishments participating in the redemption of SNAP benefits. Social service agencies from each state share responsibility with FNS for administration of the program through authorization and revocation of individual SNAP benefit customers.

6. In Maryland, the program is administered by the Maryland Department of Human Resources (“DHR”) and is known as the Food Supplement Program (“FSP”). In 1993, Maryland changed the issuance method of SNAP benefits from a traditional paper coupon system to an Electronic Benefits Transfer (“EBT”) system. DHR awarded Xerox (formerly ACS) the current network management contract for its FSP EBT system. The system is similar to those used by financial institutions and credit card companies. FSP customers are issued plastic EBT cards which contain an embedded magnetic stripe that stores basic information required for food purchases. Retailers approved by FNS to accept SNAP are assigned an FNS authorization number, which is unique to each authorized retailer, and in some cases, are provided with a point of sale (“POS”) device to access the electronic funds allocated to customer’s EBT cards (larger retailers use their own POS devices). POS devices communicate with the Maryland EBT central database to debit a customer’s available SNAP benefit balance for the cash value of eligible food

items purchased.

7. When an EBT card is swiped through a retailer's POS terminal, the store employee or customer, (depending on the type of POS device) must actively select SNAP/food stamp purchase as the transaction type from the POS terminal menu. The employee must then enter the total dollar amount of the transaction to be conducted. The transaction request is completed when the cardholder enters their unique personal identification number ("PIN"). This causes an electronic transmission of information through a series of network switches and gateway to the central Maryland EBT database located in Texas, which maintains customer account balance information. The EBT Contractor verifies the retailer is authorized to conduct SNAP EBT transactions. The Maryland EBT system verifies the amount of benefits available, authorizes the transaction and deducts the purchase amount from the customer's available balance. The system also calculates cumulative FSP sales for each retailer and authorizes electronic payments to the retailer's bank account.

8. Once the transaction is approved, information flows back to the POS terminal and the store employee receives confirmation that the cardholder's account has been successfully debited. Unlike the procedure with the original paper food stamp coupons, FSP EBT transactions are made for the exact amount of the sale and no change is given to the cardholder. SNAP reimbursements are paid to authorized retailers through a series of electronic funds transfers. On a daily basis, Xerox, located in Austin, Texas, reconciles accounts for participating MD SNAP retailers by drawing on funds available through an open letter of credit with the American Management Agent ("AMA").

9. In order to participate in SNAP as an authorized retailer, a business must submit FNS Form 252, Food Stamp Program Application for Stores, and the owner [OR] manager of

that business must acknowledge receiving mandatory SNAP retailer training. This training from FNS is designed to educate and train store owners and management personnel on the proper procedures for the acceptance and redemption of SNAP benefits. Training materials are provided in six different languages, including English and Arabic. Store owners/managers are responsible for training their employees in the proper procedures for the program. Retailers may lose their authorization to redeem SNAP benefits if they break program rules or no longer qualify for participation in the program.

10. Pursuant to the Food and Nutrition Act and regulations promulgated by the Secretary of Agriculture, SNAP authorized retailers may only accept SNAP benefits in exchange for eligible food items. SNAP benefits may not, in any case, be exchanged for cash (a practice commonly referred to as trafficking) or other forbidden items such as alcohol, paper products, tobacco products, lottery tickets, or fuel

11. In accordance with 7 U.S.C. § 2024 and Maryland Code Section 8-503, SNAP benefits may only be used by members of the household to which they were issued. Any individual who is not a member of a given household may not use, obtain, or purchase that household's SNAP benefits.

**B. Maintenance of Records**

12. Based on my experience, and the collective experience of other law enforcement officers involved in this investigation, I know that convenience stores such as **CUNNINGHAM'S AMOCO** must maintain records to facilitate operation of the business. Product invoices detailing the volume of wholesale food purchased by the store can be compared to the corresponding retail sales negotiated using SNAP benefits. Based on this comparison, it can be determined whether a particular store has adequate inventory to support the volume of

food purportedly purchased with SNAP benefits.

13. Based on my experience, and the collective experience of other law enforcement officers involved in this investigation, I also know that principles (owners, officers, and managers) of businesses dealing in the illegal purchase of SNAP benefits commonly maintain evidence of assets purchased with the proceeds of such illegal enterprises, including but not limited to, books, records, receipts, notes, logs, ledgers, canceled checks, bank statements, telephone bills, electronically stored records, and other sources of information relating to the purchase, sale, transfer, or concealment of illegally obtained proceeds and assets.

14. Based on my experience and the experience of other agents who have investigated similar types of cases, I know that the instrumentalities of these crimes (EBT cards), the cash used to purchase SNAP benefits facilitating these crimes, the purchasing records, sales records, and contact information for food vendors that would prove legitimate and illegitimate SNAP sales, are often kept on the person of the owner or employee's at a store or in vehicles under the control of the owner or employees at the warrant location.

15. One common method of facilitating SNAP fraud is for the owner of a store to give cash to a card holder for their benefits and in return take custody of the recipient's EBT card. The store owner then takes the recipient's EBT card to a wholesale store or grocery store and buys food for personal use or to restock the inventory of their own store. In this way the fraudulent EBT transaction is not associated with the POS machine of the subject store, but the store owner still receives full value (in goods) for the benefits he or she purchased from the recipient. Because of this common methodology to perpetrate the fraud, it is usual for store owners who perpetrate SNAP fraud to have the EBT cards of other people on their person. This affiant has personal knowledge from a prior EBT fraud case using just such a scheme that store

owners who purchased EBT cards from recipients in volume kept EBT cards in their personal vehicles and on their person ostensibly so they would have easy access to these cards when driving to a grocery or wholesale store. Other investigations have also directly shown that store owners keep large sums of cash on their person which are used to purchase SNAP benefits.

16. The scheme of paying below value in cash for benefits and then taking possession of the recipient card to use at another retail or wholesale location is not isolated to store owners. Store employees often commit this crime as well. Employees working in a store that is committing SNAP fraud commonly know the crime is being perpetrated by the owner. This is because customers will constantly enter a store known to be committing this fraud and solicit the employees to buy SNAP benefits. Employees will often buy the cards with their personal funds for their own use or may purchase the card with store funds and keep the card to turn over to the store owner at a later time. Based on my training and the experience of other agents who have investigated similar types of cases, I know that employees of subject stores have been found to have EBT cards in other people's names on their person at the time of a search warrant that were purchased from the benefit recipient for cash.

17. Based on my experience, and the experience of other agents who have investigated similar types of cases, I know that product invoices, sales receipt confirmations, product delivery confirmations, vendor contact information, account numbers, vendor related correspondence, and other information that can be used to identify food purchases and sources are delivered and kept electronically in email form. The advent and proliferation of Personal Data Assistants (PDAs) and Smart Phones that can connect directly to the internet to receive and store email as well as access websites, such as vendor websites for ordering purposes, means that owners of stores can now keep much of their record keeping and vendor lists stored in their

phones and on their persons at all times.

**C. Request to Search Computers and Electronic Storage Media**

18. Based on my experience, and the experience of other agents who have investigated similar types of cases, I know that convenience stores commonly use computers to perform business calculations, compile and store inventory records, purchase inventory, issue payroll checks, and maintain employee records. I request authority to search any computer hardware or computer-related equipment capable of creating and/or storing information in electronic or magnetic form seized during the execution of this search warrant, for the items listed on Attachment B, pursuant to the protocol listed on Attachment C.

19. Computer-related equipment includes, but is not limited to, central processing units, and/or peripheral equipment used to facilitate the creation, transmission, encoding or storage of information. I seek the authority to search for any or all information and/or data stored in the form of magnetic or electronic encoding on computer media, or on media capable of being read by a computer, or with the aid of computer-related equipment. This media includes, but is not limited to, floppy disks, fixed hard disks, removable hard disk cartridges, tapes, laser disks, videocassettes, CD-ROMs, zip disks, smart cards, memory sticks, memory calculators, PDAs, USB flash drives and/or other media that is capable of storing magnetic coding.

20. Based on my training and information provided to me by agents and others involved in the forensic examination of computers, I know that computer data can be stored on a variety of systems and storage devices including hard disk drives, floppy disks, compact disks, magnetic tapes and memory chips. I also know that during a search of a premises it is not always possible to search computer equipment and storage devices for data for a number of reasons, including the following:

21. Searching computer systems is a highly technical process which requires specific expertise and specialized equipment. There are so many types of computer hardware and software in use today that it is impossible to bring to the search site all of the necessary technical manuals and specialized equipment necessary to conduct a thorough search. In addition, it may also be necessary to consult with computer personnel who have specific expertise in the type of computer, software application or operating system that is being searched.

22. Searching computer systems requires the use of precise, scientific procedures that are designed to maintain the integrity of the evidence and to recover "hidden", erased, compressed, encrypted or password-protected data. Computer hardware and storage devices may contain "booby traps" that destroy or alter data if certain procedures are not scrupulously followed. Since computer data is particularly vulnerable to inadvertent or unintentional modification or destruction, a controlled environment, such as a law enforcement laboratory, is essential to conduct a complete and accurate analysis of the equipment and storage devices from which the data will be extracted.

23. The volume of data stored on many computer systems and storage devices typically will be so large that it is highly impractical to search for data during the execution of the physical search of the premises. A single megabyte of storage space is the equivalent of 500 double-sided pages of text. A single gigabyte of storage space or 1,000 megabytes is the equivalent of 500,000 double-spaced pages of text. Storage devices capable of storing 160 gigabytes (GB) of data are now commonplace in desktop computers. Consequently, each non-networked, desktop computer found during a search can easily contain the equivalent of 80 million pages of data, which, if printed out, would completely fill a 35' x 35' x 10' room to the ceiling. Further, a 160 GB drive could contain as many as approximately 150 full run movies or

150,000 songs.

24. Computer users can attempt to conceal data within computer equipment and storage devices through a number of methods, including the use of innocuous or misleading filenames and extensions. For example, files with the extension ".jpg" often are image files; however, a user can easily change the extension to ".txt" to conceal the image and make it appear that the file contains text. Computer users can also attempt to conceal data by using encryption, which means that a password or device, such as a "dongle" or "keycard", is necessary to decrypt the data into readable form. In addition, computer users can conceal data within another seemingly unrelated and innocuous file in a process called "steganography". For example, by using steganography a computer user can conceal text in an image file, which cannot be viewed when the image file is opened. Therefore, a substantial amount of time is necessary to extract and sort through data that is concealed or encrypted to determine whether it is evidence, contraband, or instrumentalities of a crime.

#### **IV. PROBABLE CAUSE**

##### **A. Store History of CUNNINGHAM'S AMOCO**

25. A review of FNS computer databases showed that on February 23, 1996, **CUNNINGHAM'S AMOCO** was reinstated as an authorized SNAP redeemer. That database showed that **CUNNINGHAM'S AMOCO** was owned by James Cunningham. A review of the most recent FNS 252 SNAP Application, submitted to FNS on or around December 11, 2012, stated that **CUNNINGHAM'S AMOCO** is now owned by James Cunningham's sons, JOHN CUNNINGHAM and JAMES CUNNINGHAM JR. The FNS 252 SNAP Application was signed on December 8, 2012 by JOHN CUNNINGHAM ("JOHN"), who lists himself as the co-owner/partner of the corporation that owns CUNNINGHAM'S AMOCO called Cunningham's

LLC. JOHN lists JAMES CUNNINGHAM JR. as co-owner/partner of CUNNINGHAMS LLC. He lists the mailing address of CUNNINGHAMS LLC as **4419 Park Heights Avenue, Baltimore, Maryland**, the location of **CUNNINGHAM'S AMOCO**. A review of Maryland Department of State records showed that CUNNINGHAMS LLC was incorporated on March 25, 2010, and the principal place of business address provided for the corporation was **4419 Park Heights Avenue, Baltimore, MD 21215**.

26. The Form 252 signed by JOHN, co-owner of the store, states:

I will receive I will receive Supplemental Nutrition Assistance Program training materials upon authorization. It is my responsibility to ensure that the training materials are reviewed by all firm's owners and all employees (whether paid or unpaid, new, full-time or part time); and that all employees will follow Supplemental Nutrition Assistance Program regulations. If I do not receive these materials I must contact the Food and Nutrition Service to request them; I am aware that violations of program rules can result in administrative actions such as fines, sanctions, withdrawal or disqualification from the Supplemental Nutrition Assistance Program; I am aware that violations of the Supplemental Nutrition Assistance Program rules can also result in Federal, State and/or local criminal prosecution and sanctions; I accept responsibility on behalf of the firm for violations of the Supplemental Nutrition Assistance Program regulations, including those committed by any of the firm's employees, paid or unpaid, new, full-time or part-time. These include violations such as, but not limited to:

Trading cash for Supplemental Nutrition Assistance Program benefits (i.e. trafficking); Accepting Supplemental Nutrition Assistance Program benefits as payment for ineligible items; Accepting Supplemental Nutrition Assistance Program benefits as payment on credit accounts or loans; knowingly accepting Supplemental Nutrition Assistance Program benefits from people not authorized to use them.

27. According to official records on file with FNS, as well as my direct observations, **CUNNINGHAM'S AMOCO** is a BP gas station with 8 gas pump stations and a small

convenience store which stocks a limited inventory of food and beverage products. Based on videos taken by CW-2 during investigative operations, the store appears to have approximately 7 refrigerators lining the back wall containing cold drinks. There appears to be approximately 3 long shelves, each with two sides to them, creating approximately four aisles, containing some household cleaning products, chips, drinks, cereal snack items. There is red lettering on the wall in the store advertising it that the store sells milk, cookies, candy, gum, cigarettes, sandwiches, bread, hot dogs, slush and whipped drinks. There is only one cash register with a small counter. There are no carts or hand baskets available for customers to carry large purchases inside the store. The store also contains non-eligible items, such as tobacco products.

**B. Undercover Transactions**

28. In the course of the investigation, two cooperating witnesses (“CW”) have conducted a series of EBT transactions at CUNNINGHAM’S AMOCO. In each instance, as outlined below, the CWs obtained cash in exchange for one-half of the total amount deducted from the EBT card in the transaction. The CWs made no purchases of any sort in connection with any of these EBT transactions. Each of the transactions was electronically recorded.

March 11, 2013 Transaction

29. On March 11, 2013, two cooperating witnesses (“CW-1” and “CW-2”) under the direction of agents exchanged SNAP benefits for cash with an employee of **CUNNINGHAM’S AMOCO**. The transaction was monitored and recorded with the consent of both CW-1 and CW-2. CW-2 (who was carrying a recording device) and CW-1 entered **CUNNINGHAM’S AMOCO** and waited until customers left before they approached the store register. CW-2 approached Tara “Tammy” TAYLOR (TAYLOR) (Identified by matching driver’s license photos of store employees with the video footage from the operation). The following is an

excerpt of the conversations transcribed from the video footage taking during the March 11, 2013 undercover operation:

CW-2: It's down?

TAYLOR: It's alright, I got ya.

CW: Oh, you got me, ok, good look here I got ya.

CW: How much you gonna be able to do?

TAYLOR: [unintelligible]

CW: I got . . . wait til he gone.

CW: I got, I got four hundred. How much can you do at one time?

TAYLOR: Five hundred [unintelligible]

CW: I got \$400. Ok, well, can you do one, yeah, can you do one on mine and then and one, can you do one on [unintelligible]?

CW: Ok, Ok, so, alright then, here's one of those then, hell if I wanted to do [unintelligible] after what time?

TAYLOR: Four-thirty

CW: After four-thirty?

TAYLOR: [unintelligible]

CW: Alright yeah cause she's she's she rents a room from me too [unintelligible], that's somebody else who owe me money.

TAYLOR: After four-thirty.

CW: Ok.

TAYLOR: And um [unintelligible] and um [unintelligible]

[TAYLOR completed the transaction with CW-'s EBT card]

CW: Ok, get the mon . . . do it again?

TAYLOR: You need to come after four-thirty.

CW: Ok, and who be there, who's gonna be in there.

TAYLOR: Miss Joanie.

CW: Oh, Miss Joanie gonna be here, ok.

TAYLOR: I'll tell her.

CW: Ok, [unintelligible] turn it on.

TAYLOR: It ain't gonna turn it on but I'll tell her [unintelligible].

CW: Alright, [unintelligible] anyway.

TAYLOR: [unintelligible] you got to come earlier.

CW: I know, I know, I wanted to come earlier, I was, trust me next time I'll, next time I'll be at home, I mean I had to go over there are work because everything happened yesterday.

TAYLOR: You gotta be here early tomorrow [unintelligible].

CW: Earlier, ok, earlier, ok, alright I'll talk to you.

30. It was confirmed that FNS records of this transaction reflect that TAYLOR swiped CW-1's EBT card for \$100, thereby causing the FNS to deposit the same amount into the **CUNNINGHAM'S AMOCO** account. **CUNNINGHAM'S AMOCO** get rid of space, therefore, realized a net profit of \$50 for this unlawful transaction.

#### April 9, 2013 Transactions

31. On April 9, 2013, following the same procedure, CW-1 and CW-2 (who was wearing a recording device) entered **CUNNINGHAM'S AMOCO** and approached TAYLOR at the store register. CW-1 recognized TAYLOR from previous USDA SNAP EBT undercover transactions. Also present behind the booth was a man CW-1 identified as **JOHN CUNNINGHAM**, an owner of the store. The following is an excerpt of the conversations transcribed from the video footage taking during the April 9, 2013 transaction:

CW-1: What's up John? Slow motion, no motion, tryin to get some dough motion.

[background talking]

CW-1: [unintelligible] get rid of a hundred, ok well fifty, for real? Yeah. Ok. [unintelligible] come here. [unintelligible] you got to give me fifty alright, you owe me fifty.

CW-2: Yeah, that's gonna come off my business right?

CW-1: Well, I got's to get my money somehow. I got to get my money somehow.

CW-2: How you doin'?

TAYLOR: Alright, how are you?

CW-2: Fine.

TAYLOR: Here baby.

CW-2: What the hell was that?

TAYLOR: [unintelligible] hittin' on the floor.

**JOHN:** Ok?

TAYLOR: [unintelligible]

**JOHN:** What?

TAYLOR: You heard me. Ah, man, you put the wrong PIN in.

CW-2: Ain't that a six?

CW-1: You put a six in here? She put, she put two six five seven.

[TAYLOR and **JOHN CUNNINGHAM** talking unintelligibly behind counter]

CW-1: Count that out, that's it, she told you when she gave it to you.

CW-2: Oh, ok.

TAYLOR: Put the wrong PIN in.

CW: No, it's a [unintelligible].

CW-2: Ah, I got it, I need my glasses, I need your glasses.

TAYLOR: Uh huh, ok.

[TAYLOR completed the transaction with CW-2's EBT card]

**JOHN:** Hey how you doin man, what's up.

CW-2: Hello.

**JOHN:** Ain't workin today.

CW-2: Yeah, I got to be over there at 1 o'clock, I'm takin some business now.

TAYLOR: There you go.

CW-2: Alrighty . . . thank you.

TAYLOR: About twenty minutes ya' all come in whenever.

CW-2: About twenty minutes.

TAYLOR: Yeah.

CW: Ok alright thanks.

UM: Seven dollars on number six over there.

CW-2: Thank you ma'am.

TAYLOR: Ok.

32. During the above described transactions, TAYLOR conducted a transaction for \$100 of SNAP benefits on CW-2's EBT card, and then gave CW-2 \$50 in cash. It was confirmed that FNS records of this transaction reflect that TAYLOR swiped CW-2's EBT card for \$100, thereby causing the FNS to deposit the same amount into the **CUNNINGHAM'S AMOCO** account. **CUNNINGHAM'S AMOCO**, therefore, realized a net profit of \$50 for this unlawful transaction.

33. On April 9, about an hour after the transaction conducted earlier that day,

following the same procedure, CW-2 entered **CUNNINGHAM'S**. CW-2, while carrying a recording device, approached TAYLOR who was working at a register behind the booth. CW-2 saw a sign on the EBT machine that said the machine was down. The CHS asked TAYLOR if the machine was broken. TAYLOR said she just shut it down but that she will turn it back on for CW-2. CW-2 gave TAYLOR his/her card. TAYLOR swiped the card, CW-2 entered the pin and TAYLOR handed CW-2 \$50 cash. JOHN CUNNINGHAM entered the booth near the end of the transaction and spoke with Taylor. It was confirmed that FNS records of this transaction reflect that TAYLOR swiped the CW's EBT card for \$100, thereby causing the FNS to deposit the same amount into the **CUNNINGHAM'S AMOCO** account. **CUNNINGHAM'S AMOCO**, therefore, realized a net profit of \$50 for this unlawful transaction.

**C. Analysis of CUNNINGHAM'S AMOCOS'S SNAP Transactions.**

34. A review of SNAP transactions at **CUNNINGHAM'S AMOCO**, as recorded and monitored by FNS, disclosed patterns of suspicious SNAP transaction activity. The total monthly SNAP transactions conducted by **CUNNINGHAM'S AMOCO** were much greater than those of similar sized stores located in the same geographic area. In addition, a substantial number of those transactions were of an unusually high amount and/or conducted in a rapid and repeated fashion. These patterns are consistent with illegal trafficking of SNAP benefits.

35. FNS uses a classification system to aid in analyzing transaction activity and volume by SNAP authorized retailers. Retailers are assigned a classification based on store size, layout, inventory and reported annual sales volume. A review of FNS records show that **CUNNINGHAM'S AMOCO** is classified as a "convenience store."

36. Over the past six months, **CUNNINGHAM'S AMOCO** has conducted 12,980 SNAP transactions totaling \$318,909.80 of redemptions, for an average transaction amount of

\$24.57. These amounts far exceed the number of SNAP transactions, total redemptions and average transaction amounts for comparable stores in the immediate geographic area and in the entire state of Maryland, indicating that the SNAP transactions are fraudulent SNAP.

**1. Comparison of SNAP Transactions at CUNNINGHAM'S AMOCO to Nearby and Statewide Convenience Stores.**

37. An analysis of **CUNNINGHAM'S AMOCO's** monthly transaction volume as compared to the four closest stores also classified as convenience stores by FNS show that **CUNNINGHAM'S AMOCO's** redemptions of EBT benefits far exceeded those of the peer group. The analysis included stores similar in size and inventory to **CUNNINGHAM'S AMOCO** located within a .64 mile radius, which had no incidence of adverse criminal or administrative action during the review period.

38. During the 6 month period from the beginning of December 2012 to the end of May 2013, **CUNNINGHAM'S AMOCO** redeemed a total of \$318,909.80 in SNAP benefits. **CUNNINGHAM'S AMOCO'S** monthly SNAP redemptions exceeded the average monthly redemptions of the four peer stores by more than \$305,373.66 from the beginning of December 2012 to the end of May of 2013. **CUNNINGHAM'S AMOCO** consistently exceeded the statewide and monthly average redemptions for convenience stores during the same period. **CUNNINGHAM'S AMOCO's** total monthly SNAP redemptions exceeded the state average by more than \$292,130.67 from the beginning of December 2012 to the end of May 2013. Excerpts of these analyses for the preceding 6 months are presented below:

**Comparison of Subject Store vs. Four Neighboring Stores  
December 2012 thru May 2013**

Store Name	SNAP Received	Total # of SNAP Sales	Average amount per sale
Cunningham's Amoco	\$318,909.80	12,980	\$24.57
B and K Food Market	\$23,269.64	4,596	\$5.06
Nelsons Deli & Grocery	\$15,246.22	2,204	\$6.92
Save More	\$13,331.62	2,789	\$4.78
Arlington Chicken	\$2,297.08	313	\$9.67
STATEWIDE AVERAGE	\$26,779.13	2,768	\$9.67

39. Analysis of the individual SNAP transactions conducted at **CUNNINGHAM'S AMOCO** showed that it regularly conducted a high volume of transactions that were three times greater than the statewide average SNAP transaction. For example, during the month of May 2013, **CUNNINGHAM'S AMOCO** conducted 1,813 transactions for SNAP benefits. Of these 1,813 transactions, 482 of them were three times the average purchase amount of a convenience store in the state of Maryland. The average transaction for a Convenience Store in the state of Maryland for the month of May 2013 was \$9.29. The average transaction for **CUNNINGHAM'S AMOCO** for the month of May 2013 was \$25.42. Therefore approximately 26% of their transactions for the month of May exceed the state average by more than three times the statewide average.

40. In addition, several of these large transactions were conducted in a way, known as "structuring," to hide the fraudulent nature of the transaction from investigators. These large transactions and structured transactions are indicative of known patterns of illegal SNAP benefits trafficking activity. Your Affiant knows from experience and the experience of USDA-OIG agents, that individuals and stores engaged in fraudulent SNAP activity will charge half of a large transaction, wait for a short period of time (usually less than 24 hours), and charge a second transaction, so that the total fraudulent transaction is smaller and therefore less likely to be noticed by law enforcement. Your Affiant also knows from experience and the experience of

USDA-OIG agents, that a large volume of individual transactions at the same location that consistently exceed the state average single purchase price is also indicative of illegal SNAP benefits trafficking activity.

41. Of those 1,813 transactions during May 2013, 167 of the transactions are indicative of structuring SNAP transactions to avoid the detection of fraudulent use. These 167 transactions were conducted by 74 different SNAP benefits holders. Each of the cards was used at least twice in the same at the same store in less than 24 hours. From my experience and the experience of USDA-OIG agents, I know that individuals who are using EBT cards to fraudulently sell SNAP benefits will sometimes run multiple large transactions so as to avoid suspicion by law enforcement. Each transaction is for more than \$100.00, well above the typical transaction for a store of the size of **CUNNINGHAM'S AMOCO**. Examples of these transactions are displayed below:

<b>Transactions Indicative of Structuring- May 2013</b>					
<b>Household Number</b>	<b>Date</b>	<b>Time</b>	<b>Amount</b>	<b>Terminal ID</b>	<b>Total Flag Amount</b>
400060884	05/05/2013	07:31:28 PM	\$200.00	Purchase	00621001
400060884	05/05/2013	07:31:49 PM	\$200.00	Purchase	00621001
425006435	05/08/2013	04 57 25 PM	\$100 00	Purchase	00621001
425006435	05/08/2013	04:57:46 PM	\$100.00	Purchase	00621001
412040677	05/16/2013	06:10:22 PM	\$100.00	Purchase	00621001
412040677	05/16/2013	06:10:43 PM	\$100.00	Purchase	00621001
487007853	05/05/2013	06:13:47 PM	\$100 00	Purchase	00621001
487007853	05/05/2013	06:14:09 PM	\$100.00	Purchase	00621001
447013908	05/10/2013	05:23:07 PM	\$100.00	Purchase	00621001
447013908	05/10/2013	05:23:29 PM	\$100.00	Purchase	00621001
485007863	05/09/2013	08 39 52 PM	\$100.00	Purchase	00621001
485007863	05/09/2013	08:40:18 PM	\$100 00	Purchase	00621001
485014690	05/12/2013	12:50:38 AM	\$100.00	Purchase	00621001
485014690	05/12/2013	12:51:04 AM	\$100.00	Purchase	00621001
030447794	05/07/2013	07 46.19 PM	\$100 00	Purchase	00621001
030447794	05/07/2013	07 46 46 PM	\$100 00	Purchase	00621001
493016897	05/10/2013	05:39:55 PM	\$100.00	Purchase	00621001
493016897	05/10/2013	05:40:22 PM	\$100.00	Purchase	00621001
497014208	05/13/2013	06 58 48 PM	\$100.00	Purchase	00621001

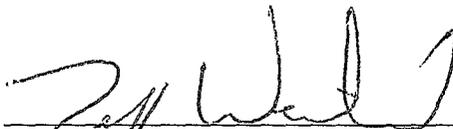
497014208	05/13/2013	06:59:16 PM	\$100.00	Purchase	00621001
442016157	05/06/2013	05:30:56 PM	\$80.00	Purchase	00621001
442016157	05/06/2013	05:31:25 PM	\$80.00	Purchase	00621001
030745844	05/06/2013	07:17:34 PM	\$120.00	Purchase	00621001
030745844	05/06/2013	07:18:03 PM	\$120.00	Purchase	00621001
406000959	05/13/2013	05:40:01 PM	\$103.18	Purchase	00621001
406000959	05/13/2013	05:40:30 PM	\$100.00	Purchase	00621001
447008095	05/18/2013	01:50:32 PM	\$70.00	Purchase	00621001
447008095	05/18/2013	01:51:01 PM	\$70.00	Purchase	00621001
451027054	05/20/2013	05:35:52 PM	\$100.00	Purchase	00621001
451027054	05/20/2013	05:36:21 PM	\$100.00	Purchase	00621001
408016341	05/02/2013	01:44:45 AM	\$70.00	Purchase	00621001
408016341	05/02/2013	01:45:18 AM	\$70.00	Purchase	00621001
415019050	05/15/2013	06:22:17 PM	\$100.00	Purchase	00621001
415019050	05/15/2013	06:22:50 PM	\$89.00	Purchase	00621001
418014708	05/06/2013	07:55:06 PM	\$100.00	Purchase	00621001
418014708	05/06/2013	07:55:40 PM	\$100.00	Purchase	00621001
449047525	05/18/2013	02:19:58 PM	\$114.95	Purchase	00621001
449047525	05/18/2013	02:20:32 PM	\$100.00	Purchase	00621001

42. A review of transactions conducted at CUNNINGHAM'S AMOCO from December 1, 2012 to May 31, 2013 disclosed these patterns of transaction activity continue to make up a substantial portion of the transactions conducted at the store. Based on my experience and the collective experience of other agents involved in the investigation, I know that a high volume of such transactions is indicative of SNAP benefits trafficking.

**V. CONCLUSION**

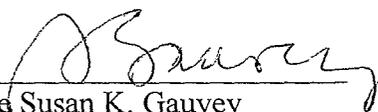
43. As stated above, there is probable cause to believe that within the premises of **CUNNINGHAM'S AMOCO** located at **4419 Park Heights Avenue, Baltimore, MD 21215**, will be evidence and instrumentalities of violations of the Subject Offenses; to include the items listed on Attachment B.

I declare under penalty of perjury that the forgoing is true and correct to the best of my knowledge.

  
Special Agent Jeffrey Weiland  
Federal Bureau of Investigation

Subscribed and sworn to before me.

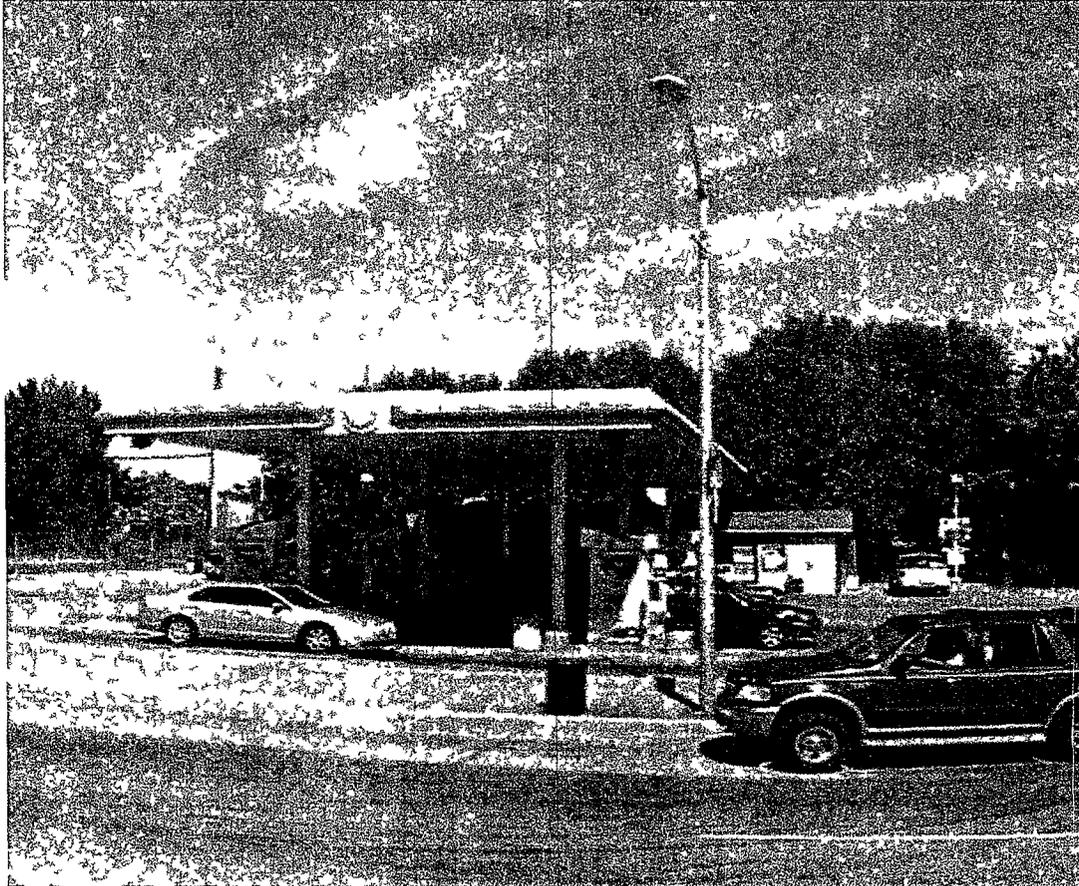
9/13/13  
DATE

  
The Honorable Susan K. Gauvey  
United States Magistrate Judge

4:50 pm  
TIME

ATTACHMENT A  
**PREMISES TO BE SEARCHED**

The Subject Location is **CUNNINGHAM'S AMOCO**, 4419 Park Heights Avenue, Baltimore, Maryland



I know from personal observations that **CUNNINGHAM'S AMOCO** is a single story, white building with green awning located at the intersection of Park Heights Avenue and Wylie Avenue. There are a total of 8 gas pump stations, 4 machines with a total of 2 gas pump station at each machine

The pump stations are white and say "Invigorate" on them in white letters and are numbered from 1 to 8 in green lettering. There is an overhang above the gas pumps which is held up by 6 white pillars. It is white with a thick green line in the middle and a white, yellow, light and dark green "star like" design.

The word "shop" is written in white lettering on the green awning above the store's main entrance. There is a thin lime green line under the green awning. The main entrance is a double black door which faces toward Park Heights Avenue.

00713

**ATTACHMENT B**  
**ITEMS TO BE SEIZED**

The Subject Location shall be searched for the following: (From DELENSON 2011 - PRESENT)

1. Records pertinent to the operation of **CUNNINGHAM'S AMOCO**.
2. Point of sale devices and receipts generated by point of sale devices.
3. Any and all negotiable instruments including SNAP EBT cards, food stamp coupons, United States currency, foreign currency, money orders and TAYLOR's checks.
4. Telephone and address books.
5. Records pertaining to assets held by JOHN CUNNINGHAM, JAMES CUNNINGHAM JR. or **CUNNINGHAM'S AMOCO**.
6. Records pertaining to the exchange of cash for SNAP benefits, including ledgers and lists of names.
7. Records of bank transactions, including but not limited to bank statements, check stubs or registers, canceled checks, deposit tickets, debit memos, credit memos, wire transfer documents, records of savings accounts including passbooks and statements.
8. All records and documents identifying the location of safety deposit boxes or other possible depositories for cash and other liquid assets which are identified in any way with JOHN CUNNINGHAM, JAMES CUNNINGHAM JR. or **CUNNINGHAM'S AMOCO**, its owners, officers, shareholders, agents, and employees, and any keys or other access devices associated with such depositories.
9. All tax returns together with all associated schedules, work papers, and supporting documentation.
10. Evidence of cash payments and evidence of transfer of assets.
11. Any store security video or other recordings.
12. All computer equipment and stored electronic data related to the operation of **CUNNINGHAM'S AMOCO**, to include:
  - a. Any computer equipment and storage device capable of being used to commit, further or store evidence of the offenses listed in this affidavit;
  - b. Any computer equipment used to facilitate the transmission, creation, display, encoding or storage of data, including word processing equipment, modems, docking stations, monitors, printers, plotters, encryption devices, and optical scanners;

c. Any magnetic, electronic, or optical storage device capable of storing data, such as floppy disks, hard disks, tapes, CD-ROMs, CD-Rs, CD-RWs, DVDs, optical disks, printer or memory buffers, smart cards, PC cards, memory calculators, electronic dialers, electronic notebooks, and personal digital assistants;

d. Any documentation, operating logs and reference manuals regarding the operation of the computer equipment, storage devices or software;

e. Any applications, utility programs, compilers, interpreters, and other software used to facilitate direct or indirect communication with the computer hardware, storage devices or data to be searched;

f. Any physical keys, encryption devices, dongles and similar physical items that are necessary to gain access to the computer equipment, storage devices or data; and

g. Any passwords, password files, test keys, encryption codes or other information necessary to access the computer equipment, storage devices or data.

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**ATTACHMENT C**  
**SEARCH PROTOCOL FOR ELECTRONIC DEVICES**

1. In searching for data capable of being read, stored or interpreted by a computer, law enforcement personnel executing this search warrant will employ the following procedure:

2. The computer equipment and storage devices will be reviewed by appropriately trained personnel in order to extract and seize any data that falls within the list of items to be seized as set forth in Attachment B.

3. In searching the data, the computer personnel may examine all of the data contained in the computer equipment and storage devices to view their precise contents and determine whether the data falls within the items to be seized as set forth in Attachment B. In addition, the computer personnel may search for and attempt to recover "deleted", "hidden" or encrypted data to determine whether the data falls within the list of items to be seized as set forth in this attachment.

4. The agents executing this warrant will file a return with the Court within 10 days of the search. The return will describe the computer(s) and other digital storage media seized, and give an estimate of the time needed by trained forensic agents to complete a preliminary search of those items. If that preliminary search indicates that an item does not contain data within the scope of the warrant, the government will promptly make that item available for pickup by the owner.

**AFFIDAVIT IN SUPPORT OF AN  
APPLICATION FOR A SEARCH WARRANT**

I, Jeffrey Weiland, being duly sworn depose and state the following:

**I. INTRODUCTION**

1. I am a Special Agent with the Federal Bureau of Investigation (FBI) and have been so employed since March 2008. I am currently assigned to the Public Corruption squad in the Baltimore Division of the FBI. The Public Corruption Squad investigates crimes involving fraud against the government. As a Special Agent, I have investigated crimes including arson, forced labor trafficking, distribution of controlled substances, money laundering, possession of stolen goods in interstate commerce and racketeering.

**II. LOCATION TO BE SEARCHED**

2. This affidavit is submitted in support of the Government’s application for issuance of a warrant to search the premises of **LONG HING GROCERY STORE (“LONG HING”)**, 1131 Greenmount Avenue, Baltimore, Maryland 21202, more specifically described in Attachment A, and seize the items described on Attachment B.

**III. BACKGROUND**

3. Based on the facts listed herein, there is probable cause to believe the owner and employees of **LONG HING** have committed and are committing the following violations of the United States Code: fraud associated with the Supplemental Nutrition Assistance Program, in violation of 7 U.S.C. § 2024; access device fraud, in violation of 18 U.S.C. § 1029; and wire fraud in violation of 18 U.S.C. § 1343 (the “Subject Offenses”).

4. There exists probable cause to believe that within the premises of **LONG HING**, there is evidence of the commission of a crime, contraband, the fruits of a crime or things

otherwise criminally possessed and instrumentalities of the Subject Offenses.

**A. The Supplemental Nutrition Assistance Program**

5. The Supplemental Nutrition Assistance Program (“SNAP”), formerly known as the Food Stamp Program, is a federally funded, national program established by the United States Government to alleviate hunger and malnutrition among lower income families. The United States Department of Agriculture (USDA) administers the SNAP through its agency, the Food and Nutrition Service (FNS). FNS is responsible for the authorization and disqualification of retail food establishments participating in the redemption of SNAP benefits. Social service agencies from each state share responsibility with FNS for administration of the program through authorization and revocation of individual SNAP benefit customers.

6. In Maryland, the program is administered by the Maryland Department of Human Resources (“DHR”) and is known as the Food Supplement Program (“FSP”). In 1993, Maryland changed the issuance method of SNAP benefits from a traditional paper coupon system to an Electronic Benefits Transfer (“EBT”) system. DHR awarded Xerox (formerly ACS) the current network management contract for its FSP EBT system. The system is similar to those used by financial institutions and credit card companies. FSP customers are issued plastic EBT cards which contain an embedded magnetic stripe that stores basic information required for food purchases. Retailers approved by FNS to accept SNAP are assigned an FNS authorization number, which is unique to each authorized retailer, and in some cases, are provided with a point of sale (“POS”) device to access the electronic funds allocated to customer’s EBT cards (larger retailers use their own POS devices). POS devices communicate with the Maryland EBT central database to debit a customer’s available SNAP benefit balance for the cash value of eligible food items purchased.

7. When an EBT card is swiped through a retailer's POS terminal, the store employee or customer, (depending on the type of POS device) must actively select SNAP/food stamp purchase as the transaction type from the POS terminal menu. The employee must then enter the total dollar amount of the transaction to be conducted. The transaction request is completed when the cardholder enters their unique personal identification number ("PIN"). This causes an electronic transmission of information through a series of network switches and gateway to the central Maryland EBT database located in Texas, which maintains customer account balance information. The EBT Contractor verifies the retailer is authorized to conduct SNAP EBT transactions. The Maryland EBT system verifies the amount of benefits available, authorizes the transaction and deducts the purchase amount from the customer's available balance. The system also calculates cumulative FSP sales for each retailer and authorizes electronic payments to the retailer's bank account.

8. Once the transaction is approved, information flows back to the POS terminal and the store employee receives confirmation that the cardholder's account has been successfully debited. Unlike the procedure with the original paper food stamp coupons, FSP EBT transactions are made for the exact amount of the sale and no change is given to the cardholder. SNAP reimbursements are paid to authorized retailers through a series of electronic funds transfers. On a daily basis, Xerox, located in Austin, Texas, reconciles accounts for participating MD SNAP retailers by drawing on funds available through an open letter of credit with the American Management Agent ("AMA").

9. In order to participate in SNAP as an authorized retailer, a business must submit FNS Form 252, Food Stamp Program Application for Stores, and the owner [OR] manager of that business must acknowledge receiving mandatory SNAP retailer training. This training from

FNS is designed to educate and train store owners and management personnel on the proper procedures for the acceptance and redemption of SNAP benefits. Training materials are provided in six different languages, including English and Arabic. Store owners/managers are responsible for training their employees in the proper procedures for the program. Retailers may lose their authorization to redeem SNAP benefits if they break program rules or no longer qualify for participation in the program.

10. Pursuant to the Food and Nutrition Act and regulations promulgated by the Secretary of Agriculture, SNAP authorized retailers may only accept SNAP benefits in exchange for eligible food items. SNAP benefits may not, in any case, be exchanged for cash (a practice commonly referred to as trafficking) or other forbidden items such as alcohol, paper products, tobacco products, lottery tickets, or fuel

11. In accordance with 7 U.S.C. § 2024 and Maryland Code Section 8-503, SNAP benefits may only be used by members of the household to which they were issued. Any individual who is not a member of a given household may not use, obtain, or purchase that household's SNAP benefits.

**B. Maintenance of Records**

12. Based on my experience, and the collective experience of other law enforcement officers involved in this investigation, I know that convenience stores such as **LONG HING** must maintain records to facilitate operation of the business. Product invoices detailing the volume of wholesale food purchased by the store can be compared to the corresponding retail sales negotiated using SNAP benefits. Based on this comparison, it can be determined whether a particular store has adequate inventory to support the volume of food purportedly purchased with SNAP benefits.

13. Based on my experience, and the collective experience of other law enforcement officers involved in this investigation, I also know that principles (owners, officers, and managers) of businesses dealing in the illegal purchase of SNAP benefits commonly maintain evidence of assets purchased with the proceeds of such illegal enterprises, including but not limited to, books, records, receipts, notes, logs, ledgers, canceled checks, bank statements, telephone bills, electronically stored records, and other sources of information relating to the purchase, sale, transfer, or concealment of illegally obtained proceeds and assets.

14. Based on my experience and the experience of other agents who have investigated similar types of cases, I know that the instrumentalities of these crimes (EBT cards), the cash used to purchase SNAP benefits facilitating these crimes, the purchasing records, sales records, and contact information for food vendors that would prove legitimate and illegitimate SNAP sales, are often kept on the person of the owner or employee's at a store or in vehicles under the control of the owner or employees at the warrant location.

15. One common method of facilitating SNAP fraud is for the owner of a store to give cash to a card holder for their benefits and in return take custody of the recipient's EBT card. The store owner then takes the recipient's EBT card to a wholesale store or grocery store and buys food for personal use or to restock the inventory of their own store. In this way the fraudulent EBT transaction is not associated with the POS machine of the subject store, but the store owner still receives full value (in goods) for the benefits he or she purchased from the recipient. Because of this common methodology to perpetrate the fraud, it is usual for store owners who perpetrate SNAP fraud to have the EBT cards of other people on their person. This affiant has personal knowledge from a prior EBT fraud case using just such a scheme that store owners who purchased EBT cards from recipients in volume kept EBT cards in their personal

vehicles and on their person ostensibly so they would have easy access to these cards when driving to a grocery or wholesale store. Other investigations have also directly shown that store owners keep large sums of cash on their person which are used to purchase SNAP benefits.

16. The scheme of paying below value in cash for benefits and then taking possession of the recipient card to use at another retail or wholesale location is not isolated to store owners. Store employees often commit this crime as well. Employees working in a store that is committing SNAP fraud commonly know the crime is being perpetrated by the owner. This is because customers will constantly enter a store known to be committing this fraud and solicit the employees to buy SNAP benefits. Employees will often buy the cards with their personal funds for their own use or may purchase the card with store funds and keep the card to turn over to the store owner at a later time. Based on my training and the experience of other agents who have investigated similar types of cases, I know that employees of subject stores have been found to have EBT cards in other people's names on their person at the time of a search warrant that were purchased from the benefit recipient for cash.

17. Based on my experience and the experience of other agents who have investigated similar types of cases, I know that product invoices, sales receipt confirmations, product delivery confirmations, vendor contact information, account numbers, vendor related correspondence, and other information that can be used to identify food purchases and sources are delivered and kept electronically in email form. The advent and proliferation of Personal Data Assistants (PDAs) and Smart Phones that can connect directly to the internet to receive and store email as well as access websites, such as vendor websites for ordering purposes, means that owners of stores can now keep much of their record keeping and vendor lists stored in their phones and on their persons at all times.

**C. Request to Search Computers and Electronic Storage Media**

18. Based on my experience, and the experience of other agents who have investigated similar types of cases, I know that convenience stores commonly use computers to perform business calculations, compile and store inventory records, purchase inventory, issue payroll checks, and maintain employee records. I request authority to search any computer hardware or computer-related equipment capable of creating and/or storing information in electronic or magnetic form seized during the execution of this search warrant, for the items listed on Attachment B, pursuant to the protocol listed on Attachment C.

19. Computer-related equipment includes, but is not limited to, central processing units, and/or peripheral equipment used to facilitate the creation, transmission, encoding or storage of information. I seek the authority to search for any or all information and/or data stored in the form of magnetic or electronic encoding on computer media, or on media capable of being read by a computer, or with the aid of computer-related equipment. This media includes, but is not limited to, floppy disks, fixed hard disks, removable hard disk cartridges, tapes, laser disks, videocassettes, CD-ROMs, zip disks, smart cards, memory sticks, memory calculators, PDAs, USB flash drives and/or other media that is capable of storing magnetic coding.

20. Based on my training and information provided to me by agents and others involved in the forensic examination of computers, I know that computer data can be stored on a variety of systems and storage devices including hard disk drives, floppy disks, compact disks, magnetic tapes and memory chips. I also know that during a search of a premises it is not always possible to search computer equipment and storage devices for data for a number of reasons, including the following:

21. Searching computer systems is a highly technical process which requires specific

expertise and specialized equipment. There are so many types of computer hardware and software in use today that it is impossible to bring to the search site all of the necessary technical manuals and specialized equipment necessary to conduct a thorough search. In addition, it may also be necessary to consult with computer personnel who have specific expertise in the type of computer, software application or operating system that is being searched.

22. Searching computer systems requires the use of precise, scientific procedures that are designed to maintain the integrity of the evidence and to recover "hidden", erased, compressed, encrypted or password-protected data. Computer hardware and storage devices may contain "booby traps" that destroy or alter data if certain procedures are not scrupulously followed. Since computer data is particularly vulnerable to inadvertent or unintentional modification or destruction, a controlled environment, such as a law enforcement laboratory, is essential to conduct a complete and accurate analysis of the equipment and storage devices from which the data will be extracted.

23. The volume of data stored on many computer systems and storage devices typically will be so large that it is highly impractical to search for data during the execution of the physical search of the premises. A single megabyte of storage space is the equivalent of 500 double-sided pages of text. A single gigabyte of storage space or 1,000 megabytes is the equivalent of 500,000 double-spaced pages of text. Storage devices capable of storing 160 gigabytes (GB) of data are now commonplace in desktop computers. Consequently, each non-networked, desktop computer found during a search can easily contain the equivalent of 80 million pages of data, which, if printed out, would completely fill a 35' x 35' x 10' room to the ceiling. Further, a 160 GB drive could contain as many as approximately 150 full run movies or 150,000 songs.

24. Computer users can attempt to conceal data within computer equipment and storage devices through a number of methods, including the use of innocuous or misleading filenames and extensions. For example, files with the extension ".jpg" often are image files; however, a user can easily change the extension to ".txt" to conceal the image and make it appear that the file contains text. Computer users can also attempt to conceal data by using encryption, which means that a password or device, such as a "dongle" or "keycard", is necessary to decrypt the data into readable form. In addition, computer users can conceal data within another seemingly unrelated and innocuous file in a process called "steganography". For example, by using steganography a computer user can conceal text in an image file, which cannot be viewed when the image file is opened. Therefore, a substantial amount of time is necessary to extract and sort through data that is concealed or encrypted to determine whether it is evidence, contraband, or instrumentalities of a crime.

#### IV. PROBABLE CAUSE

##### A. Store History of **LONG HING**

25. KIM MAN CHU ("CHU") filed a FNS Form 252 for **LONG HING** on or about February 2, 2009 listing himself as the owner of **LONG HING**, which is a sole proprietorship. **LONG HING** opened for business January 15, 2009 and became an authorized SNAP EBT retailer on or about February 25, 2009, and remains an authorized retailer.

26. The Form 252 signed by **CHU** states (emphasis added):

I will receive I will receive Supplemental Nutrition Assistance Program training materials upon authorization. It is my responsibility to ensure that the training materials are reviewed by all firm's owners and all employees (whether paid or unpaid, new, full-time or part time); and that all employees will follow Supplemental Nutrition Assistance Program regulations. If I do not

receive these materials I must contact the Food and Nutrition Service to request them

I am aware that violations of program rules can result in administrative actions such as fines, sanctions, withdrawal or disqualification from the Supplemental Nutrition Assistance Program; I am aware that violations of the Supplemental Nutrition Assistance Program rules can also result in Federal, State and/or local criminal prosecution and sanctions; **I accept responsibility on behalf of the firm for violations of the Supplemental Nutrition Assistance Program regulations**, including those committed by any of the firm's employees, paid or unpaid, new, full-time or part-time. **These include violations such as, but not limited to:**

**Trading cash for Supplemental Nutrition Assistance Program benefits (i.e. trafficking);** Accepting Supplemental Nutrition Assistance Program benefits as payment for ineligible items; Accepting Supplemental Nutrition Assistance Program benefits as payment on credit accounts or loans; knowingly accepting Supplemental Nutrition Assistance Program benefits from people not authorized to use them

27. According to official records on file with FNS, as well as my direct observations, **LONG HING** is a small convenience store which stocks a limited inventory of food and beverage products. Based on videos taken by a confidential witness (referred to herein as "CW-2") during investigative operations, all of **LONG HING**'s merchandise is housed completely behind glass on a shelf lined up against the wall. Some of the merchandise is either stacked on the windowsill inside and above the glass. Most of the items are in boxes stacked on the shelves. The store does not appear to have a lot of merchandise and doesn't appear fully stocked. The items appear to be snack items, cereal, chips, candy, toilet paper, some basic household items and cigarettes. There is only one cash register with a small counter. There is a small area where customers stand to make a purchase through an opening in the Plexiglas window, where their goods are handed to them. There are no carts or hand baskets available for customers to carry

large purchases inside the store.

**B. Investigative Operations**

April 19, 2012 Transaction

28. On April 19, 2012, a confidential witness (“CW-1”) equipped with a recording device and at the direction of agents, entered LONG HING. CW-1 approached CHU<sup>1</sup> and told him that he/she wanted to “sell his/her stamps” CW-1 told CHU that he/she had previously been in the store, with a female named Sheryl. CHU asked if Sheryl was skinny. CW-1 told CHU she was medium build. CHU told the CW that because they are a very small store, they can’t take large numbers off the EBT card or it would draw attention to the store. CHU told CW-1 that some employees are greedy and take all the money off the card at one time. CHU told CW-1 that he takes 5 dollars for every 10 dollars in benefits. I know that it is common for stores which engage in SNAP fraud to “buy” stamps for approximately half of the face value. In this sort of transaction, which is what the CW-1 was requesting from the LONG HING employee, the merchant gives the SNAP holder cash in half the value of the SNAP benefits.

29. CHU swiped the CW-1’s EBT card. CW-1 entered his/her pin. CHU took \$147.15 off the card. The CW-1 was given \$75 in cash that CHU took from the register.

30. It was confirmed that FNS records of this transaction reflect that CHU swiped the CW-1’s EBT card for \$147.15, thereby causing the FNS to deposit the same amount into the **LONG HING** account. **LONG HING**, therefore, realized a net profit of \$72.15 for this unlawful transaction.

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<sup>1</sup> Your affiant identified CHU by comparing the driver’s license photos of CHU with the video recording of CW-1’s transaction.

#### August 8, 2012 Transaction

31. On August 8, 2012, following the same procedure, CW-1 entered **LONG HING** equipped with a recording device and approached **CHU**, who was working at the store register and asked CHU to do a \$300 transaction. CHU asked CW-1 to tell him his name. CW-1 told CHU that CHU never told the CW-1 his name before. CW-1 said he/she is friends with "Yvette." CW-1 asked CHU his name so CW-1 would know for the future. The employee said his name was "JIMMY." CHU said his machine was not big enough to do the whole \$300 transaction so he would have to call another store. CHU called an employee of another store (later identified as PO TUNG LLC, FNS # 0371310) and on a pink post-it note wrote \$235.88, as the amount of money he thought the employee of the other store would "redeem" from the card for CW-1, and \$118 as the amount in cash CW-1 could expect to receive in cash. The employee of the other store called back and spoke with CHU, but the conversation was not heard by CW-1. CHU handed CW \$172.20 in cash and change. CHU opened a spiral bound notebook on the counter top and wrote something down.

32. I believe, based on my experience, and the investigation to date, that CHU contacted another FNS retailer to process the fraudulent SNAP transaction for CW-1. I believe that CHU made this request of the other store in his telephone call, and then wrote in his notebook the amount of money he owed the other store owner for the transaction. I also know that at this time, another SNAP retailer, Po Tung Trading LLC, located at 321 Park Avenue, Baltimore, MD 21201, redeemed \$344.04 of SNAP benefits from CW-1's EBT card.

#### June 14, 2013 Transaction

33. On June 14, 2013, following the same procedure, another cooperating witness ("CW-2") entered **LONG HING**. While carrying a recording device, CW-2 entered **LONG**

**HING** and approached CHU who was working at a register. CW-2 said he/she had \$100. CHU said “\$100 for \$50?” CW-2 said yes. CHU asked CW-2 if he/she had been to the store before. CW-2 said yes, that they had been there about 2 months ago. CW-2 explained that his/her benefits were cut and he/she just got them back. CHU swiped CW-2’s card and then went to the back of the store and emerged with \$52.25 in cash and change which CHU gave to CW-2. CW-2 couldn’t see where CHU got the cash from.

34. It was confirmed that FNS records of this transaction reflect that CHU swiped the CW’s EBT card for \$104.35, thereby causing the FNS to deposit the same amount into the **LONG HING** account. **LONG HING**, therefore, realized a net profit of \$52.10 from this unlawful transaction.

#### August 7, 2013 Transaction

35. On August 7, 2013, following the same procedure, CW-2 entered **LONG HING**. CW-2 told the CHU, who was behind the counter that he/she wanted to “sell stamps.” The owner said he “dosen’t do that.” CW-2 said he/she did it a while ago, in April, and that **LONG HING** had been closed for a while before that. CHU said he was in the hospital in April so the store was closed. CW-2 told CHU that he/she went into the store with CW-1. CHU asked if the person CW-2 was with was old or young. CW-2 described CW-1 and told CHU that CHU was the same person CW-2 had dealt with the last time CW-2 was there because CW-2 remembers that CHU told CW-2 not to write his/her pin on the envelope. CHU smiled and said he couldn’t do all \$400 CW-2 had on his/her card since his store is small and that’s too much money. The CW2 said he could do less money.

36. CHU made a phone call and asked CW-2 to write down his/her pin on a carry out slip. The owner said he would give CW-2 the cash but that the person he called would run the

card. The owner gave CW-2 \$161 cash and tore up the slip with CW-2's PIN. The owner told CW-2 to wait ten minutes before using his/her card since the person he called was still completing the transaction.

37. I believe, based on my experience and the investigation to date, that CHU contacted another FNS retailer to process the fraudulent SNAP transaction for CW-1. I believe that CHU made this request of the other store in his telephone call, and then wrote in his notebook the amount of money he owed the other store owner for the transaction. I also know that at this time, another SNAP retailer, Po Tung Trading LLC, located at 321 Park Avenue, Baltimore, MD 21201, redeemed \$322.11 of SNAP benefits from CW-1's EBT card.

**C. Analysis of LONG HING's SNAP Transactions.**

38. A review of SNAP transactions at **LONG HING**, as recorded and monitored by FNS, disclosed patterns of suspicious SNAP transaction activity. The total monthly SNAP transactions conducted by **LONG HING** were much greater than those of similar sized stores located in the same geographic area. In addition, a substantial number of those transactions were of an unusually high amount and/or conducted in a rapid and repeated fashion. These patterns are consistent with illegal trafficking of SNAP benefits.

39. FNS uses a classification system to aid in analyzing transaction activity and volume by SNAP authorized retailers. Retailers are assigned a classification based on store size, layout, inventory and reported annual sales volume. **LONG HING** is classified as a "convenience store" in the FNS system.

40. Over the past 32 months, **LONG HING** has conducted 21,938 SNAP transactions totaling \$794,114.42 of redemptions, for an average transaction amount of \$36.20. The total amount of redemptions and the per-transaction redemption amount far exceed the total

redemptions and average transaction amounts for comparable stores in the immediate geographic area and in the entire state of Maryland, indicating that the SNAP transactions are fraudulent SNAP.

**1. Comparison of SNAP Transactions at LONG HING to Nearby and Statewide Convenience Stores**

41. An analysis of **LONG HING'S** monthly transaction volume from the beginning of October 2010 to the end of May of 2013, as compared to the four geographically closest convenience stores, which had no incidence of adverse criminal or administrative action during the review period, shows that **LONG HING's** redemptions far exceed those of the similar nearby stores. **LONG HING's** total redemptions exceeded the closest comparison store by \$681,058.29. In addition, the average individual SNAP purchase at **LONG HING** was \$36.20 during this time period while the average individual SNAP purchase at each of the other four stores in the sample was \$5.75.

42. In addition, **LONG HING** consistently exceeded the statewide average monthly and average individual redemptions for convenience stores during the same period. **LONG HING's** total monthly SNAP redemptions exceeded the state average by more than \$693,187.14 from the beginning of October 2010 to the end of May 2013, and **LONG HING's** average individual transaction of \$36.20 far exceeded the statewide individual transaction of \$9.21. Excerpts of these analyses for the preceding 32 months are presented below:

**Comparison of Subject Store vs. Four Neighboring Stores  
October 2010 thru May 2013**

<b>Store Name</b>	<b>SNAP Benefits Received</b>	<b>Total # of SNAP Sales</b>	<b>Average amount per sale</b>
<b>LONG HING</b>	\$794,114.42	21,938	\$36.20
Kims Food Market	\$152,696.38	31,377	\$4.87
7-11 Inc 11628	\$148,977.47	19,108	\$7.80
C'est Beyond Beauty & Variety	\$133,991.20	32,552	\$4.12
J&J Bros Inc	\$16,559.46	2,667	\$6.21
<b>STATEWIDE AVERAGE</b>	<b>\$100,927.28</b>	<b>10,964</b>	<b>\$9.21</b>

**2. SNAP Transaction at LONG HING Consistently Exceeded Statewide Average Single Purchase Amount.**

43. A review of individual SNAP EBT transactions conducted at **LONG HING** disclosed that the store regularly conducted a high volume of transactions that were three times greater than the statewide average SNAP transaction.

44. In addition, several of these large transactions were conducted in a way, known as “structuring,” to hide the fraudulent nature of the transaction from investigators. These large transactions and structured transactions are indicative of known patterns of illegal SNAP benefits trafficking activity. Your Affiant knows, from experience and the experience of USDA-OIG agents, that individuals and stores engaged in fraudulent SNAP activity will charge half of a large transaction, wait for a short period of time (usually less than 24 hours), and charge a second transaction, so that the total fraudulent transaction is smaller and therefore less likely to be noticed by law enforcement. Your Affiant also knows, from experience and the experience of USDA-OIG agents, that a large volume of individual transactions at the same location that consistently exceed the state average single purchase price is also indicative of illegal SNAP benefits trafficking activity.

45. For example, during the month of May 2013, after being closed for 3 months, **LONG HING** conducted 253 transactions for SNAP benefits. Of these 253 transactions, 128 of them were for three times the average purchase amount of a convenience store in the state of Maryland. Of those 128 transactions, 18 were conducted in a manner indicative of structuring SNAP transactions to avoid trafficking detection. These 18 transactions were conducted by 9 households. Each of the cards was used at least twice in the same at the same store in less than 24 hours. Each transaction is for more than \$100.00. Examples of these transactions are displayed below:

<b>Transactions Indicative of Structuring- May 2013</b>						
<b>Household Number</b>	<b>Date</b>	<b>Time</b>	<b>Amount</b>	<b>Terminal ID</b>	<b>Total Flag Amount</b>	
468013739	05/13/2013	01:11:55 PM	\$53.85	01539001	\$104.90	
468013739	05/13/2013	01:13:06 PM	\$51.05	01539001	\$104.90	
437043921	05/15/2013	12:12:17 PM	\$118.85	01539001	\$235.20	
437043921	05/15/2013	12:33:54 PM	\$116.35	001	\$235.20	
402013257	05/06/2013	11:29:55 AM	\$118.70	01539001	\$196.85	
402013257	05/06/2013	01:30:28 PM	\$78.15	01539001	\$196.85	
449040035	05/15/2013	10:08:16 AM	\$60.15	01539001	\$163.90	
449040035	05/15/2013	12:21:55 PM	\$103.75	01539001	\$163.90	
491014859	05/11/2013	10:05:55 AM	\$128.65	001	\$150.40	
491014859	05/11/2013	02:22:31 PM	\$21.75	01539001	\$150.40	
17FS84287	05/10/2013	01:43:45 PM	\$130.45	01539001	\$289.40	
17FS84287	05/10/2013	06:23:31 PM	\$158.95	01539001	\$289.40	
440042685	05/12/2013	10:50:14 AM	\$82.15	01539001	\$102.40	
440042685	05/12/2013	09:39:50 PM	\$20.25	01539001	\$102.40	
030748272	05/13/2013	11:32:30 AM	\$105.65	01539001	\$184.10	
030748272	05/14/2013	10:04:59 AM	\$78.45	01539001	\$184.10	
030508000	05/09/2013	10:39:19 AM	\$97.45	01539001	\$135.60	
030508000	05/10/2013	10:34:43 AM	\$38.15	01539001	\$135.60	

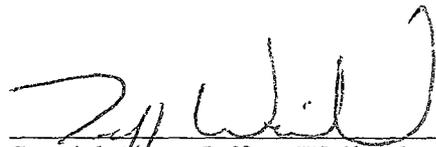
46. A review of transactions conducted at **LONG HING** from the beginning of October 2010 to the end of May 31, 2013 disclosed these patterns of transaction activity continue to make up a substantial portion of the transactions conducted at the store. From my experience and the experience of USDA-OIG agents, I know that a high volume of such transactions is

indicative of SNAP benefits trafficking.

**V. CONCLUSION**

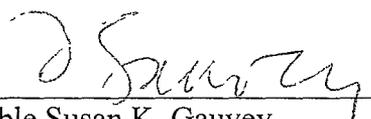
47. As stated above, there is probable cause to believe that within the premises of **LONG HING GROCERY STORE (“LONG HING”), 1131 Greenmount Avenue, Baltimore, Maryland 21202**, there is evidence and instrumentalities of violations of the Subject Offenses; to include the items listed on Attachment B.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

  
Special Agent Jeffrey Weiland  
Federal Bureau of Investigation

Subscribed and sworn to before me.

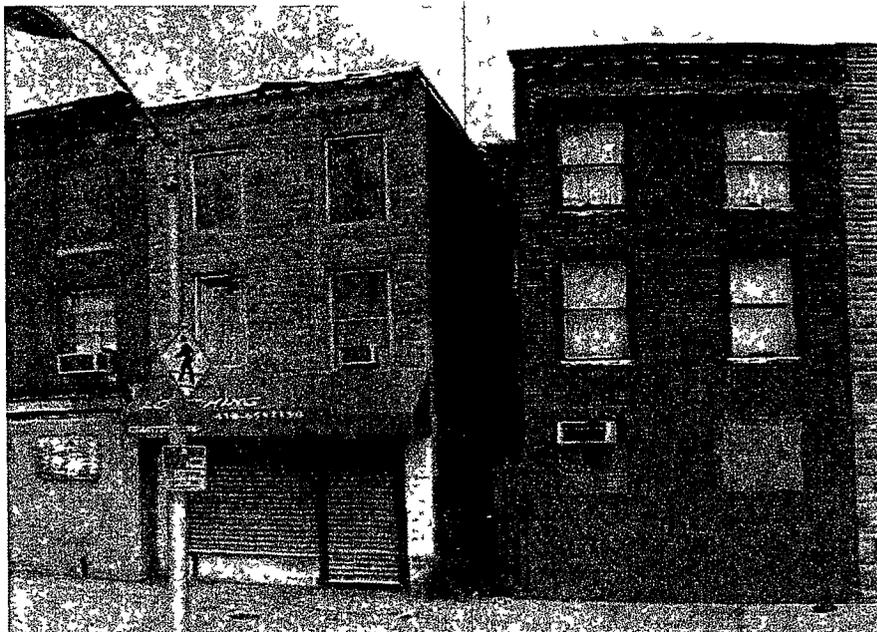
9/13/13  
DATE

  
The Honorable Susan K. Gauvey  
United States Magistrate Judge

4:50pm  
TIME

**ATTACHMENT A**  
**PREMISES TO BE SEARCHED**

The Subject Location is **LONG HING GROCERY STORE**, 1131 Greenmount Avenue, Baltimore, MD



**LONG HING GROCERY STORE** is located on the Southeast corner of E. Biddle Street and E. Chase Street. The front entrance of the store faces West onto Greenmount Avenue. **LONG HING GROCERY STORE** is a narrow three story, grey and light brown formstone, which is fake brick creating the appearance of rock, building. **LONG HING GROCERY STORE** is located on the first story and has a red awning. The white lettering shown in the image above has now been removed. The building to the left of **LONG HING GROCERY STORE** is narrow, concrete on the first story and red brick on the second and third store. The building to the right of **LONG HING GROCERY STORE** is red brick on all three stories.

**ATTACHMENT B**  
**ITEMS TO BE SEIZED**

The Subject Location shall be searched for the following: (For NOVEMBER 2007 - PRESENT)

1. Records pertinent to the operation of the **LONG HING GROCERY STORE**
2. Point of sale devices and receipts generated by point of sale devices.
3. Any and all negotiable instruments including SNAP EBT cards, food stamp coupons, United States currency, foreign currency, money orders and cashier's checks.
4. Telephone and address books.
5. Records pertaining to assets held by **LONG HING GROCERY STORE** or **KIM MAN CHU**
6. Records pertaining to the exchange of cash for SNAP benefits, including ledgers and lists of names.
7. Records of bank transactions, including but not limited to bank statements, check stubs or registers, canceled checks, deposit tickets, debit memos, credit memos, wire transfer documents, records of savings accounts including passbooks and statements.
8. All records and documents identifying the location of safety deposit boxes or other possible depositories for cash and other liquid assets which are identified in any way with **LONG HING GROCERY STORE** or **KIM MAN CHU**, its owners, officers, shareholders, agents, and employees, and any keys or other access devices associated with such depositories.
9. All tax returns together with all associated schedules, work papers, and supporting documentation.
10. Evidence of cash payments and evidence of transfer of assets.
11. Any store security video or other recordings.
12. All computer equipment and stored electronic data related to the operation of **LONG HING GROCERY STORE**, to include:
13. Any computer equipment and storage device capable of being used to commit, further or store evidence of the offenses listed in this affidavit;
14. Any computer equipment used to facilitate the transmission, creation, display, encoding or storage of data, including word processing equipment, modems, docking stations, monitors, printers, plotters, encryption devices, and optical scanners;
15. Any magnetic, electronic, or optical storage device capable of storing data, such

as floppy disks, hard disks, tapes, CD-ROMs, CD-Rs, CD-RWs, DVDs, optical disks, printer or memory buffers, smart cards, PC cards, memory calculators, electronic dialers, electronic notebooks, and personal digital assistants;

16. Any documentation, operating logs and reference manuals regarding the operation of the computer equipment, storage devices or software;

17. Any applications, utility programs, compilers, interpreters, and other software used to facilitate direct or indirect communication with the computer hardware, storage devices or data to be searched;

18. Any physical keys, encryption devices, dongles and similar physical items that are necessary to gain access to the computer equipment, storage devices or data; and

19. Any passwords, password files, test keys, encryption codes or other information necessary to access the computer equipment, storage devices or data.

**ATTACHMENT C**  
**SEARCH PROTOCOL FOR ELECTRONIC DEVICES**

1. In searching for data capable of being read, stored or interpreted by a computer, law enforcement personnel executing this search warrant will employ the following procedure:

2. The computer equipment and storage devices will be reviewed by appropriately trained personnel in order to extract and seize any data that falls within the list of items to be seized as set forth in Attachment B.

3. In searching the data, the computer personnel may examine all of the data contained in the computer equipment and storage devices to view their precise contents and determine whether the data falls within the items to be seized as set forth in Attachment B. In addition, the computer personnel may search for and attempt to recover "deleted", "hidden" or encrypted data to determine whether the data falls within the list of items to be seized as set forth in this attachment.

4. The agents executing this warrant will file a return with the Court within 10 days of the search. The return will describe the computer(s) and other digital storage media seized, and give an estimate of the time needed by trained forensic agents to complete a preliminary search of those items. If that preliminary search indicates that an item does not contain data within the scope of the warrant, the government will promptly make that item available for pickup by the owner.

13-201102  
2013-01-10

**AFFIDAVIT IN SUPPORT OF AN  
APPLICATION FOR A SEARCH WARRANT**

Your Affiant, Jeffrey Weiland, being duly sworn, deposes and states the following:

**I. INTRODUCTION**

1. I am a Special Agent with the Federal Bureau of Investigation (FBI) and have been so employed since March 2008. I am currently assigned to the Public Corruption squad in the Baltimore Division of the FBI. The Public Corruption Squad investigates crimes involving fraud against the government. As a Special Agent, I have investigated crimes including arson, forced labor trafficking, distribution of controlled substances, money laundering, possession of stolen goods in interstate commerce and racketeering.

**II. LOCATIONS TO BE SEARCHED**

2. This affidavit is submitted in support of the Government's application for issuance of a warrant to search the premises of:

a. **SECOND OBAMA EXPRESS ("SECOND OBAMA")**, 901 Harlem Avenue, Suite, A, Baltimore, Maryland 21217, more specifically described in Attachment A-1, and seize the items described on Attachment B; and

b. **D&M DELI AND GROCERY ("D&M DELI")**, 901 Harlem Avenue, Suite, B, Baltimore, Maryland 21217, more specifically described in Attachment A-2, and seize the items described on Attachment B.

**III. BACKGROUND**

3. Based on the facts listed herein, there is probable cause to believe the owner and employees of **SECOND OBAMA** and **D&M DELI** have committed and are committing the following violations of the United States Code: fraud associated with the Supplemental Nutrition Assistance Program, in violation of 7 U.S.C. § 2024 and wire fraud in violation of 18 U.S.C. § 1343 (the "Subject Offenses").

4. There exists probable cause to believe that within the premises of **SECOND OBAMA** and **D&M DELI**, there is evidence of the commission of a crime, contraband, the fruits of a crime or things otherwise criminally possessed and instrumentalities of the Subject Offenses.

**A. The Supplemental Nutrition Assistance Program**

5. The Supplemental Nutrition Assistance Program (“SNAP”), formerly known as the Food Stamp Program, is a federally funded, national program established by the United States Government to alleviate hunger and malnutrition among lower income families. The United States Department of Agriculture (USDA) administers the SNAP through its agency, the Food and Nutrition Service (FNS). FNS is responsible for the authorization and disqualification of retail food establishments participating in the redemption of SNAP benefits. Social service agencies from each state share responsibility with FNS for administration of the program through authorization and revocation of individual SNAP benefit customers.

6. In Maryland, the program is administered by the Maryland Department of Human Resources (“DHR”) and is known as the Food Supplement Program (“FSP”). In 1993, Maryland changed the issuance method of SNAP benefits from a traditional paper coupon system to an Electronic Benefits Transfer (“EBT”) system. DHR awarded Xerox (formerly ACS) the current network management contract for its FSP EBT system. The system is similar to those used by financial institutions and credit card companies. FSP customers are issued plastic EBT cards which contain an embedded magnetic stripe that stores basic information required for food purchases. Retailers approved by FNS to accept SNAP are assigned an FNS authorization number, which is unique to each authorized retailer, and in some cases, are provided with a point of sale (“POS”) device to access the electronic funds allocated to customer’s EBT cards (larger

retailers use their own POS devices). POS devices communicate with the Maryland EBT central database to debit a customer's available SNAP benefit balance for the cash value of eligible food items purchased.

7. When an EBT card is swiped through a retailer's POS terminal, the store employee or customer, (depending on the type of POS device) must actively select SNAP/food stamp purchase as the transaction type from the POS terminal menu. The employee must then enter the total dollar amount of the transaction to be conducted. The transaction request is completed when the cardholder enters their unique personal identification number ("PIN"). This causes an electronic transmission of information through a series of network switches and gateway to the central Maryland EBT database located in Texas, which maintains customer account balance information. The EBT Contractor verifies the retailer is authorized to conduct SNAP EBT transactions. The Maryland EBT system verifies the amount of benefits available, authorizes the transaction and deducts the purchase amount from the customer's available balance. The system also calculates cumulative FSP sales for each retailer and authorizes electronic payments to the retailer's bank account.

8. Once the transaction is approved, information flows back to the POS terminal and the store employee receives confirmation that the cardholder's account has been successfully debited. Unlike the procedure with the original paper food stamp coupons, FSP EBT transactions are made for the exact amount of the sale and no change is given to the cardholder. SNAP reimbursements are paid to authorized retailers through a series of electronic funds transfers. On a daily basis, Xerox, located in Austin, Texas, reconciles accounts for participating MD SNAP retailers by drawing on funds available through an open letter of credit with the American Management Agent ("AMA").

9. In order to participate in SNAP as an authorized retailer, a business must submit FNS Form 252, Food Stamp Program Application for Stores, and the owner [OR] manager of that business must acknowledge receiving mandatory SNAP retailer training. This training from FNS is designed to educate and train store owners and management personnel on the proper procedures for the acceptance and redemption of SNAP benefits. Training materials are provided in six different languages, including English and Arabic. Store owners/managers are responsible for training their employees in the proper procedures for the program. Retailers may lose their authorization to redeem SNAP benefits if they break program rules or no longer qualify for participation in the program.

10. Pursuant to the Food and Nutrition Act and regulations promulgated by the Secretary of Agriculture, SNAP authorized retailers may only accept SNAP benefits in exchange for eligible food items. SNAP benefits may not, in any case, be exchanged for cash (a practice commonly referred to as trafficking) or other forbidden items such as alcohol, paper products, tobacco products, lottery tickets, or fuel

11. In accordance with 7 U.S.C. § 2024 and Maryland Code Section 8-503, SNAP benefits may only be used by members of the household to which they were issued. Any individual who is not a member of a given household may not use, obtain, or purchase that household's SNAP benefits.

**B. Maintenance of Records**

12. Based on my experience, and the collective experience of other law enforcement officers involved in this investigation, I know that convenience stores such as **SECOND OBAMA** and **D&M DELI** must maintain records to facilitate operation of the business. Product invoices detailing the volume of wholesale food purchased by the store can be compared to the

corresponding retail sales negotiated using SNAP benefits. Based on this comparison, it can be determined whether a particular store has adequate inventory to support the volume of food purportedly purchased with SNAP benefits.

13. Based on my experience, and the collective experience of other law enforcement officers involved in this investigation, I also know that principles (owners, officers, and managers) of businesses dealing in the illegal purchase of SNAP benefits commonly maintain evidence of assets purchased with the proceeds of such illegal enterprises, including but not limited to, books, records, receipts, notes, logs, ledgers, canceled checks, bank statements, telephone bills, electronically stored records, and other sources of information relating to the purchase, sale, transfer, or concealment of illegally obtained proceeds and assets.

14. Based on my experience and the experience of other agents who have investigated similar types of cases, I know that the instrumentalities of these crimes (EBT cards), the cash used to purchase SNAP benefits facilitating these crimes, the purchasing records, sales records, and contact information for food vendors that would prove legitimate and illegitimate SNAP sales, are often kept on the person of the owner or employee's at a store or in vehicles under the control of the owner or employees at the warrant location.

15. One common method of facilitating SNAP fraud is for the owner of a store to give cash to a card holder for their benefits and in return take custody of the recipient's EBT card. The store owner then takes the recipient's EBT card to a wholesale store or grocery store and buys food for personal use or to restock the inventory of their own store. In this way the fraudulent EBT transaction is not associated with the POS machine of the subject store, but the store owner still receives full value (in goods) for the benefits he or she purchased from the recipient. Because of this common methodology to perpetrate the fraud, it is usual for store

owners who perpetrate SNAP fraud to have the EBT cards of other people on their person. This affiant has personal knowledge from a prior EBT fraud case using just such a scheme that store owners who purchased EBT cards from recipients in volume kept EBT cards in their personal vehicles and on their person ostensibly so they would have easy access to these cards when driving to a grocery or wholesale store. Other investigations have also directly shown that store owners keep large sums of cash on their person which are used to purchase SNAP benefits.

16. The scheme of paying below value in cash for benefits and then taking possession of the recipient card to use at another retail or wholesale location is not isolated to store owners. Store employees often commit this crime as well. Employees working in a store that is committing SNAP fraud commonly know the crime is being perpetrated by the owner. This is because customers will constantly enter a store known to be committing this fraud and solicit the employees to buy SNAP benefits. Employees will often buy the cards with their personal funds for their own use or may purchase the card with store funds and keep the card to turn over to the store owner at a later time. Based on my training and the experience of other agents who have investigated similar types of cases, I know that employees of subject stores have been found to have EBT cards in other people's names on their person at the time of a search warrant that were purchased from the benefit recipient for cash.

17. Based on my experience and the experience of other agents who have investigated similar types of cases, I know that product invoices, sales receipt confirmations, product delivery confirmations, vendor contact information, account numbers, vendor related correspondence, and other information that can be used to identify food purchases and sources are delivered and kept electronically in email form. The advent and proliferation of Personal Data Assistants (PDAs) and Smart Phones that can connect directly to the internet to receive and

store email as well as access websites, such as vendor websites for ordering purposes, means that owners of stores can now keep much of their record keeping and vendor lists stored in their phones and on their persons at all times.

**C. Request to Search Computers and Electronic Storage Media**

18. Based on my experience, and the experience of other agents who have investigated similar types of cases, I know that convenience stores commonly use computers to perform business calculations, compile and store inventory records, purchase inventory, issue payroll checks, and maintain employee records. I request authority to search any computer hardware or computer-related equipment capable of creating and/or storing information in electronic or magnetic form seized during the execution of this search warrant, for the items listed on Attachment B, pursuant to the protocol listed on Attachment C.

19. Computer-related equipment includes, but is not limited to, central processing units, and/or peripheral equipment used to facilitate the creation, transmission, encoding or storage of information. I seek the authority to search for any or all information and/or data stored in the form of magnetic or electronic encoding on computer media, or on media capable of being read by a computer, or with the aid of computer-related equipment. This media includes, but is not limited to, floppy disks, fixed hard disks, removable hard disk cartridges, tapes, laser disks, videocassettes, CD-ROMs, zip disks, smart cards, memory sticks, memory calculators, PDAs, USB flash drives and/or other media that is capable of storing magnetic coding.

20. Based on my training and information provided to me by agents and others involved in the forensic examination of computers, I know that computer data can be stored on a variety of systems and storage devices including hard disk drives, floppy disks, compact disks, magnetic tapes and memory chips. I also know that during a search of a premises it is not always

possible to search computer equipment and storage devices for data for a number of reasons, including the following:

21. Searching computer systems is a highly technical process which requires specific expertise and specialized equipment. There are so many types of computer hardware and software in use today that it is impossible to bring to the search site all of the necessary technical manuals and specialized equipment necessary to conduct a thorough search. In addition, it may also be necessary to consult with computer personnel who have specific expertise in the type of computer, software application or operating system that is being searched.

22. Searching computer systems requires the use of precise, scientific procedures that are designed to maintain the integrity of the evidence and to recover "hidden", erased, compressed, encrypted or password-protected data. Computer hardware and storage devices may contain "booby traps" that destroy or alter data if certain procedures are not scrupulously followed. Since computer data is particularly vulnerable to inadvertent or unintentional modification or destruction, a controlled environment, such as a law enforcement laboratory, is essential to conduct a complete and accurate analysis of the equipment and storage devices from which the data will be extracted.

23. The volume of data stored on many computer systems and storage devices typically will be so large that it is highly impractical to search for data during the execution of the physical search of the premises. A single megabyte of storage space is the equivalent of 500 double-sided pages of text. A single gigabyte of storage space or 1,000 megabytes is the equivalent of 500,000 double-spaced pages of text. Storage devices capable of storing 160 gigabytes (GB) of data are now commonplace in desktop computers. Consequently, each non-networked, desktop computer found during a search can easily contain the equivalent of 80

million pages of data, which, if printed out, would completely fill a 35' x 35' x 10' room to the ceiling. Further, a 160 GB drive could contain as many as approximately 150 full run movies or 150,000 songs.

24. Computer users can attempt to conceal data within computer equipment and storage devices through a number of methods, including the use of innocuous or misleading filenames and extensions. For example, files with the extension ".jpg" often are image files; however, a user can easily change the extension to ".txt" to conceal the image and make it appear that the file contains text. Computer users can also attempt to conceal data by using encryption, which means that a password or device, such as a "dongle" or "keycard", is necessary to decrypt the data into readable form. In addition, computer users can conceal data within another seemingly unrelated and innocuous file in a process called "steganography". For example, by using steganography a computer user can conceal text in an image file, which cannot be viewed when the image file is opened. Therefore, a substantial amount of time is necessary to extract and sort through data that is concealed or encrypted to determine whether it is evidence, contraband, or instrumentalities of a crime.

#### **IV. PROBABLE CAUSE**

##### **A. Store History of **SECOND OBAMA** and **D&M DELI****

25. On July 28, 2010, FNS received a Form 252 SNAP Application for **SECOND OBAMA**. The Application was signed by Ahmed Aydeh Al-Jabrati and identified ATA Express, Inc. as the corporate owner of **SECOND OBAMA** with a mailing address of 242 North Milton Avenue, Baltimore, MD 21224. The address for **SECOND OBAMA** listed on the application is 901 Harlem Avenue, Suite A, Baltimore, Maryland 21217. FNS authorized **SECOND OBAMA** as a SNAP retailer on August 17, 2010.

26. On July 28, 2011, FNS received a Form 252 SNAP Application for **D&M DELI**. The Application was signed by ABDULLAH T. **ALJARADI** (“**ALJARADI**”) and listed **ALJARADI** as the owner of **D&M DELI** and indicated that the principal place of business was 242 North Milton Avenue, Baltimore, MD 21224. The address for **D&M DELI** listed on the application is 901 Harlem Avenue, Suite B, Baltimore, Maryland 21217. FNS authorized **D&M DELI** as a SNAP retailer on October 12, 2011.

27. According to records from the Maryland State Department of Assessments and Taxation (“SDAT”), ATA Express, Inc. was incorporated on December 19, 2008 and **ALJARADI** is listed as the corporation’s Director and Resident Agent. On December 21, 2010, ATA Express, Inc. changed its name to D&M Grocery, Inc., but made no changes as to directors, officers or resident agent. On October 1, 2012, the corporation was forfeited for failure to file a property tax return for 2011.

28. The Form 252 Applications submitted for both **SECOND OBAMA** and **D&M DELI** contained the following certification, each signed under penalties of perjury by the applicant (emphasis added):

I will receive Supplemental Nutrition Assistance Program training materials upon authorization. It is my responsibility to ensure that the training materials are reviewed by all firm's owners and all employees (whether paid or unpaid, new, full-time or part time); and that all employees will follow Supplemental Nutrition Assistance Program regulations. If I do not receive these materials I must contact the Food and Nutrition Service to request them;

I am aware that violations of program rules can result in administrative actions such as fines, sanctions, withdrawal or disqualification from the Supplemental Nutrition Assistance Program; I am aware that violations of the Supplemental Nutrition Assistance Program rules can also result in Federal, State and/or local criminal prosecution and sanctions;

I accept responsibility on behalf of the firm for violations of the Supplemental Nutrition Assistance Program regulations, including those committed by any of

the firm's employees, paid or unpaid, new, full-time or part-time. **These include violations such as, but not limited to:**

**Trading cash for Supplemental Nutrition Assistance Program benefits (i.e. trafficking);**

Accepting Supplemental Nutrition Assistance Program benefits as payment for ineligible items;

Accepting Supplemental Nutrition Assistance Program benefits as payment on credit accounts or loans;

Knowingly accepting Supplemental Nutrition Assistance Program benefits from people not authorized to use them.

29. Based on surveillance conducted on July 30, 2013, your Affiant further believes that employees of **SECOND OBAMA** use inventory and supplies interchangeably between the two stores. At around 11:41 a.m. that day, an agent observed that the security gate was pulled down over the entrance to **D&M DELI**. An unidentified male employee exited **SECOND OBAMA**, opened the security gate at **D&M DELI**, which is located next door, and entered **D&M DELI**. Several minutes later, the same individual left the store carrying several six packs of soda. He took the soda into **SECOND OBAMA**. At approximately 11:47 a.m., that same employee, along with another employee, entered **D&M DELI** and each came out each carrying a cardboard box. One of the individuals closed the security gate and then both employees took the boxes directly into **SECOND OBAMA**.

30. Surveillance conducted on July 24, 2013 revealed that **ALJARADI**<sup>1</sup> opened **SECOND OBAMA** for business. At approximately 5:15 am, law enforcement observed that **SECOND OBAMA** was closed with the security gate pulled down over the entrance. **ALJARADI** then exited what appeared to be a side door of **SECOND OBAMA** and walked

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<sup>1</sup> ALJARADI was identified by your affiant based on his New York driver's license photograph.

across the street to a parked Nissan Minivan, which your Affiant has determined from MVA records is registered to **ALJARADI**. After briefly accessing his vehicle, **ALJARADI** walked back across the street to **SECOND OBAMA**. He then opened the security gate to the store and entered the premises. Fifteen minutes later, the store's lights came on and it appeared to be open for business.

31. On August 14, 2013, a FBI task force officer (TFO) noticed **ALJARADI**'s vehicle parked illegally in the 1600 block of West North Avenue. He contacted Baltimore Police Communications and found out that the Maryland Vehicle Administration did not report a valid license registered to the owner. Based on that information, the TFO approached the operator of the vehicle, who was placing a child car seat into the vehicle. The TFO advised the operator that he was parked illegally and that there appeared to be a discrepancy with the registration. The TFO asked for a driver's license and registration to the vehicle. A man handed him a New York license with the name of **ABDULLAH THBET ALJARADI** and the address 1089 Eastern Parkway, D15, New York, New York on it. The TFO asked **ALJARADI** why he maintained a New York license when he had the vehicle registered to 901 Harlem Avenue Baltimore, Maryland. **ALJARADI** advised that he resides at both locations and travels back and forth from the New York address to the Maryland address (901 Harlem Avenue residence). Once it was verified that **ALJARADI** had a valid license, the TFO left him with a verbal warning to park his vehicle legally.

#### **B. Description of Stores and Inventory**

32. According to official records on file with FNS, as well as my direct observations,<sup>2</sup>

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<sup>2</sup> The observations are based on the video recordings taken by the cooperating witnesses and described below.

**SECOND OBAMA** and **D&M DELI** are small convenience stores that stock a very limited inventory of FNS eligible and non-FNS eligible food and beverage products. **SECOND OBAMA** and **D&M DELI** are located right next door to each other on Harlem Avenue.

33. On August 29, 2013 an agent with USDA executed an undercover store site visit at **SECOND OBAMA**. The agent described the store as being small in size with a double sided shelving unit in the middle of the store creating two aisles containing sodas, pasta sauce, ketchup and some dry food. The store had shelves along three walls of the store containing soft drinks, frozen pizza, dry foods, cereals, pastries, chips, incense, fragrance and hair products. In the right corner of the store was a large glass enclosure approximately 5' x 10' in dimension. The glass enclosure housed the cashier and register along with shirts, cigarettes, hair products, and other store merchandise. The store does not use a laser code scanner for transactions and there are no carts or hand baskets for customer use. There was a glass door which appeared to be the only entrance into the enclosure. The agent observed a white door with a gold knob in the left back corner of the store. The door appeared to be flimsy, like an interior door to a room. The door did not appear to be an access to the exterior of the store.

34. Based on interviews of, and the video taken by, the cooperating witnesses, your Affiant knows that the interior of **D&M DELI** is very similar to **SECOND OBAMA**. The video did not capture the store in sufficient detail to list all of the items inside of **D&M DELI**, but the video available and the interviews of the cooperating witnesses was sufficient to determine that the inventory is similar in type and amount to **SECOND OBAMA**, and to determine that **D&M DELI** does not use a laser barcode scanner, there is only one cash register, and there are no carts or hand baskets for customer use.

**C. Investigative Operations**

**1. Surveillance of Customer Transactions**

35. In the course of the investigation, your Affiant and other law enforcement agents have conducted surveillance of customers entering and exiting **SECOND OBAMA** and **D&M DELI** and then matched the results of that surveillance to FNS records of EBT transactions. When comparing the dollar amounts of the EBT transactions with the corresponding visual surveillance of customers leaving **SECOND OBAMA** and **D&M DELI**, the dollar amount of EBT purchases was far greater than could be expected, given the small amount of items carried by the customers observed. Many customers, including those who EBT transactions were made just prior to them leaving the store, made EBT transactions worth \$100 or more, but nevertheless left the store empty-handed. Many similar customers left the stores with only a beverage or a small bag. Given the relatively limited selection and low unit price of the items for sale at **SECOND OBAMA** and **D&M DELI**, it is highly unlikely, in my experience, that an individual could spend over \$100 in SNAP benefits on qualifying items at **SECOND OBAMA** or **D&M DELI** without purchasing a large number of items.

36. On April 8, 2013, Agents conducted surveillance on **SECOND OBAMA**. During the around 8 hour period from approximately 9:35 a.m. to approximately 5:30 p.m., approximately 30 people were observed <sup>entering</sup> ~~exiting~~ the store and approximately 36 people were observed exiting the store. Almost all of the customers leaving the store were observed leaving the store with a small plastic bag, no items, or one small item such as a soda can in their hand. Only one customer appeared to leave the store with more than one plastic bag. During the period of surveillance, there were 99 transactions. 53 were for under \$20, an amount the affiant believes to be consistent with purchasing items which could be carried in a small bag or a pocket. The

other 46 ranged from \$21 to \$199.52. 27 transactions were over \$40. 11 transactions were over \$99.59 and were far too large, in your Affiant's experience; to purchase the small items stocked **SECOND OBAMA** without carrying out a large number of items. I believe, therefore, that these large transactions conducted during the period of surveillance were fraudulent FNS benefits transactions.

## 2. Undercover Transactions

37. In the course of the investigation, two cooperating witnesses ("CW") and an undercover law enforcement agent ("UC") conducted a series of EBT transactions in both **SECOND OBAMA** and **D&M DELI**. In each instance, as outlined below, the CW or UC obtained cash in exchange for one-half of the total amount deducted from the EBT card in the transaction. The CW or UC made no purchases of any sort in connection with any of these EBT transactions. Each of the transactions was electronically recorded.

### January 7, 2013 Transaction

38. On January 7, 2013, acting at agents' direction, a cooperating witness ("CW-1") and the UC entered **SECOND OBAMA**. There were two unidentified male ("UM-1 and UM-2") employees in the store at the time. The UC and CW-1 approached UM-1, who was at the cash register, behind the glass wall. CW-1 introduced the UC to UM-1 as the CW-1's child. CW-1 gave UM-1 his/her EBT card ending in 2624 and asked to exchange the full \$154.20 worth of USDA SNAP EBT benefits on the card for cash. UM-1 agreed and gave CW-1 \$77.10 after swiping the CW-1's EBT card and having CW-1 enter the PIN.

39. The UC then gave UM-1 another EBT card, this one card ending in 2640, stating that there was \$400 in benefits on the card. When UM-1 replied that he did not want to "do" all \$400, the UC asked UM-1 to do \$200. UM-1 agreed. UM-1 then swiped the EBT card for a

total of \$199.98 and the UC entered a PIN on the machine. UM-1 then gave the UC \$100 in cash from the register. Neither the UC nor CW-1 spoke to the UM-2 who was present during the transaction.

40. It was confirmed that FNS records of these two transactions reflect that UM-1 swiped the EBT cards for twice the amount of cash provided to CW-1 and the UC. FNS deposited a total of \$354.18 (over two transactions) into the **SECOND OBAMA** account for the transactions, resulting in a net profit of \$177.08 to **SECOND OBAMA** for the two trafficking cash transactions.

#### February 11, 2013 Transaction

41. On February 11, 2013, CW-1 and a second cooperating witness, CW-2, entered **SECOND OBAMA**. They approached an unidentified employee<sup>3</sup> at the cash register and CW-2 handed him his/her card. The unidentified employee said “the machine was down” and told them to “go next door”, to see “DANNY.” CW-1 and CW-2 left **SECOND OBAMA** and walked into **D&M DELI**. There was only one employee in **D&M DELI**. They approached the individual, whom I believe to be “DANNY,” and engaged in a conversation which was captured by the recording equipment carried by CW-2. The following is an excerpt transcribed from the recording made during the transaction:

CW-1: I’m trying to get rid of some stamps .

CW-2: Hey how are you doing? Could I, I got 260 on here.

CW-1: Could you do the whole thing?

DANNY: How much do you want? How much do you want?

CW-2: How much can you, how much can you get me?

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<sup>3</sup> Although the transaction was audio and video recorded, the recording did not allow your Affiant to positively identify the employee.

DANNY: How much do you want?

CW-2: Um 100?

DANNY: Uh no I don't have one.

CW-1: So can [he/she] do, can [he/she] do \$100 for \$50? Can you do 50?

DANNY: Uh, I don't have money now.

CW-1: How much can, how much can, [he/she] need a couple dollars, [he/she] gotta get to work. How much can you do? Can you do 30?

DANNY: [unintelligible]

CW-1: They said the machines down. That's why we usually go in here

DANNY: Yeah but we don't have money here. Let me call.

CW-1: Yeah if he got the money you can take what's his name

DANNY: [makes phone call in unidentified foreign language]

CW-1: Okay go back next door? Thanks man.

42. CW-1 and CW-2 went back to **SECOND OBAMA**. When they approached the same unidentified employee again, he said that the machine was still down. CW-2 explained to the employee that DANNY had sent them back. The employee told them to wait. CW-2 stated that he/she "wanted to do \$100.00." The employee said "\$50 for \$100 right?" CW-2 said yes. The employee swiped the card, and CW-2 entered his/her PIN. The employee took \$50.00 cash from the register and gave it to CW-2 along with a receipt, instructing CW-2 to put the card, cash, and receipt in his/her pocket before walking out of the store.

43. It was confirmed that FNS records of this transaction reflect that at this time, a \$99.99 transaction for CW-2's EBT card was initiated, thereby causing the FNS to deposit the same amount into the **SECOND OBAMA** account. **SECOND OBAMA**, therefore, realized a net profit of \$49.99 for this unlawful transaction.

March 11, 2013 Transaction

44. On March 11, 2013, CW-2 entered **SECOND OBAMA** and approached an unidentified employee (“UM”) who was behind the counter at the cash register. The UM sent CW-2 “next door” to **D&M DELI**. CW-2 reported that the employee he/she spoke with in **D&M DELI** was “Danny”, the same employee from the February 11, 2013 investigative operation. The following is an excerpt of the conversations transcribed from the recording made during the March 11, 2013 transaction:

CW-2: Hello. I’m tryin’ to sell some stamps.

Employee: Huh?

CW-2: Tryin’ to sell some stamps.

Employee: Some stamps?

CW-2: I want, I got some food stamps to sell.

Employee: Machine not working.

CW-2: That’s what you all told me last month.

Employee: I’m telling you the machine not work today go next door if you want to do it, next door

CW-2: Behind me?

Employee: Next door.

CW-2: Alright

Employee: Next door

CW-2: Ok.

[CW-2 proceeded to **D&M DELI**]

DANNY: Yes

CW-2: How you doin’?

DANNY: A'right

CW-2: They told me come in here, I got some stamps to sell. I got two hundred.

DANNY: You want one hundred.

CW-2: Uh-huh

[DANNY completed the transaction with CW-2's EBT card]

CW-2: Thank you.

DANNY: You're welcome.

CW-2: Ok.

DANNY: Alright.

CW-2: Thank you.

DANNY: You're welcome.

45. It was confirmed that FNS records of this transaction reflect that DANNY swiped CW-2's EBT card for \$199.73, thereby causing the FNS to deposit that same amount into the **SECOND OBAMA** account. **SECOND OBAMA**, therefore, realized a net profit of \$99.73 for this unlawful transaction.

#### April 9, 2013 Transaction

46. On April 9, 2013, the CW-2 entered **SECOND OBAMA** and approached an unidentified employee ("UM") and told him he/she "got some stamps to sell". The UM at **SECOND OBAMA** didn't seem to understand CW-2 and told him/her "no food stamps." CW-2 went into **D&M DELI** and approached DANNY, the same employee CW-2 had dealt with at **D&M DELI** during the February 11, 2013 and March 11, 2013 transactions. The following is an excerpt of the conversations transcribed from the recording made during the April 9, 2013 transaction:

CW-2: How you doin'? I got some stamps to sell. I got um, three hundred and twenty-five dollars.

DANNY: How much is that?

CW-2: I got three hundred and twenty-five dollars.

DANNY: I give you...

CW-2: All to..., well all together got three twenty-eight. Three hundred and twenty-eight dollars on here

DANNY: I give you one-sixty.

CW-2: One sixty-four.

DANNY: For ah...

CW-2: You wanna take the whole...

DANNY: ...three..., three hundred and twenty.

CW-2: Three twenty? Okay.

DANNY: Okay?

CW-2: Alrighty.

[DANNY completed the transaction with CW-2's EBT card]

CW-2: Alrighty.

DANNY: That's okay.

CW-2: Yes sir.

CW-2: Thank you.

DANNY: Yeah

47. It was confirmed that FNS records of this transaction reflect that DANNY swiped CW-2's EBT card for \$319.74, thereby causing the FNS to deposit that same amount into the **D&M DELI** account. **D&M DELI**, therefore, realized a net profit of \$159.74 for this unlawful transaction.

August 1, 2013 Transaction

48. On August 1, 2013, CW-2 entered **SECOND OBAMA**. The CW-2 approached Amar Al-Jaberi,<sup>4</sup> who was behind the counter at the cash register. The following is an excerpt of their conversation transcribed from the recording made during the transaction:

CW-2: How you doing? I was going over to Danny, to uh sell some food stamps.

AL-JABERI: What do you want?

CW-2: I got a hundred.

AL-JABERI: Ah no.

CW-2: What, I gotta sell about fifty?

AL-JABERI: [unintelligible]

CW-2: Are you going to open the other store?

AL-JABERI: No, it's closed.

CW-2: So you'll going to do it over here now?

AL-JABERI: If you, if you want to do it come back later [unintelligible].

CW-2: Huh?

AL-JABERI: If you want to do it with the owner, come back later when he's working.

CW-2: The owner? About what time?

AL-JABERI: After 5:00

CW-2: After 5:00?

AL-JABERI: He can do it them, I'm sorry.

CW-2: So he'll be here after 5? What's his name?

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<sup>4</sup> On July 22, 2013, a FBI task force officer (TFO) entered SECOND OBAMA in an attempt to identify and interview some employees who work at the store. A male employee in the store identified himself to the TFO as Ammer Al-Jaberi. Al-Jaberi said his identification cards were located in his apartment above the store.

AL-JABERI: Ahhhh, Obama. Obama. If you ask for Obama.

CW-2: He the only one that can do it?

AL-JABERI: Huh?

CW-2: He the only one that can do it?

AL-JABERI: Yeah.

CW-2: Okay, thank you.

August 7, 2013 Transaction

49. On August 7, 2013, CW-2 entered **SECOND OBAMA**. AL-JABERI was behind the counter at the cash register. CW-2 got in line behind a male customer. The customer, speaking to AL-JABERI, told him that another employee allowed him to buy cigarettes using “stamps” before. AL-JABERI said no. The customer asked AL-JABERI “where’s the other dude at” and said “he just did it for me”. The customer said “I’ll wait for him then”. CW-2 asked the customer if the machine was down. The customer said that the machines were not down, that AL-JABERI “doesn’t want to be doing that all the time.” The customer told CW-2 that AL-JABERI and **ALJARADI** are “cousins or something.” CW-2 asked the customer which person does “it,” referring to food stamp redemption. The customer pointed to a man outside the store in a white van, wearing a black shirt with red stripes (who agents had identified from surveillance as the owner of the store, **ALJARADI**).

50. CW-2 exited the store and approached **ALJARADI** who was in the driver’s seat of Vehicle #1. CW-2 explained to **ALJARADI** that he/she was trying to “sell stamps” at his store but AL-JABERI was pretending he couldn’t speak English and wouldn’t buy his/her stamps. **ALJARADI** told CW-2 to talk to the “bald guy” working in the store and he would do the transaction for CW-2. CW-2 went back into **SECOND OBAMA** and spoke to the bald

employee (referred to herein as “UM-A”), who was stocking shelves. CHS told UM-A that he/she was trying to “sell stamps” but AL-JABERI was acting like he could not speak English. UM-A spoke to AL-JABERI in a foreign language. UM-A asked CW-2 how much money he/she wanted. CW-2 said about \$85. AL-JABERI then swiped CW-2’s card and the CW-2 entered the PIN. UM-A handed the CW-2 his/her card back and told him/her it was declined. UM-A told the CW-2 he/she only had \$148 on the card. CW-2 asked for \$70. CW-2 gave his/her card to AL-JABERI who swiped it and said something in a foreign language. The CHS then entered his/her PIN and AL-JABERI took \$70 cash from the register and gave it to CHS. CHS exited the store.

51. It was confirmed that FNS records of this transaction reflect that AL-JABERI swiped the CHS’s EBT card for \$140.00, thereby causing the FNS to deposit that same amount into the **D&M DELI** account. **D&M DELI**, therefore, realized a net profit of \$70.00 for this unlawful cash transaction.

**D. Analysis of SECOND OBAMA and D&M DELI SNAP Transactions.**

52. Analysis of the SNAP transactions at **SECOND OBAMA** and **D&M DELI**, as recorded and monitored by FNS, disclosed patterns of suspicious SNAP transaction activity indicative of trafficking. The total monthly SNAP transactions conducted by **SECOND OBAMA** and **D&M DELI** were much greater than those of similar sized stores located in the same geographic area. In addition, a substantial number of those transactions were of an unusually high amount or were conducted in a rapid and repeated fashion. These patterns are consistent with illegal trafficking of SNAP benefits.

53. FNS uses a classification system to aid in analyzing transaction activity and volume by SNAP authorized retailers. Retailers are assigned a classification based on store size,

layout, inventory and reported annual sales volume. **SECOND OBAMA** and **D&M DELI** are classified as “convenience stores” in the FNS system.

54. From the beginning of October 2011 to the end of August 2013, a 23 month period, **SECOND OBAMA** has conducted 81,490 SNAP transactions totaling \$2,125,678.94 of redemptions, for an average transaction amount of \$26.09. Over that same period, **D&M DELI** has conducted 5,267 SNAP transactions totaling \$143,466.05, for an average transaction amount of \$27.24. These amounts far exceed the number of SNAP transactions, total redemptions and average transaction amounts for comparable stores in the immediate geographic area and in the entire state of Maryland, indicating that the SNAP transactions are fraudulent SNAP.

**1. Comparison of SNAP Transactions at SECOND OBAMA and D&M DELI to Nearby and Statewide Convenience Stores**

55. An analysis of **SECOND OBAMA’S** and **D&M DELI’S** monthly transaction volume, as compared to the four geographically closest stores also classified as convenience stores by FNS, showed that both **SECOND OBAMA** and **D&M DELI’S** SNAP redemptions far exceeded those of the comparable stores. The analysis included stores similar in size and inventory to **SECOND OBAMA** and **D&M DELI**, located within a .75 mile radius, and which had no incidence of adverse criminal or administrative action during the review period.

56. **SECOND OBAMA’S** monthly SNAP redemptions exceeded the average monthly redemptions of the 4 similar stores by more than \$2 million from the beginning of October 2011 to the end of August 2013. During that same period, **D&M DELI’S** redemptions exceeded the closest comparable convenience store by more than \$109,000. In addition, during this time frame, the average SNAP purchase at **SECOND OBAMA** was \$26.09 and at **D&M DELI** it was \$27.24, while the average SNAP purchase at each of the other 4 stores in the

sample was \$4.08.

57. In addition, **SECOND OBAMA** and **D&M DELI** both consistently exceeded the statewide average monthly redemption and average individual redemptions for convenience stores during the same period. **SECOND OBAMA**'s total monthly SNAP redemptions exceeded the state average by more than \$2,043,320.65 from the beginning of October 2011 to the end of August 2013 and **SECOND OBAMA**'s individual transaction of \$26.09 far exceeded the statewide individual transaction of \$9.30. **D&M DELI**'s total monthly SNAP redemptions exceeded the state average by more than \$61,106.76 from the beginning of October 2011 to the end of August 2013 and **D&M DELI**'s individual transaction of \$27.24 far exceeded the statewide individual transaction of \$9.30. Excerpts of these analyses for the preceding 23 months are presented below:

Comparison of Subject Store vs. Four Neighboring Stores October 2011 through August 2013			
Store Name	SNAP Benefits Received	Total # of SNAP Sales	Average amount per sale
<b>SECOND OBAMA</b>	\$2,125,678.94	81,490	\$ 26.09
<b>D&amp;M DELI</b>	\$ 143,466.05	5,267	\$ 27.24
Browns Grocery & Carryout	\$ 55,059.84	11,310	\$ 4.87
Eutaw Market	\$ 37,854.07	10,453	\$ 3.62
St Mart	\$ 29,782.10	7,507	\$ 3.97
Vic's Grocery Store	\$ 12,435.52	3,216	\$ 3.87
STATEWIDE AVERAGE	\$ 82,358.29	8,860	\$ 9.30

**2. SNAP Transaction at SECOND OBAMA and D&M DELI Consistently Exceeded Statewide Average Single Purchase Amount.**

58. Analysis of the individual SNAP transactions conducted at **SECOND OBAMA** and **D&M DELI** showed that both stores regularly conducted a high volume of transactions that

were three times greater than the statewide average SNAP transaction.

59. In addition, several of these large transactions were conducted in a way, known as “structuring,” to hide the fraudulent nature of the transaction from investigators. These large transactions and structured transactions are indicative of known patterns of illegal SNAP benefits trafficking activity. Your Affiant knows, from experience and the experience of USDA-OIG agents, that individuals and stores engaged in fraudulent SNAP activity will charge half of a large transaction, wait for a short period of time (usually less than 24 hours), and charge a second transaction, so that the total fraudulent transaction is smaller and therefore less likely to be noticed by law enforcement. Your Affiant also knows, based on training and the experience of other FDA-OIG agents, that a large volume of individual transactions at the same location that consistently exceed the state average single purchase price is also indicative of illegal SNAP benefits trafficking activity.

60. For example, during the month of May 2013, **SECOND OBAMA** conducted 3,741 transactions for SNAP benefits. Of these 3,741 transactions, 3,141 were three times larger than the average purchase amount of a convenience store in the state of Maryland, which was \$9.29 in May 2013. The average transaction for **SECOND OBAMA** for the month of May 2013 was \$30.56. Therefore, approximately 84% of the SNAP transactions at **SECOND OBAMA** in May 2013 exceed the state average by more than three times the statewide average amount. Of those 3,141 transactions, 316 transactions are indicative of structuring to avoid trafficking detection. These 316 transactions were conducted by just 142 households. Each of the cards was used at least twice in the same at the same store in less than 24 hours to make large purchases. A sample of the structured transactions is below:

**SECOND OBAMA Transactions Indicative of Structuring - May 2013**

Household Number	Date	Time	Amount	Terminal ID	Total Flag Amount
030740227	05/11/2013	12:13:40 AM	\$58.65	02033001	\$158.28
030740227	05/11/2013	12:14:29 AM	\$99.63	02033001	
471014569	05/07/2013	02:03:30 PM	\$99.80	02033001	\$199.70
471014569	05/07/2013	02:04:40 PM	\$99.90	02033001	
487011453	05/15/2013	02:58:15 PM	\$42.75	02033001	\$242.74
487011453	05/15/2013	03:00:32 PM	\$199.99	02033001	
463037806	05/13/2013	07:02:42 AM	\$81.75	02033001	\$103.50
463037806	05/13/2013	07:05:05 AM	\$21.75	02033001	
404025762	05/06/2013	09:13:33 AM	\$99.99	02033001	\$199.98
404025762	05/06/2013	09:17:19 AM	\$99.99	02033001	
446014245	05/24/2013	10:52:28 AM	\$80.00	02033001	\$140.00
446014245	05/24/2013	10:57:12 AM	\$60.00	02033001	
449013778	05/16/2013	08:55:36 PM	\$54.50	02033001	\$114.18
449013778	05/16/2013	09:01:28 PM	\$59.68	02033001	
030897568	05/12/2013	11:46:41 AM	\$152.25	02033001	\$202.25
030897568	05/12/2013	11:54:33 AM	\$50.00	02033001	
457015920	05/12/2013	10:24:20 AM	\$51.18	02033001	\$103.92
457015920	05/12/2013	10:33:30 AM	\$52.74	02033001	
492034102	05/07/2013	10:56:12 PM	\$30.75	02033001	\$100.65
492034102	05/07/2013	11:06:40 PM	\$69.90	02033001	
430045386	05/11/2013	12:16:01 AM	\$106.50	02033001	\$187.49
430045386	05/11/2013	12:27:28 AM	\$80.99	02033001	
410014217	05/14/2013	06:40:35 PM	\$49.68	02033001	\$149.31
410014217	05/14/2013	07:00:10 PM	\$99.63	02033001	
477007529	05/12/2013	06:47:51 AM	\$139.90	02033001	\$170.40
477007529	05/12/2013	07:13:44 AM	\$30.50	02033001	
467006204	05/10/2013	11:08:41 AM	\$99.99	02033001	\$182.99
467006204	05/10/2013	11:42:48 AM	\$83.00	02033001	
454013884	05/14/2013	12:06:30 PM	\$49.99	02033001	\$110.64
454013884	05/14/2013	12:43:32 PM	\$60.65	02033001	
445036136	05/12/2013	10:48:05 PM	\$40.60	02033001	\$122.55
445036136	05/12/2013	11:28:37 PM	\$81.95	02033001	
030697741	05/07/2013	10:05:02 AM	\$68.99	02033001	\$124.74
030697741	05/07/2013	11:07:41 AM	\$55.75	02033001	
030544736	05/14/2013	08:58:05 PM	\$81.79	02033001	\$136.14
030544736	05/14/2013	10:01:31 PM	\$54.35	02033001	
421013771	05/06/2013	09:09:48 AM	\$99.99	02033001	\$140.71
421013771	05/06/2013	10:13:55 AM	\$40.72	02033001	

61. During the month of March 2013, **D&M DELI** conducted 1,066 transactions for SNAP benefits. Of these 1,066 transactions, 425 of them exceeded the average purchase amount of a Convenience Store in the state of Maryland by 300 percent or more. The average transaction for a Convenience Store in the state of Maryland for the month of March 2013 was \$9.64. During the same period, **D&M DELI** conducted 1,066 transactions total. Of those 1,066 transactions, 110 of them are indicative of structuring SNAP transactions to avoid trafficking detection. These 110 transactions were conducted by 49 households. Each of the cards was used at least twice in the same at the same store in less than 24 hours. The two purchases made by each card often occurred within a minute of each other. Each transaction is for an amount much larger than the MD state average single purchase price.

D&M DELI Transactions Indicative of Structuring- March 2103					
Household Number	Date	Time	Amount	Terminal ID	Total Flag Amout
410016090	03/14/2013	03:24:32 PM	\$149.66	02440001	\$289.40
410016090	03/14/2013	03:25:25 PM	\$139.74	02440001	
456039071	03/13/2013	08:55:50 AM	\$181.99	02440001	\$362.38
456039071	03/13/2013	09:03:31 AM	\$180.39	02440001	
424013755	03/12/2013	07:48:43 PM	\$102.85	02440001	\$155.70
424013755	03/12/2013	07:57:20 PM	\$52.85	02440001	
030926335	03/12/2013	10:16:58 PM	\$99.58	02440001	\$198.88
030926335	03/12/2013	10:26:10 PM	\$99.30	02440001	
480033508	03/11/2013	03:27:39 PM	\$69.80	02440001	\$119.47
480033508	03/11/2013	03:43:44 PM	\$49.67	02440001	
030128442	03/12/2013	12:43:30 PM	\$99.72	02440001	\$160.22
030128442	03/12/2013	01:26:26 PM	\$60.50	02440001	
431020605	03/11/2013	01:23:23 PM	\$39.65	02440001	\$101.12
431020605	03/11/2013	02:22:26 PM	\$61.47	02440001	
030212105	03/11/2013	04:24:17 PM	\$99.67	02440001	\$188.71
030212105	03/11/2013	05:04:51 PM	\$39.67	02440001	
030212105	03/11/2013	05:27:53 PM	\$49.37	02440001	
433015142	03/14/2013	10:50:10 PM	\$99.43	02440001	\$168.97
433015142	03/14/2013	11:59:56 PM	\$69.54	02440001	
465009966	03/11/2013	03:21:22 PM	\$59.73	02440001	\$101.23

465009966	03/11/2013	04:44:57 PM	\$40.50	02440001	
030086853	03/12/2013	04:27:59 PM	\$61.25	02440001	\$101.75
030086853	03/12/2013	06:20:01 PM	\$40.50	02440001	
030765712	03/12/2013	08:39:14 AM	\$79.69	02440001	\$119.44
030765712	03/12/2013	10:32:41 AM	\$39.75	02440001	
471023230	03/12/2013	09:34:24 AM	\$79.99	02440001	\$139.72
471023230	03/12/2013	12:01:11 PM	\$59.73	02440001	
030684916	03/15/2013	09:32:56 AM	\$89.99	02440001	\$114.79
030684916	03/15/2013	12:19:32 PM	\$24.80	02440001	
448027127	03/13/2013	06:26:20 AM	\$81.25	02440001	\$141.14
448027127	03/13/2013	09:20:13 AM	\$59.89	02440001	
448015190	03/15/2013	04:12:31 PM	\$44.50	02440001	\$139.19
448015190	03/15/2013	05:05:16 PM	\$54.85	02440001	
448015190	03/15/2013	07:12:06 PM	\$39.84	02440001	
030908108	03/14/2013	09:50:08 AM	\$52.99	02440001	\$137.99
030908108	03/14/2013	01:09:49 PM	\$85.00	02440001	
030474055	03/11/2013	07:02:01 PM	\$62.73	02440001	\$201.98
030474055	03/11/2013	08:55:02 PM	\$59.73	02440001	
30474055	03/11/2013	10:45:31 PM	\$79.52	02440001	

ATTACHMENT A-1  
**PREMISES TO BE SEARCHED**

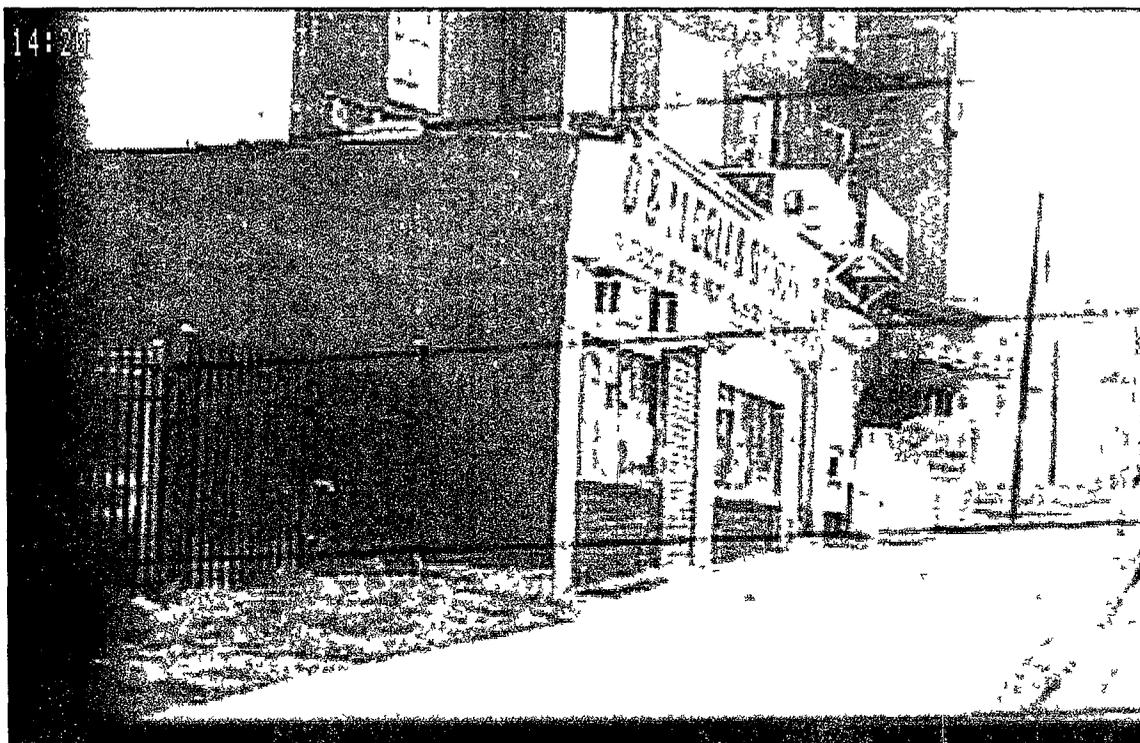
The Subject Location is **SECOND OBAMA EXPRESS**, 901 Harlem Avenue, Baltimore, Maryland (pictured below)



The premise of **SECOND OBAMA EXPRESS** is a three story, red brick building located at the southwest corner of the intersection of N. Freemont Avenue and Harlem Avenue. The front of the store faces northeast onto that intersection. The words “**WELCOME SECOND OBAMA**” are written in red lettering on a white sign on the Harlem Avenue side of the store. Above that sign is a sign on the second story for Romano’s Pizza. The store’s main faces North Freemont Avenue. 901 A is printed in black on a white sticker posted on the front door of the store.

**ATTACHMENT A-2**  
**PREMISES TO BE SEARCHED**

The Subject Location is **D&M DELI AND GROCERY**, 901 Harlem Avenue, Suite B, Baltimore, Maryland (pictured below)



The premises of **D&M DELI** is a one story building, painted white on the front and red on the bottom of the front of the store and sides of the building. It is located between N. Freemont Avenue and Harlem Avenue. The front entrance of the store is facing N. Freemont Street. There is a glass display case on each side of the front door. The words **D&M DELI AND GROCERY** are written in black letters above the entrance of the store. There are some words written in black and highlighted in yellow paint under the name of the store. .

**ATTACHMENT B**  
**ITEMS TO BE SEIZED**

The Subject Location shall be searched for the following:

1. Records pertinent to the operation of the ATA Express, Inc., D&M Grocery, Inc. **D&M DELI**, and **SECOND OBAMA EXPRESS**
2. Point of sale devices and receipts generated by point of sale devices.
3. Any and all negotiable instruments including SNAP EBT cards, food stamp coupons, United States currency, foreign currency, money orders and cashier's checks.
4. Telephone and address books.
5. Records pertaining to assets held by ATA Express, D&M Grocery, Inc. **D&M DELI**, and **SECOND OBAMA EXPRESS**
6. Records pertaining to the exchange of cash for SNAP benefits, including ledgers and lists of names.
7. Records of bank transactions, including but not limited to bank statements, check stubs or registers, canceled checks, deposit tickets, debit memos, credit memos, wire transfer documents, records of savings accounts including passbooks and statements.
8. All records and documents identifying the location of safety deposit boxes or other possible depositories for cash and other liquid assets which are identified in any way with ATA Express, D&M Grocery, Inc. **D&M DELI**, and **SECOND OBAMA EXPRESS**, its owners, officers, shareholders, agents, and employees, and any keys or other access devices associated with such depositories.
9. All tax returns together with all associated schedules, work papers, and supporting documentation.
10. Evidence of cash payments and evidence of transfer of assets.
11. Any store security video or other recordings.
12. All computer equipment and stored electronic data related to the operation of ATA Express, D&M Grocery, Inc. **D&M DELI**, and **SECOND OBAMA EXPRESS**, to include:
13. Any computer equipment and storage device capable of being used to commit, further or store evidence of the offenses listed in this affidavit;
14. Any computer equipment used to facilitate the transmission, creation, display, encoding or storage of data, including word processing equipment, modems, docking stations,

monitors, printers, plotters, encryption devices, and optical scanners;

15. Any magnetic, electronic, or optical storage device capable of storing data, such as floppy disks, hard disks, tapes, CD-ROMs, CD-Rs, CD-RWs, DVDs, optical disks, printer or memory buffers, smart cards, PC cards, memory calculators, electronic dialers, electronic notebooks, and personal digital assistants;

16. Any documentation, operating logs and reference manuals regarding the operation of the computer equipment, storage devices or software;

17. Any applications, utility programs, compilers, interpreters, and other software used to facilitate direct or indirect communication with the computer hardware, storage devices or data to be searched;

18. Any physical keys, encryption devices, dongles and similar physical items that are necessary to gain access to the computer equipment, storage devices or data; and

19. Any passwords, password files, test keys, encryption codes or other information necessary to access the computer equipment, storage devices or data.

**ATTACHMENT C**  
**SEARCH PROTOCOL FOR ELECTRONIC DEVICES**

1. In searching for data capable of being read, stored or interpreted by a computer, law enforcement personnel executing this search warrant will employ the following procedure:

2. The computer equipment and storage devices will be reviewed by appropriately trained personnel in order to extract and seize any data that falls within the list of items to be seized as set forth in Attachment B.

3. In searching the data, the computer personnel may examine all of the data contained in the computer equipment and storage devices to view their precise contents and determine whether the data falls within the items to be seized as set forth in Attachment B. In addition, the computer personnel may search for and attempt to recover "deleted", "hidden" or encrypted data to determine whether the data falls within the list of items to be seized as set forth in this attachment.

4. The agents executing this warrant will file a return with the Court within 10 days of the search. The return will describe the computer(s) and other digital storage media seized, and give an estimate of the time needed by trained forensic agents to complete a preliminary search of those items. If that preliminary search indicates that an item does not contain data within the scope of the warrant, the government will promptly make that item available for pickup by the owner.

**V. CONCLUSION**

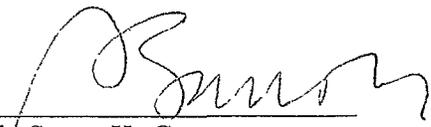
62. As stated above, there is probable cause to believe that within the premises of **SECOND OBAMA**, 901 Harlem Avenue, Suite A, Baltimore, Maryland 21217, more specifically described in Attachment A-1 and **D&M DELI AND GROCERY**, 901 Harlem Avenue, Suite B, Baltimore, Maryland 21217, more specifically described in Attachment A-2 there is evidence and instrumentalities of violations of the Subject Offenses; to include the items listed on Attachment B.

I declare under penalty of perjury that the forgoing is true and correct to the best of my knowledge.

  
\_\_\_\_\_  
Special Agent Jeffrey Weiland  
Federal Bureau of Investigation

Subscribed and sworn to before me.

9/13/13  
DATE  
4:45 pm  
TIME

  
\_\_\_\_\_  
The Honorable Susan K. Gauvey  
United States Magistrate Judge

Lab

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MARYLAND

IN THE MATTER OF THE SEARCH OF )  
NEW YORK DELI AND GROCERY )  
1207 W. Baltimore St )  
Baltimore, MD 21223 )  
And the adjointed residence of )  
1207 W. Baltimore St )  
Baltimore, MD 21223 )  
IN THE MATTER OF THE SEIZURE OF )  
M&T Bank account number [REDACTED] )  
held in the name of )  
"NEW YORK DELI & GROCERY" )

UNDER SEAL

Criminal No. \_\_\_\_\_

AFFIDAVIT IN SUPPORT OF  
APPLICATIONS FOR SEARCH AND SEIZURE WARRANTS

I, Jeffrey Weiland, being duly sworn depose and state the following.

I. INTRODUCTION

1. I am a Special Agent with the Federal Bureau of Investigation (FBI) and have been so employed since March 2008. I am currently assigned to the Public Corruption squad in the Baltimore Division of the FBI. The Public Corruption Squad investigates crimes involving fraud against the government. As a Special Agent, I have investigated crimes including arson, forced labor trafficking, distribution of controlled substances, money laundering, possession of stolen goods in interstate commerce and racketeering.
2. This affidavit is based on my personal knowledge, as well as information obtained from documents, electronic databases, witnesses and other law enforcement officers involved in this investigation. The information contained in this affidavit is provided for the purpose of establishing probable cause for a search warrant and does not contain all the details of the case as they are known to me.

## **II. PURPOSE OF THE AFFIDAVIT**

3. This affidavit is submitted in support of the Government's application for issuance of a warrant to search the premises of NEW YORK DELI AND GROCERY (herein NEW YORK DELI), 1207 West Baltimore St, Baltimore, MD 21223 more specifically described in Attachment A1 and the adjoined residence of 1207 West Baltimore St, Baltimore, MD 21223 more specifically described in Attachment A2.
4. I know from personal observations that NEW YORK DELI is a three story, brick building, located on the south side of the intersection of West Baltimore Street and North Carrollton Avenue. The building's upper two stories are painted beige or flesh tone, and the 1<sup>st</sup> floor is a store front with a recessed door in the center and a plate glass window on each side. There is a large sign above the store front that runs the width of the building. This sign reads "NEW YORK DELI GROCERY". The numbers "1207" are above the front door to the store. The store's entrance faces north onto West Baltimore Street.
5. Based on the facts listed herein, there is probable cause to believe the owner of NEW YORK DELI committed criminal violations of the United States Code. There exists probable cause to believe that within the premises of NEW YORK DELI, to include all computers and locked containers therein, there is evidence of the commission of a crime, contraband, the fruits of a crime or things otherwise criminally possessed and instrumentalities of the crimes described below, including: fraud associated with the Supplemental Nutrition Assistance Program in violation of Title 7, United States Code, Section 2024 and wire fraud in violation of Title 18, United States Code, Section 1343.

## **III. THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM**

6. The Supplemental Nutrition Assistance Program (SNAP), formerly known as the Food Stamp Program, is a federally funded, national program established by the United States Government to alleviate hunger and malnutrition among lower income families. The United States Department of Agriculture (USDA) administers the SNAP through its agency, the Food and Nutrition Service (FNS). FNS is responsible for the authorization and

disqualification of retail food establishments participating in the redemption of SNAP benefits. Social service agencies from each state share responsibility with FNS for administration of the program through authorization and revocation of individual SNAP benefit customers.

7. In Maryland, the program is administered by the MD Department of Human Resources (DHR) and is known as the Food Supplement Program (FSP). In 1993, Maryland changed the issuance method of SNAP benefits from a traditional paper coupon system to an Electronic Benefits Transfer (EBT) system. DHR awarded Xerox (formerly ACS) the current network management contract for its FSP EBT system. The system is similar to those employed by financial institutions and credit card companies. FSP customers are issued plastic EBT cards which contain an embedded magnetic stripe that stores basic information required for food purchases. Retailers approved by FNS to accept SNAP are assigned an FNS authorization number and in some cases, are provided with a point of sale (POS) device to access the electronic funds allocated to a customer's EBT card (larger retailers use their own POS devices). POS devices communicate with the Maryland EBT central database to debit a customer's available SNAP benefit balance for the cash value of eligible food items purchased.
8. When an EBT card is swiped through a retailer's POS terminal, the store employee or customer, (depending on the type of POS device) must actively select SNAP/food stamp purchase as the transaction type from the POS terminal menu. The employee must then enter the total dollar amount of the transaction to be conducted. The transaction request is completed when the cardholder enters their unique personal identification number (PIN). This causes an electronic transmission of information through a series of network switches to the central Maryland EBT database located in Texas, which maintains customer account balance information. The EBT Contractor verifies the retailer is authorized to conduct SNAP EBT transactions. The Maryland EBT system verifies the amount of benefits available, authorizes the transaction and deducts the purchase amount from the customer's available balance. The system also calculates cumulative FSP sales for each retailer and authorizes electronic payments to the retailer's bank account.

9. Once the transaction is approved, information flows back to the POS terminal and the store employee receives confirmation that the cardholder's account has been successfully debited. Unlike the procedure with the original paper food stamp coupons, FSP EBT transactions are made for the exact amount of the sale and no change is given to the cardholder. SNAP reimbursements are paid to authorized retailers through a series of electronic funds transfers. On a daily basis, Xerox, located in Austin, Texas, reconciles accounts for participating MD SNAP retailers by drawing on funds available through an open letter of credit with the American Management Agent (AMA).
10. In order to participate in the SNAP as an authorized retailer, a business submitted FNS Form 252, Food Stamp Program Application for Stores. As part of that application, the owner/manager certified that they understood and agreed that it was a "violation" of SNAP regulations to "trade[] cash for Supplemental Nutrition Assistance Program benefits."
11. Pursuant to the Food and Nutrition Act and regulations promulgated by the Secretary of Agriculture, SNAP authorized retailers may only accept SNAP benefits in exchange for eligible food items. SNAP benefits may not, in any case, be exchanged for cash (a practice commonly referred to as trafficking) or other forbidden items such as alcohol, paper products, tobacco products, lottery tickets, or fuel.
12. In accordance with Title 7 United States Code section 2024 and Maryland Code Section 8-503, SNAP benefits may be transacted only by members of the household to which they were issued. Any individual who is not a member of a given household may not use, obtain, or purchase that household's SNAP benefits.

**IV. NEW YORK DELI SERVICE AND CONVENIENCE MARKET – 1201 West Baltimore Street, Baltimore, MD 21223**

**A. Participation in the SNAP Program**

13. A review of the FNS Form 252 on file for NEW YORK DELI disclosed that owner ABDO MOHAMED NAGI (NAGI) completed the form on or about January 18, 2011. According to computer application data, the street address listed was 1207 West Baltimore St, Baltimore, MD 21223. The firm was authorized as a SNAP retailer on February 1, 2011.

14. A review of SNAP transactions at NEW YORK DELI, as recorded and monitored by FNS, disclosed patterns of suspicious SNAP transaction activity. The total monthly SNAP transactions conducted by NEW YORK DELI were much greater than those of similar sized stores located in the same area. In addition, a substantial number of those transactions were of an unusually high amount and/or conducted in rapid and repeated fashion. These patterns are consistent with illegal trafficking of SNAP benefits.
15. According to official records on file with FNS, as well as my direct observations, NEW YORK DELI is a very small convenience store which stocks a limited inventory of food and beverage products. Customers have to be “buzzed in” through the locked front door. The majority of the purchasable inventory is kept behind the counter with the owner/employee behind a barrier of ballistic glass. Items purchased have to be passed to the customer through the barrier using a small bank teller-type slot. This method, while safe, is not conducive or realistic for purchasing multiple items.
16. During the 28 month period from February 2011 thru the end of May, 2013, NEW YORK DELI redeemed a total of \$1,273,836.65 in SNAP benefits. This averaged over \$45,400.00 a month over the life of the SNAP license.
17. A review of FNS records disclosed NEW YORK DELI is classified as a convenience store (CS). FNS uses a classification system to aid in analyzing transaction activity and volume by SNAP authorized retailers. Retailers are assigned a classification based on store size, layout, inventory and reported annual sales volume. An analysis of NEW YORK DELI’s monthly transaction volume for the period of January 1, 2013 thru the end of May 2013 as compared to the four closest stores also classified as convenience stores by FNS disclosed that NEW YORK DELI redemptions far exceeded those of the peer group. The analysis included CS-class stores similar in size to NEW YORK DELI, located within a .28 mile radius, which had no incidence of adverse criminal or administrative action during the review period and are not currently under investigation by OIG or FNS. NEW YORK DELI’s total redemptions during that period were \$323,611.13. The 4 sample stores together averaged \$23,738.34 in sales during that same period. In addition, the average SNAP purchase at NEW YORK DELI was \$44.27 during this time frame. The average SNAP purchase at the other 4 stores

in the sample is \$6.20. An excerpt of this analysis for the preceding 5 months is presented below.

**Table 1: Total amount of SNAP benefits redeemed and average purchase amount for January 2013 to May 2013**

FNS Number	Store Name	Store Type	State	Total Dollars Redeemed	Total # of Purchases	Average Amount Per Sale
0290620	New York Deli and Grocery LLC	CS	MD	\$23,611.13	7,163	\$45.18
0240160	Perez Grocery & Deli LLC	CS	MD	\$74,586.59	10,960	\$6.81
0390670	Nana Food Market	CS	MD	\$12,362.09	2,221	\$5.57
0296130	Baltimore St Laundry	CS	MD	\$1,291.92	243	\$5.32
0394010	MVP Mini Mart	CS	MD	\$6,712.76	710	\$9.45

18. NEW YORK DELI consistently exceeded the statewide and monthly average redemptions for convenience stores during the same period. NEW YORK DELI monthly SNAP redemptions exceeded the state average by more than \$1,179,871.00 from February 1, 2013 thru May 31, 2013. Excerpts of these analyses for the preceding 28 months are presented below:

**Table 2: Total amount of SNAP benefits redeemed from 2/1/11 to 5/31/13 and average purchase amount**

FNS Number	Store Name	Store Type	State	Total Dollar Volume	Total # of Purchases	Average Amt per Trans
0290620	New York Deli	CS	MD	\$1,273,836.65	31,585	\$40.33
Average of all stores in MD		CS	MD	\$93,964.86	10,171	\$9.24

19. A review of FNS records shows that the average purchase amount for a convenience store in Maryland from May of 2012 to May of 2013 was \$9.40. The average purchase amount for NEW YORK DELI during the same period was \$44.27, an average that is almost 5 times greater than the average purchase amount for a store of its kind in Maryland. This \$44.27 purchase average is greater than the average for Supermarket (SM) class stores in the state of Maryland. Furthermore, Stop Shop and Save, a Super Store (SS) class supermarket in Baltimore, MD, is located at 1101 Pennsylvania Ave. This is only .83 miles away from

NEW YORK DELI. During the months of May 2012 through May 2013, Stop Shop and Save's average SNAP sale was \$24.45. During the same time frame NEW YORK DELI averaged \$44.27 per SNAP sale.

20. Undercover operations at NEW YORK DELI revealed that the store does not use laser barcode scanners to aid in the checkout process. There is only one cash register with a small counter. The register and counter are behind ballistic glass. All purchases, cash, credit cards, and EBT cards must be passed through a small banker-style window in the glass. There are no carts or hand baskets available for customers to carry large purchases while inside the store. The store also contains an abundance of non-eligible items, to include tobacco products.

**B. SNAP EBT Redemptions at New York Deli**

21. A review of individual SNAP EBT transactions conducted at NEW YORK DELI disclosed that the store regularly conducts a high volume of transactions that match known patterns of illegal SNAP benefits trafficking activity. For example, during the month of May 2013, NEW YORK DELI conducted 1402 transactions for SNAP benefits. Of these transactions, 728 of them, or over half, exceeded the average single purchase amount of a Convenience Store in the state of Maryland by 300 percent or more; 318 of the 1402 transactions exceeded the MD state single purchase average by 1000 percent. A sample of these transactions are detailed below:

Table 3: Transactions in May 2013 that exceeded the MD State purchase average (\$9.29) by 300 percent or more

Household	Card Number	State	Date	Time	Amount
		MD	05/19/2013	08:01:29 PM	\$139.00
		MD	05/16/2013	04:07:09 PM	\$137.00
		7 NY	05/02/2013	04:26:47 PM	\$135.00
		MD	05/11/2013	06:07:20 PM	\$135.00
		MD	05/12/2013	10:08:40 AM	\$135.00
		MD	05/19/2013	08:00:19 PM	\$135.00
		MD	05/21/2013	07:33:16 PM	\$135.00
		MD	05/01/2013	10:52:51 AM	\$132.00
		MD	05/24/2013	08:25:57 AM	\$131.75
		MD	05/16/2013	04:07:39 PM	\$129.97
		MD	05/11/2013	03:54:26 PM	\$129.96
		MD	05/08/2013	10:25:30 AM	\$129.95
		MD	05/09/2013	04:14:24 PM	\$129.60
		MD	05/09/2013	03:36:39 PM	\$127.08
		MD	05/01/2013	10:53:55 AM	\$127.00
		MD	05/13/2013	07:57:24 PM	\$126.65
		MD	05/07/2013	08:07:15 AM	\$126.00
		MD	05/12/2013	10:09:46 AM	\$125.00
		MD	05/12/2013	10:36:17 AM	\$125.00
		MD	05/02/2013	03:00:39 PM	\$124.99
		MD	05/08/2013	12:23:20 PM	\$124.99
		MD	05/12/2013	10:10:18 AM	\$124.99
		MD	05/13/2013	07:59:35 PM	\$124.00
		MD	05/10/2013	08:28:00 AM	\$123.00
		MD	05/14/2013	09:37:40 AM	\$123.00
		MD	05/03/2013	10:22:46 AM	\$122.00
		MD	05/08/2013	08:19:22 AM	\$121.50
		MD	05/10/2013	09:05:20 AM	\$121.35
		MD	05/11/2013	09:48:22 AM	\$121.25
		MD	05/15/2013	10:30:56 AM	\$121.00
		MD	05/14/2013	12:15:58 PM	\$120.50
		MD	05/06/2013	02:14:42 PM	\$119.98
		MD	05/11/2013	11:12:14 AM	\$119.98
		MD	05/28/2013	01:50:54 PM	\$119.97
		MD	05/06/2013	01:42:25 PM	\$119.96
		MD	05/15/2013	12:41:46 PM	\$119.96
		MD	05/07/2013	01:33:14 PM	\$119.95
		MD	05/11/2013	08:37:28 AM	\$119.95
		MD	05/11/2013	08:38:52 AM	\$119.95
		MD	05/11/2013	11:12:49 AM	\$119.95

22. During May of 2013, NEW YORK DELI conducted 1402 SNAP transactions in total. Of those 1402 transactions, 329 of them follow a pattern indicative of structuring SNAP transactions to avoid trafficking detection. These 329 transactions were conducted by 147 cardholders (households). Each of the 147 cards was used twice within 24 hours at New York Deli to make large purchases. The two purchases made by each card often occurred within a minute of each other. Each transaction is for an amount much larger than the MD state average single purchase price. My experience has shown me that when store owners purchase large amounts of EBT benefits they divide the purchase into smaller transactions so that large suspicious sales do not show up on government computer systems. A sample of these structured transactions are displayed below:

**Table 4: High-dollar value swipes within 1 minute of one another**

Card Number	State	Date	Time	Elapsed Time	Amount	Xtn Type
[REDACTED]	MD	05/06/2013	01:26:07 PM	00:00:27	\$94.00	Purchase
	MD	05/06/2013	01:26:34 PM	00:00:27	\$56.00	Purchase
	MD	05/14/2013	12:59:29 PM	00:00:27	\$103.00	Purchase
	MD	05/14/2013	12:59:56 PM	00:00:27	\$97.00	Purchase
	MD	05/15/2013	10:01:29 AM	00:00:27	\$103.00	Purchase
	MD	05/15/2013	10:01:56 AM	00:00:27	\$97.00	Purchase
	MD	05/15/2013	02:31:40 PM	00:00:27	\$106.00	Purchase
	MD	05/15/2013	02:32:07 PM	00:00:27	\$94.00	Purchase
	MD	05/07/2013	12:56:13 PM	00:00:28	\$106.00	Purchase
	MD	05/07/2013	12:56:41 PM	00:00:28	\$94.00	Purchase
	PA	05/10/2013	08:05:02 AM	00:00:28	\$103.00	Purchase
	PA	05/10/2013	08:05:30 AM	00:00:28	\$73.00	Purchase
	MD	05/11/2013	04:01:27 PM	00:00:28	\$101.50	Purchase
	MD	05/11/2013	04:01:55 PM	00:00:28	\$49.93	Purchase
	MD	05/26/2013	07:04:58 PM	00:00:28	\$103.00	Purchase
	MD	05/26/2013	07:05:26 PM	00:00:28	\$49.93	Purchase
	MD	05/04/2013	09:44:39 AM	00:00:29	\$99.93	Purchase
	MD	05/04/2013	09:45:08 AM	00:00:29	\$59.97	Purchase
	MD	05/08/2013	12:04:04 PM	00:00:29	\$102.00	Purchase
	MD	05/08/2013	12:04:33 PM	00:00:29	\$98.00	Purchase
MD	05/10/2013	11:04:41 AM	00:00:29	\$103.00	Purchase	
MD	05/10/2013	11:05:10 AM	00:00:29	\$97.00	Purchase	
MD	05/11/2013	09:37:47 AM	00:00:29	\$107.00	Purchase	
MD	05/11/2013	09:38:16 AM	00:00:29	\$93.00	Purchase	

23. A review of transactions conducted at NEW YORK DELI from March 1, 2013 to May 31, 2013 disclosed these patterns of transaction activity continue to make up a substantial portion of the transactions conducted at the store. Based on my training and experience and the collective experience of other agents of the USDA, I know that a high volume of such transactions is indicative of SNAP benefits trafficking.

**C. Investigative Operations at New York Deli**

24. On May 15, 2012, a Cooperating Witness (CW) working under the direction of Special Agent Stan Wojtkonski of USDA OIG exchanged SNAP benefits for cash with NEW YORK DELI owner NAGI. While equipped with a recording device, the CW entered NEW YORK DELI and approached NAGI at the store register. The CW displayed a SNAP EBT card and asked NAGI if he would buy \$200 in stamps (SNAP benefits are still commonly called food stamps). NAGI replied affirmatively and subsequently purchased \$199.90 in SNAP benefits from the CW in exchange for \$100.00 in cash which NAGI took out of the cash register. NAGI asked the CW to swipe his/her card twice and enter the PIN twice. After the transaction, the CW exited the store, met the surveillance team and relinquished the evidence to investigating agents. The CW positively identified NAGI from a driver's license photo. This meeting was recorded and contemporaneously monitored by USDA-OIG Special Agent Wojtkonski as well as assisting agents from the FBI and CBP.
25. On June 14, 2012, following the same procedure, the CW entered NEW YORK DELI. The CW, while carrying a recording device, approached an unknown female employee who was behind the counter. The CW told the employee that he/she had \$209.00 in stamps he/she was trying to get rid of. The female employee agreed to buy the benefits, and told the CW that she would have to swipe his/her card twice. She took the CW's investigative EBT card and did so while the CW entered the PIN on the keypad twice. The employee retrieved \$104.00 in cash from under the counter, not the cash register, and gave it to the CW along with .50 cents she retrieved from the register. After the transaction, the CW exited the store, met the surveillance team and relinquished the evidence to investigating agents. This meeting was recorded and contemporaneously monitored by USDA-OIG Special Agents and the FBI.
26. On January 7, 2013, following the same procedure, an undercover USDA OIG Special Agent (herein referred to as "UC") entered NEW YORK DELI with the same CW as noted above.

The UC, while carrying a recording device, approached store owner NAGI at the store register with the CW. The CW told NAGI that he/she had \$200.00 in stamps and wanted to get rid of them for \$100.00. NAGI took the investigative EBT card from the CW and swiped the card twice. The CW entered the PIN into the keypad twice. NAGI took \$100.00 in cash out of the register and gave it to the CW. The UC then put his/her investigative EBT card into the bank-style door in the ballistic glass and told NAGI to take \$200.00 off of it. NAGI swiped the card and then passed the PIN pad through the slot so the UC could enter the PIN. The UC then observed what he/she believed to be packaged synthetics (similar in method and result to marijuana) under the name "Scooby Snax" taped to the ballistic window of the counter. The UC asked the NAGI what the package was, and NAGI put his fingers to his lips and mimicked a smoking motion. The UC asked how much the product was, and NAGI said \$10.00. The UC asked if he/she could use his/her EBT card to purchase the Scooby Snax. NAGI said the UC could, but the price would then be \$20.00. The UC agreed to use \$20.00 of EBT benefits from the investigative card to purchase the Scooby Snax. NAGI swiped the UC's card again and took \$100.00 in cash out of the register drawer and placed it through the drawer in the ballistic glass along with a package of the Scooby Snax. After the transaction, the UC and CW exited the store, met the surveillance team and relinquished the evidence to investigating agents. This meeting was recorded and contemporaneously monitored by USDA-OIG Special Agents and members of the FBI and IRS CI.

27. On February 11, 2013, following the same procedure, a Confidential Human Source (CHS) under the direction of the FBI, accompanied by the same CW mentioned above, carried a recording device and investigative EBT card into NEW YORK DELI. NAGI was behind the counter. The CW approached the counter, pointed to the CHS, and told NAGI that NAGI knew what the CHS wanted to do. The CHS presented his/her investigative EBT card and told NAGI that it had \$209.00 on it. The CHS told NAGI that he/she wanted to take all of it off and get half back in cash. NAGI asked the CHS how many transactions the CHS wanted to do to remove all the funds off the card. The CHS told NAGI to do two transactions. NAGI swiped the card twice, and the CHS entered the PIN twice. NAGI reached below the counter and retrieved \$104.40 in cash which he passed to the CHS. They then exited the store and turned the evidence over to agents. This meeting was recorded and contemporaneously monitored by USDA-OIG Special Agents and members of the FBI and IRS CI.

28. On March 11, 2013, following the same procedure, the same CHS mentioned above carried a recording device and investigative EBT card into NEW YORK DELI. NAGI was in the store and there was another person present in the store that the CHS thought may be a vendor. When NAGI observed the CHS, NAGI put his fingers to his lips and motioned for the CHS to remain quiet while this other person was in the store. The CHS then waited for the other person to leave. After he left, the CHS approached NAGI at the counter and told NAGI that he/she had stamps to sell. NAGI asked how much and the CHS said \$600. NAGI said that was too much. NAGI told the CHS he could do \$400.00 right now and the CHS could come back later and sell him the other \$200.00. The CHS handed NAGI the investigative EBT card. NAGI swiped the card 4 times and asked the CHS to enter the PIN 4 times. NAGI then retrieved \$200.00 in cash from behind the counter and gave it along with one receipt to the CHS. This meeting was recorded and contemporaneously monitored by USDA-OIG Special Agents as well as agents of the FBI and IRS CI. The evidence was turned over to agents.
29. During the aforementioned transactions, NAGI and his unidentified employee collectively conducted 5 fraudulent SNAP EBT transactions during which they purchased approximately \$1,437.00 in investigative SNAP benefits.

**V. THE ADJOINED RESIDENCE AT 1207 WEST BALTIMORE STREET, BALTIMORE MARYLAND**

30. A query of the Maryland Department of Assessments and Taxation database revealed that 1207 W. Baltimore St, Baltimore, MD 21223 is currently owned by "MOHAMED NAGIE".
31. The building is a three story building and NEW YORK DELI occupies only the first floor.
32. On July 11<sup>th</sup>, 2013, surveillance was conducted at NEW YORK by agents of the FBI.
- a. At 5:45 am they observed the roll down door covering the front entrance of NEW YORK closed. They also observed a bronze Ford SUV, MD tag [REDACTED], parked on the street in front of the store. This vehicle is registered to "ABDO MOHAMED ABDU NAGI".

- b. At approximately 8:35 am the roll down door securing NEW YORK was raised up. Agents did not observe anyone from the outside raising the door. This leads the affiant to believe the door was opened from inside the store.
  - c. At approximately 8:39 am, agents observed NAGI exit the front door of NEW YORK and put money in the parking meter where his Ford SUV was parked.
33. On August 23, 2013 this affiant, along with Special Agent Stanley Wojtkonski of USDA-OIG, entered NEW YORK Deli located at 1207 W. Baltimore St, Baltimore MD 21223. At this time NAGI was working at the store alone. I identified myself and asked NAGI a series of pretext questions about a fictitious robbery in the area. NAGI responded that his store was open 8 a.m. until 9:30 p.m. He also stated that he lived above the store with his wife and child and they were the only people that lived in the building. There is only one exterior entrance to the building and that is through the front door of the store. Access to the above floors is gained through an interior door located at the rear of the store. There were no desks, filing cabinets or other office furniture visible in the store within which could be stored business records.

## **VI. PROPERTY SUBJECT TO FORFEITURE**

34. I know that criminal forfeiture is governed by the procedures in 21 U.S.C. § 853.
35. In the case of criminal forfeiture, I also know that the Government is entitled to seize and forfeit substitute property if the property involved in the drug distribution offense is no longer available. *See* 21 U.S.C. § 853(p); *United States v. Billman*, 915 F.2d 916, 920 (4th Cir. 1990).
36. Based on my training and experience, I know that property subject to forfeiture may be seized pursuant to a warrant based on probable cause. *See* 18 U.S.C. § 981(b); 21 U.S.C. § 853(f). I am further advised that "probable cause" means simply a reasonable ground for belief that goes beyond mere suspicion but need not amount to prima facie proof. 820 F. Supp. at 251-52. This standard requires courts to make a practical, common sense decision whether, given all the circumstances, a fair probability exists that the property to be forfeited

was involved in or was the subject of a transaction violating 5324. *Id.* See also *United States v. Thomas*, 913 F.2d 1111, 1114 (4<sup>th</sup> Cir. 1990).

37. Accordingly, to seize the property from the referenced bank accounts in this case for criminal forfeiture, the Government must show that there is probable cause to believe that the violations occurred, and that the funds in the accounts are equal to or less than the funds involved in the violations so that the funds presently in the accounts may be forfeited as substitute assets.
38. With respect to the tracing requirement, I am advised that for the purpose of establishing probable cause, the Government is not required to strictly trace the funds in the accounts at the time of seizure to the offense giving rise to the forfeiture. Rather, given the volatility in bank accounts, it is sufficient to show that a given sum of forfeitable money was deposited into an account and that the amount to be seized does not exceed that sum. See *United States v. Dupree*, 781 F. Supp. 2d 115, 135 (E.D.N.Y. 2011) (there is probable cause for the seizure of funds in a bank account if there is a showing that the value of the criminal proceeds deposited into the account exceeds the current balance in the account or the amount the Government is seeking to seize; the probable cause affidavit does not have to negate the possibility that legitimate funds have replaced the criminal proceeds; that is an issue for trial).
39. I am further advised that pursuant to 18 U.S.C. § 984, currency in a bank account is considered fungible for one year from the date of the offense. Accordingly, even if the Government were required to establish strict tracing of forfeitable funds to a bank account to satisfy the probable cause requirement for civil forfeiture, any volatility in the bank account since August 16, 2012 may be disregarded. See *United States v. \$79,650 Seized from ...Afework*, 2009 WL 331294, \*3 (E.D. Va. Feb. 9, 2009) (§ 984 "loosens the burden on the Government to 'trace' forfeitable property" if the property is fungible property found in the same place or account as the directly forfeitable property, and the action is commenced within one year)).
40. Moreover, to the extent that any or all of the funds directly traceable to the property involved in the offenses have become unavailable, the Government is entitled to criminally forfeit substitute assets up to the value of the missing property. Accordingly, even if the funds

presently in the referenced accounts were not traceable to the offenses, they would be subject to seizure and forfeiture as substitute assets in a criminal forfeiture case pursuant to 21 U.S.C. § 853(p) *see also United States v. Billman*, 915 F.2d 916, 920 (4th Cir. 1990).

41. A federal grand jury subpoena was used to obtain NEW YORK DELI's Retailer Agreement banking information from Xerox (formerly ACS). ACS was the third party processor contracted by the state of MD to deliver EBT funds to redeeming stores. The Retailer Agreement is the contract (in the case signed directly with ACS) that dictates what bank account a store would like to have ACS deposit their EBT redemptions into. The subpoena revealed that NEW YORK DELI had designated account number [REDACTED]. This account is with M&T Bank.
42. A review of bank records disclosed that account [REDACTED] was opened on December 15, 2010 in the name of New York Deli and Grocery Inc. The authorized signator on the account is Abdo M Nagi.
43. From February 2011 thru June 2013, M&T Bank account number [REDACTED] has received approximately \$1,309,568.99 in SNAP EBT reimbursements from the Federal Reserve Bank via electronic funds transfer, which were issued under the authority of FNS pursuant to the Food and Nutrition Act. These reimbursements have consistently been deposited in said account.
44. The balance of M&T Bank account number [REDACTED] as of September 9, 2013 is \$3,790.50.
45. Based on fraud analysis detailed above, there is probable cause to believe that from February 2011 through the end of July 2013, after tripling the CS average to \$27.66, and excepting all purchases during that time frame that fall below \$27.66, the amount of suspected fraudulent transactions at NEW YORK DELI AND GROCERY would be \$1,244,924.24. Therefore, there is probable cause to believe that the funds up to and including \$1,244,924.24 held in M&T Bank account number [REDACTED] are the fruits of crimes, including: fraud associated with the Supplemental Nutrition Assistance Program in violation of Title 7, United States Code, Section 2024; wire fraud in violation of Title 18, United States Code, Section 1343; access device fraud in violation of Title 18, United States Code, Section 1029; and Money Laundering in violation of Title 18, United States Code, Section 1956.

46. Based on the information contained in this affidavit, I respectfully request issuance of a seizure warrant for funds held in M&T Bank account number [REDACTED] in the name of New York Deli and Grocery Inc. Further, based upon the my training and experience, in the event that this Court grants this application for seizure warrant, I believe there is a likelihood that the account will continue to receive ACH credits of funds representing proceeds of the above described fraud for a period of time after such warrants are initially executed. It is probable that those involved in the above-described conduct will be unable to promptly stop the flow of funds. As such, I request that any warrant issued by this court order the receiving bank to allow funds to be credited to the account but to disallow any of such funds to be debited out of the accounts for any reason for a period of 14 days from the issuance of such warrants. I ask that FBI be allowed to periodically remove such funds after initial execution of any seizure warrant during that 14 day period.

## **VII. COMPUTER DATA**

47. Based on my training and experience and information provided to me by agents and others, I know that convenience stores commonly use computers to perform business calculations, compile and store inventory records, purchase inventory, issue payroll checks, and maintain employee records. Authority is requested to search any computer hardware or computer-related equipment capable of creating and/or storing information in electronic or magnetic form. Computer-related equipment includes, but is not limited to, central processing units, and/or peripheral equipment used to facilitate the creation, transmission, encoding or storage of information. I seek the authority to search for any or all information and/or data stored in the form of magnetic or electronic encoding on computer media, or on media capable of being read by a computer, or with the aid of computer-related equipment. This media includes, but is not limited to, floppy disks, fixed hard disks, removable hard disk cartridges, tapes, laser disks, videocassettes, CD-ROMs, zip disks, smart cards, memory sticks, memory calculators, PDAs, USB flash drives and/or other media that is capable of storing magnetic coding.
48. Based on my training and experience and information provided to me by agents and others involved in the forensic examination of computers, I know that computer data can be stored

on a variety of systems and storage devices including hard disk drives, floppy disks, compact disks, magnetic tapes and memory chips. I also know that during a search of a premises it is not always possible to search computer equipment and storage devices for data for a number of reasons, including the following:

49. Searching computer systems is a highly technical process which requires specific expertise and specialized equipment. There are so many types of computer hardware and software in use today that it is impossible to bring to the search site all of the necessary technical manuals and specialized equipment necessary to conduct a thorough search. In addition, it may also be necessary to consult with computer personnel who have specific expertise in the type of computer, software application or operating system that is being searched.
50. Searching computer systems requires the use of precise, scientific procedures that are designed to maintain the integrity of the evidence and to recover "hidden", erased, compressed, encrypted or password-protected data. Computer hardware and storage devices may contain "booby traps" that destroy or alter data if certain procedures are not scrupulously followed. Since computer data is particularly vulnerable to inadvertent or unintentional modification or destruction, a controlled environment, such as a law enforcement laboratory, is essential to conduct a complete and accurate analysis of the equipment and storage devices from which the data will be extracted.
51. The volume of data stored on many computer systems and storage devices typically will be so large that it is highly impractical to search for data during the execution of the physical search of the premises. A single megabyte of storage space is the equivalent of 500 double-sided pages of text. A single gigabyte of storage space or 1,000 megabytes is the equivalent of 500,000 double-spaced pages of text. Storage devices capable of storing 160 gigabytes (GB) of data are now commonplace in desktop computers. Consequently, each non-networked, desktop computer found during a search can easily contain the equivalent of 80 million pages of data, which, if printed out, would completely fill a 35' x 35' x 10' room to the ceiling. Further, a 160 GB drive could contain as many as approximately 150 full run movies or 150,000 songs.
52. Computer users can attempt to conceal data within computer equipment and storage devices through a number of methods, including the use of innocuous or misleading filenames and

extensions. For example, files with the extension ".jpg" often are image files; however, a user can easily change the extension to ".txt" to conceal the image and make it appear that the file contains text. Computer users can also attempt to conceal data by using encryption, which means that a password or device, such as a "dongle" or "keycard", is necessary to decrypt the data into readable form. In addition, computer users can conceal data within another seemingly unrelated and innocuous file in a process called "steganography". For example, by using steganography a computer user can conceal text in an image file, which cannot be viewed when the image file is opened. Therefore, a substantial amount of time is necessary to extract and sort through data that is concealed or encrypted to determine whether it is evidence, contraband, or instrumentalities of a crime.

53. In searching for data capable of being read, stored or interpreted by a computer, law enforcement personnel executing this search warrant will employ the following procedure:
- a. The computer equipment and storage devices will be reviewed by appropriately trained personnel in order to extract and seize any data that falls within the list of items to be seized as set forth in Attachment B.
  - b. In searching the data, the computer personnel may examine all of the data contained in the computer equipment and storage devices to view their precise contents and determine whether the data falls within the items to be seized as set forth in Attachment B. In addition, the computer personnel may search for and attempt to recover "deleted", "hidden" or encrypted data to determine whether the data falls within the list of items to be seized as set forth in this attachment.
  - c. The agents executing this warrant will file a return with the Court within 10 days of the search. The return will describe the computer(s) and other digital storage media seized, and give an estimate of the time needed by trained forensic agents to complete a preliminary search of those items. If that preliminary search indicates that an item does not contain data within the scope of the warrant, the government will promptly make that item available for pickup by the owner.
54. Based on my training and experience, and the collective experience of other law enforcement officers, I know that product invoices, sales receipt confirmations, product delivery confirmations, vendor contact information, account numbers, vendor related correspondence,

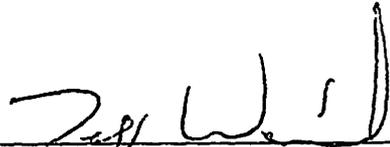
and other information that can be used to identify food purchases and sources are delivered and kept electronically in email form. The advent and proliferation of Personal Data Assistants (PDAs) and Smart Phones that can connect directly to the internet to receive and store email as well as access websites, such as vendor websites for ordering purposes, means that owners of stores can now keep much of their record keeping and vendor lists stored in their phones and on their persons at all times.

### **VIII. CONCLUSION**

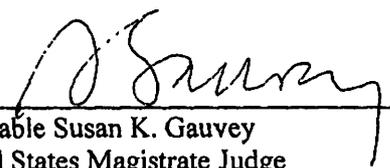
55. Based on my training and experience, and the collective experience of other law enforcement officers involved in this investigation, I know that convenience stores such as NEW YORK DELI must maintain records to facilitate operation of the business. Product invoices detailing the volume of wholesale food purchased by the store can be compared to the corresponding retail sales negotiated using SNAP benefits. Based on this comparison, it can be determined whether a particular store has adequate inventory to support the volume of food purportedly purchased with SNAP benefits.
56. Based on my training and experience, and the collective experience of other law enforcement officers involved in this investigation, principles (owners, officers, and managers) of businesses dealing in the illegal purchase of SNAP benefits commonly maintain evidence of assets purchased with the proceeds of such illegal enterprises, including but not limited to, books, records, receipts, notes, logs, ledgers, canceled checks, bank statements, telephone bills, electronically stored records, and other sources of information relating to the purchase, sale, transfer, or concealment of illegally obtained proceeds and assets.
57. As stated above, there is probable cause to believe that within the premises of NEW YORK DELI SERVICE AND CONVIENCE MARKET located at 1207 West Baltimore Street, Baltimore St, to include all computers and containers therein, will be evidence and instrumentalities of violations of Title 7, United States Code, Section 2024 and Title 18, United States Code, Section 1343, to include: SEE ATTACHMENT B1.

58. Based on the information contained in this affidavit, I respectfully request issuance of a search warrant for NEW YORK DELI SERVICE AND CONVIENCE MARKET located at 1207 West Baltimore St, Baltimore, MD 21223.
59. As stated above, there is probable cause to believe that within the residence located at 1207 West Baltimore Street, Baltimore St, to include all computers and containers therein, will be evidence and instrumentalities of violations of Title 7, United States Code, Section 2024 and Title 18, United States Code, Section 1343, to include: SEE ATTACHMENT B2.
60. Based on the information contained in this affidavit, I respectfully request issuance of a search warrant for the residence located at 1207 West Baltimore St, Baltimore, MD 21223.

I declare under penalty of perjury that the forgoing is true and correct to the best of my knowledge.

  
Special Agent Jeffrey Weiland  
Federal Bureau of Investigation

Sworn to before me, and subscribed in  
my presence, this 13 day of September, 2013.

  
Honorable Susan K. Gauvey  
United States Magistrate Judge

# UNITED STATES DISTRICT COURT

for the  
District of Maryland

In the Matter of the Search of )  
 (Briefly describe the property to be searched )  
 or identify the person by name and address) ) Case No. 13-1-00000  
 )  
 NEW YORK DELI & GROCERY )  
 1207 WEST BALTIMORE STREET )  
 BALTIMORE, MARYLAND 21223 )

## SEARCH AND SEIZURE WARRANT

To: Any authorized law enforcement officer

An application by a federal law enforcement officer or an attorney for the government requests the search of the following person or property located in the \_\_\_\_\_ District of Maryland  
(identify the person or describe the property to be searched and give its location):

See Attachment A1

The person or property to be searched, described above, is believed to conceal (identify the person or describe the property to be seized):

See Attachment B1

I find that the affidavit(s), or any recorded testimony, establish probable cause to search and seize the person or property.

**YOU ARE COMMANDED** to execute this warrant on or before September 27, 2013  
(not to exceed 14 days)

in the daytime 6:00 a.m. to 10 p.m.  at any time in the day or night as I find reasonable cause has been established.

Unless delayed notice is authorized below, you must give a copy of the warrant and a receipt for the property taken to the person from whom, or from whose premises, the property was taken, or leave the copy and receipt at the place where the property was taken.

The officer executing this warrant, or an officer present during the execution of the warrant, must prepare an inventory as required by law and promptly return this warrant and inventory to United States Magistrate Judge

Susan K. Gauvey *[Signature]*  
(name)

I find that immediate notification may have an adverse result listed in 18 U.S.C. § 2705 (except for delay of trial), and authorize the officer executing this warrant to delay notice to the person who, or whose property, will be searched or seized (check the appropriate box)  for \_\_\_\_\_ days (not to exceed 30)  until, the facts justifying, the later specific date of \_\_\_\_\_.

Date and time issued: 9/13/13 at 4:48 PM *[Signature]*  
Judge's signature

City and state: Baltimore, Maryland Honorable Susan K. Gauvey, U.S. Magistrate Judge  
Printed name and title

ATTACHMENT A1 – LOCATION TO BE SEARCHED

NEW YORK DELI AND GROCERY  
1207 West Baltimore St, Baltimore, MD 21223



The premise of NEW YORK DELI AND GROCERY AND ADJOINED RESIDENCE is a three story, brick building, located on the south side of the intersection of West Baltimore St and North Carrollton Ave. The building's upper two stories are painted beige or flesh tone, and the 1<sup>st</sup> floor is a store front with a recessed door in the center and a plate glass window on each side. There is a large sign above the store front that runs the width of the building. This sign reads "NEW YORK DELI GROCERY". The numbers "1207" are above the front door to the store. The store's entrance faces north onto West Baltimore Street.

**ATTACHMENT B – ITEMS TO BE SEIZED**

NEW YORK DELI AND GROCERY  
1207 West Baltimore Street, Baltimore, MD 21223.

1. Records pertinent to the operation of the business NEW YORK DELI AND GROCERY.
2. Point of sale devices and receipts generated by point of sale devices.
3. Any and all negotiable instruments including SNAP EBT cards, food stamp coupons, United States currency, foreign currency, money orders and cashier's checks.
4. Telephone and address books.
5. Records pertaining to assets held by ABDO MOHAMED NAGI (NAGI) and NEW YORK DELI AND GROCERY.
6. Records pertaining to the exchange of cash for SNAP benefits, including ledgers and lists of names.
7. Records of bank transactions, including but not limited to bank statements, check stubs or registers, canceled checks, deposit tickets, debit memos, credit memos, wire transfer documents, records of savings accounts including passbooks and statements.
8. All records and documents identifying the location of safety deposit boxes or other possible depositories for cash and other liquid assets which are identified in any way with NEW YORK DELI AND GROCERY, its owners, officers, shareholders, agents, and employees, and any keys or other access devices associated with such depositories.
9. All tax returns together with all associated schedules, work papers, and supporting documentation.
10. Evidence of cash payments and evidence of transfer of assets.
11. Any store security video or other recordings.
12. All computer equipment and stored electronic data related to the operation of NEW YORK DELI AND GROCERY to include:
  - a. Any computer equipment and storage device capable of being used to commit, further or store evidence of the offenses listed in this affidavit;
  - b. Any computer equipment used to facilitate the transmission, creation, display, encoding or storage of data, including word processing equipment, modems, docking stations, monitors, printers, plotters, encryption devices, and optical scanners;

- c. Any magnetic, electronic, or optical storage device capable of storing data, such as floppy disks, hard disks, tapes, CD-ROMs, CD-Rs, CD-RWs, DVDs, optical disks, printer or memory buffers, smart cards, PC cards, memory calculators, electronic dialers, electronic notebooks, and personal digital assistants;
- d. Any documentation, operating logs and reference manuals regarding the operation of the computer equipment, storage devices or software;
- e. Any applications, utility programs, compilers, interpreters, and other software used to facilitate direct or indirect communication with the computer hardware, storage devices or data to be searched;
- f. Any physical keys, encryption devices, dongles and similar physical items that are necessary to gain access to the computer equipment, storage devices or data; and
- g. Any passwords, password files, test keys, encryption codes or other information necessary to access the computer equipment, storage devices or data.
- h. The search procedure of the electronic data contained in computer operating software or memory devices shall include the following techniques which shall be used to minimize the risk that those conducting the search will view information not within the scope of the warrant:
  - (1) surveying various file “directories” and the individual files they contain (analogous to looking at the outside of a file cabinet for markings it contains and opening a drawer believed to contain pertinent files);
  - (2) “opening” or cursorily reading the first few “pages” of such files in order to determine their precise contents;
  - (3) “scanning” storage areas to discover and possible recover recently deleted files;
  - (4) “scanning” storage areas for deliberately hidden files; or
  - (5) performing key word or other search and retrieval searches through all electronic storage areas to determine whether occurrences of language contained in such storage areas exist that are intimately related to the subject matter of the investigation.

- i. If after performing these procedures, the directories, files or storage areas do not reveal evidence of mail or wire fraud or other criminal activity, the further search of that particular directory, file or storage area, shall cease.

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# UNITED STATES DISTRICT COURT

for the  
District of Maryland

In the Matter of the Search of  
*(Briefly describe the property to be searched  
or identify the person by name and address)*

NEW YORK DELI & GROCERY  
1207 WEST BALTIMORE STREET  
BALTIMORE, MARYLAND 21223

Case No. 13-2218

## APPLICATION FOR A SEARCH WARRANT

I, a federal law enforcement officer or an attorney for the government, request a search warrant and state under penalty of perjury that I have reason to believe that on the following person or property *(identify the person or describe the property to be searched and give its location)*

See Attachment A1

located in the \_\_\_\_\_ District of \_\_\_\_\_ Maryland \_\_\_\_\_, there is now concealed *(identify the person or describe the property to be seized)*:

See Attachment B1

The basis for the search under Fed. R. Crim. P. 41(c) is *(check one or more)*:

- evidence of a crime;
- contraband, fruits of crime, or other items illegally possessed;
- property designed for use, intended for use, or used in committing a crime;
- a person to be arrested or a person who is unlawfully restrained.

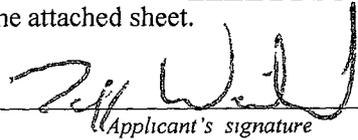
The search is related to a violation of:

<i>Code Section</i>		<i>Offense Description</i>
7 U.S.C. Sec. 2024	food stamp fraud	
18 U.S.C. Sec. 1343	wire fraud	

The application is based on these facts:

See attached affidavit

- Continued on the attached sheet.
- Delayed notice of \_\_\_\_\_ days (give exact ending date if more than 30 days: \_\_\_\_\_) is requested under 18 U.S.C. § 3103a, the basis of which is set forth on the attached sheet.



*Applicant's signature*

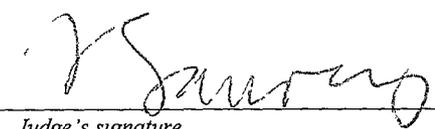
Special Agent Jeffrey Weiland

*Printed name and title*

Sworn to before me and signed in my presence.

Date:

9/13/13



*Judge's signature*

City and state: Baltimore, Maryland

Honorable Susan K. Gauvey, U.S. Magistrate Judge

*Printed name and title*

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MARYLAND**

**IN THE MATTER OF THE SEARCH OF** )  
 )  
SIMBO FOOD SMART )  
2103 West Pratt Street )  
Baltimore, MD 21223-2244 )  
 )  
And )  
 )  
6607 Dogwood Rd )  
Gwynn Oak, MD 21207 )  
 )  
**IN THE MATTER OF THE SEIZURE OF** )  
 )  
Bank of America account number [REDACTED] )  
held in the name of "DBA Simbo Food Services, )  
Amara Cisse Sole Prop., Expense Acct" )  
 )  
Bank of America account number [REDACTED] )  
held in the name of Amara Cisse )

**UNDER SEAL**

**Criminal No.** \_\_\_\_\_

**AFFIDAVIT IN SUPPORT OF APPLICATION FOR SEARCH AND SEIZURE  
WARRANTS**

I, Jeffrey Weiland, being duly sworn depose and state the following:

**I. INTRODUCTION**

1. I am a Special Agent with the Federal Bureau of Investigation (FBI) and have been so employed since March 2008. I am currently assigned to the Public Corruption squad in the Baltimore Division of the FBI. The Public Corruption Squad investigates crimes involving fraud against the government. As a Special Agent, I have investigated crimes including arson, forced labor trafficking, distribution of controlled substances, money laundering, possession of stolen goods in interstate commerce and racketeering.
2. This affidavit is based on my personal knowledge, as well as information obtained from documents, electronic databases, witnesses and other law enforcement officers involved in this investigation. The information contained in this affidavit is provided for the purpose of

establishing probable cause for a search warrant and does not contain all the details of the case as they are known to me.

## **II. PURPOSE OF THE AFFIDAVIT**

3. This affidavit is submitted in support of the Government's application for issuance of a warrant to search the premises of SIMBO FOOD SMART also known as SIMBO FOOD MART (herein SIMBO), 2103 West Pratt St, Baltimore, MD 21223-2244 more specifically described in Attachment A1.
4. I know from personal observations that the building housing SIMBO FOOD SMART is a multi-story, mixed use building, with SIMBO FOOD SMART taking up the first floor and what appears to be residences on the upper floors. SIMBO is located on the south side of West Pratt St near the intersection of West Pratt and South Pulaski Streets. The building's upper two stories are a dark brick color, and the 1<sup>st</sup> floor is a store front with a recessed door on the right side and a plate glass window on the left side. There is a large sign above the store front that runs the width of the building. This sign reads "SIMBO FOOD MART". The store's entrance faces north onto West Pratt Street.
5. This affidavit is also submitted in support of the Government's application for issuance of a warrant to search the residence located at 6607 Dogwood Rd, Gwynn Oak, MD 21207 more specifically described in Attachment A2.
6. I know from personal observations that the residence of 6607 Dogwood Rd is a two story, split level, single family style home at the intersection of Dogwood Rd and Woodlawn Ave. The home is covered in white siding and its windows have black shutters. The front door is located on a porch on the first floor and has one concrete step leading to it. The numbers "6607" are located on the porch post and are visible from the street. The driveway of the residence is located on the Dogwood Rd side of the corner.
7. Based on the facts listed herein, there is probable cause to believe the owner of SIMBO and his wife committed and conspired to commit criminal violations of the United States Code. There exists probable cause to believe that within the premises of SIMBO and 6607 Dogwood Rd, to include all computers and locked containers therein, there is evidence of the commission of a crime, contraband, the fruits of a crime or things otherwise criminally

possessed and instrumentalities of the crimes described below, including: fraud associated with the Supplemental Nutrition Assistance Program in violation of Title 7, United States Code, Section 2024 and wire fraud in violation of Title 18, United States Code, Section 1343.

### **III. THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM**

8. The Supplemental Nutrition Assistance Program (SNAP), formerly known as the Food Stamp Program, is a federally funded, national program established by the United States Government to alleviate hunger and malnutrition among lower income families. The United States Department of Agriculture (USDA) administers the SNAP through its agency, the Food and Nutrition Service (FNS). FNS is responsible for the authorization and disqualification of retail food establishments participating in the redemption of SNAP benefits. Social service agencies from each state share responsibility with FNS for administration of the program through authorization and revocation of individual SNAP benefit customers.
9. In Maryland, the program is administered by the MD Department of Human Resources (DHR) and is known as the Food Supplement Program (FSP). In 1993, Maryland changed the issuance method of SNAP benefits from a traditional paper coupon system to an Electronic Benefits Transfer (EBT) system. DHR awarded Xerox (formerly ACS) the current network management contract for its FSP EBT system. The system is similar to those employed by financial institutions and credit card companies. FSP customers are issued plastic EBT cards which contain an embedded magnetic stripe that stores basic information required for food purchases. Retailers approved by FNS to accept SNAP are assigned an FNS authorization number and in some cases, are provided with a point of sale (POS) device to access the electronic funds allocated to a customer's EBT card (larger retailers use their own POS devices). POS devices communicate with the Maryland EBT central database to debit a customer's available SNAP benefit balance for the cash value of eligible food items purchased.
10. When an EBT card is swiped through a retailer's POS terminal, the store employee or customer, (depending on the type of POS device) must actively select SNAP/food stamp

purchase as the transaction type from the POS terminal menu. The employee must then enter the total dollar amount of the transaction to be conducted. The transaction request is completed when the cardholder enters their unique personal identification number (PIN). This causes an electronic transmission of information through a series of network switches to the central Maryland EBT database located in Texas, which maintains customer account balance information. The EBT Contractor verifies the retailer is authorized to conduct SNAP EBT transactions. The Maryland EBT system verifies the amount of benefits available, authorizes the transaction and deducts the purchase amount from the customer's available balance. The system also calculates cumulative FSP sales for each retailer and authorizes electronic payments to the retailer's bank account.

11. Once the transaction is approved, information flows back to the POS terminal and the store employee receives confirmation that the cardholder's account has been successfully debited. Unlike the procedure with the original paper food stamp coupons, FSP EBT transactions are made for the exact amount of the sale and no change is given to the cardholder. SNAP reimbursements are paid to authorized retailers through a series of electronic funds transfers. On a daily basis, Xerox, located in Austin, Texas, reconciles accounts for participating MD SNAP retailers by drawing on funds available through an open letter of credit with the American Management Agent (AMA).
12. Pursuant to the Food and Nutrition Act and regulations promulgated by the Secretary of Agriculture, SNAP authorized retailers may only accept SNAP benefits in exchange for eligible food items. SNAP benefits may not, in any case, be exchanged for cash (a practice commonly referred to as trafficking) or other forbidden items such as alcohol, paper products, tobacco products, lottery tickets, or fuel.
13. In accordance with Title 7 United States Code section 2024 and Maryland Code Section 8-503, SNAP benefits may be transacted only by members of the household to which they were issued. Any individual who is not a member of a given household may not use, obtain, or purchase that household's SNAP benefits.

**III. SIMBO FOOD SMART -- 2103 West Pratt Street Baltimore, MD 21223-2244**

**A. Participation in the SNAP Program**

14. A review of the FNS Form 252 on file for SIMBO disclosed that AMARE CISSE (CISSE) completed the form on or about May 11, 2010. According to computer application data, the street address listed was 2013 West Pratt Street, Baltimore, MD 21223-2244. The form states that SIMBO FOOD SMART is owned by Limited Liability Corporation SIMBO SMART FOOD (SMART FOOD). CISSE, who filled out the FNS application, listed himself as a corporate officer of SMART FOOD. The firm was authorized as a SNAP retailer on June 4, 2010. Though CISSE listed SIMBO SMART FOOD, LLC as the owner on the electronic application, CISSE had to manually sign a "Certification and Signature" page and submit it for the FNS file. On this page CISSE signs the document and lists his title as "Owner" of SIMBO.
15. A check of the MD Secretary of State website lists SIMBO SMART FOOD, LLC to hold Department ID # W13516489. The LLC is listed as in "Good Standing". The corporate license has CISSE listed as the Resident Agent, and the LLC's address is listed as 2103 Pratt St, Baltimore, MD 21223-2244.
16. A review of SNAP transactions at SIMBO, as recorded and monitored by FNS, disclosed patterns of suspicious SNAP transaction activity. The total monthly SNAP transactions conducted by SIMBO were much greater than those of similar sized stores located in the same area. In addition, a substantial number of those transactions were of an unusually high amount and/or conducted in rapid and repeated fashion. These patterns are consistent with illegal trafficking of SNAP benefits.
17. According to official records on file with FNS, as well as my direct observations, SIMBO is a very small convenience store which stocks a limited inventory of food and beverage products. Many of the purchasable items are kept behind the counter with the owner/employee behind a barrier of ballistic glass. Items purchased and payments have to be passed back and forth through the barrier using a small bank teller-type slot. This method, while safe, is not conducive or realistic for purchasing multiple items.

**B. SNAP EBT Redemptions at Simbo**

18. During the 31 month period from November 1, 2010 thru the end of May, 2013, SIMBO redeemed a total of \$673,002.78 in SNAP benefits. This averaged over \$24,000 a month over the life of the SNAP license.
19. A review of FNS records disclosed SIMBO is classified as a convenience store (CS). FNS uses a classification system to aid in analyzing transaction activity and volume by SNAP authorized retailers. Retailers are assigned a classification based on store size, layout, inventory and reported annual sales volume. An analysis of SIMBO's monthly transaction volume for the period of January 1, 2013 thru the end of May 2013 as compared to the four closest stores also classified as convenience stores by FNS disclosed that SIMBO's redemptions far exceeded those of the peer group. The analysis included CS-class stores similar in size to SIMBO, located within a 0.26 mile radius, which had no incidence of adverse criminal or administrative action during the review period and are not currently under investigation by OIG or FNS. SIMBO's total redemptions during that period were \$109,201.10. The 4 sample stores together averaged \$21,177.21 in sales during that same period. In addition, the average individual SNAP purchase at SIMBO was \$52.05 during this time frame. The average individual SNAP purchase at the other 4 stores in the sample is \$5.65. An excerpt of this analysis for the preceding 5 months is presented below.

**Table 1: Total amount of SNAP benefits redeemed and average purchase amount for January 2013 to May 2013**

FNS Num	Store Name	Store Ty	State	Total Xtn Dollar Volume	Total number of trans	Average amount per trans
0251956	Simbo Food Smart	CS	MD	\$109,201.10	2,098	\$52.05
6331823	METRO GROCERY & DEI	CS	MD	\$11,194.06	1,804	\$6.21
0639745	JIMS FOOD MARKET	CS	MD	\$13,371.04	2,592	\$5.16
2601826	FOOD STOP MINI MART	CS	MD	\$10,340.25	1,830	\$5.65
0736228	BUSY BEE CONVENIENC	CS	MD	\$49,803.47	8,958	\$5.56

20. SIMBO consistently exceeded the statewide and monthly average redemptions for convenience stores doing business during the same period. SIMBO monthly SNAP redemptions exceeded the state average by more than \$86,000.00 from November 1, 2010

thru May 31, 2013. Excerpts of these analyses for the preceding 31 months are presented below:

**Table 2: Total amount of SNAP benefits redeemed from 2/1/11 to 5/31/13 and average purchase amount**

FNS #	Store Name	Store Type	State	Total Xtn	Dollar Vol	Total # Purchases	Average Sale
0251956	Simbo Food Smart	CS	MD		\$673,002.78	14,510	\$46.38
	Avg of all MD stores	CS	MD		\$99,277.99	10,762	\$9.23

21. A review of FNS records disclosed that the average purchase amount for a convenience store in Maryland from January of 2013 thru May of 2013 was \$9.63. The average purchase amount for SIMBO during the same period was \$52.05, an amount that is more than 5 times greater. SIMBO's \$52.05 purchase average is greater than the average for Supermarket (SM) class stores in the state of Maryland. Furthermore, Food Depot, a Super Store (SS) class supermarket in Baltimore, MD, is located at 2495 Frederick Ave, Baltimore, MD, just 0.33 miles away from SIMBO. During the months of January 2013 through May 2013, Food Depot's average SNAP sale was \$61.09. During the same time frame SIMBO averaged \$52.05 per SNAP sale.

22. Undercover operations at SIMBO revealed that the store does not use laser barcode scanners to aid in the checkout process. There is only one cash register with a small counter. The register and counter are behind ballistic glass. All purchases, cash, credit cards, and EBT cards must be passed through a small banker-style window in the glass. There are no carts or hand baskets available for customers to carry large purchases while inside the store. The store also contains an abundance of non-eligible items, to include tobacco products.

A review of individual SNAP EBT transactions conducted at SIMBO shows that the store regularly conducts a high volume of transactions that match known patterns of illegal SNAP benefits trafficking activity. For example, during the month of May 2013, SIMBO conducted 535 transactions for SNAP benefits. Of these transactions, 278 of them, or over half, exceeded the average single purchase amount of a Convenience Store in the state of Maryland by 300 percent or more; 94 of those 278 transactions exceeded the MD state single purchase average by 1000 percent. A sample of these transactions are detailed below:

**Table 3: Transactions in May 2013 that exceeded the MD State purchase average (\$9.29) by 300 percent or more**

	MD	05/17/2013	05:18:31 PM	\$404.00
	MD	05/20/2013	01:24:27 PM	\$301.49
	MD	05/07/2013	04:37:15 PM	\$283.00
	MD	05/07/2013	06:47:06 PM	\$241.43
	MD	05/18/2013	01:43:48 PM	\$214.37
	MD	05/12/2013	10:58:29 AM	\$209.34
	MD	05/09/2013	12:31:56 PM	\$201.50
	MD	05/29/2013	03:10:13 PM	\$201.00
	MD	05/06/2013	11:34:44 AM	\$200.00
	MD	05/09/2013	02:14:36 PM	\$200.00
	MD	05/09/2013	04:12:45 PM	\$199.87
	MD	05/12/2013	05:33:57 PM	\$199.86
	MD	05/08/2013	12:07:17 PM	\$190.00
	MD	05/06/2013	10:55:44 AM	\$189.00
	MD	05/06/2013	10:38:37 AM	\$185.00
	MD	05/15/2013	10:38:52 AM	\$180.00
	MD	05/15/2013	11:07:18 AM	\$180.00
	MD	05/15/2013	02:45:08 PM	\$168.43
	MD	05/15/2013	02:18:16 PM	\$165.83
	MD	05/13/2013	11:34:19 AM	\$160.75
	MD	05/10/2013	11:02:02 AM	\$160.25
	MD	05/12/2013	12:58:06 PM	\$160.00
	MD	05/15/2013	04:35:23 PM	\$150.65
	MD	05/18/2013	01:57:29 PM	\$150.50
	MD	05/07/2013	03:20:16 PM	\$150.00
	MD	05/08/2013	10:45:34 AM	\$150.00
	MD	05/11/2013	04:15:43 PM	\$150.00
	MD	05/13/2013	12:09:17 PM	\$150.00
	MD	05/23/2013	01:17:35 PM	\$140.50
	MD	05/23/2013	03:35:50 PM	\$135.00
	MD	05/09/2013	12:27:15 PM	\$132.00
	MD	05/08/2013	11:39:08 AM	\$130.00
	MD	05/09/2013	04:14:55 PM	\$130.00
	MD	05/10/2013	12:07:01 PM	\$130.00
	MD	05/21/2013	01:02:51 PM	\$130.00
	MD	05/17/2013	04:46:38 PM	\$123.58
	MD	05/14/2013	10:44:25 AM	\$123.00
	MD	05/07/2013	01:33:14 PM	\$119.95
	MD	05/11/2013	08:37:28 AM	\$119.95
	MD	05/11/2013	08:38:52 AM	\$119.95
	MD	05/11/2013	11:12:49 AM	\$119.95

23. During May of 2013, SIMBO conducted 535 SNAP transactions in total. Of those 535 transactions, 65 of them follow a pattern indicative of structuring SNAP transactions to avoid trafficking detection. These 65 transactions were conducted by 26 cardholders (households). Each of the 26 cards was used twice within 24 hours at SIMBO to make large purchases. The two purchases made by each card often occurred within a few minutes of each other. Each transaction is for an amount much larger than the MD state average single purchase price. My experience has shown me that when store owners purchase large amounts of EBT benefits they divide the purchase into smaller transactions so that large suspicious sales do not show up on government computer systems. A sample of these structured transactions are displayed below:

**Table 4: High-dollar value swipes within 1 minute of one another**

Household	Card #	State	Date	Time	Elapsed Time	Amount
		MD	05/06/2013	01:52:30 PM	00:01:01	\$27.60
		MD	05/06/2013	01:53:31 PM	00:01:01	\$99.68
		MD	05/13/2013	02:03:51 PM	00:01:08	\$75.00
		MD	05/13/2013	02:04:59 PM	00:01:08	\$80.00
		MD	05/03/2013	11:57:16 AM	00:01:12	\$50.00
		MD	05/03/2013	11:58:28 AM	00:01:12	\$50.00
		MD	05/16/2013	03:20:44 PM	00:02:01	\$25.00
		MD	05/16/2013	03:22:45 PM	00:02:01	\$108.00
		MD	05/10/2013	12:07:01 PM	00:02:52	\$130.00
		MD	05/10/2013	12:09:53 PM	00:02:52	\$40.00
		MD	05/16/2013	12:33:58 PM	00:03:04	\$88.47
		MD	05/16/2013	12:37:02 PM	00:03:04	\$50.00
		MD	05/08/2013	05:15:48 PM	00:35:06	\$100.00
		MD	05/08/2013	05:30:34 PM	00:35:06	\$37.10
		MD	05/08/2013	05:50:54 PM	00:35:06	\$27.59
		MD	05/07/2013	11:56:09 AM	00:51:03	\$100.00
		MD	05/07/2013	12:47:12 PM	00:51:03	\$60.00
		MD	05/14/2013	04:43:43 PM	01:33:08	\$120.00
		MD	05/14/2013	06:16:51 PM	01:33:08	\$21.00
		MD	05/11/2013	11:50:02 AM	01:40:30	\$101.05
		MD	05/11/2013	01:30:32 PM	01:40:30	\$61.00
		MD	05/15/2013	11:42:33 AM	02:09:11	\$81.88
		MD	05/15/2013	01:51:44 PM	02:09:11	\$55.60
		MD	05/09/2013	01:58:23 PM	02:39:04	\$40.00
		MD	05/09/2013	04:37:27 PM	02:39:04	\$98.99

24. A review of transactions conducted at SIMBO from March 1, 2013 to May 31, 2013 disclosed these patterns of transaction activity continue to make up a substantial portion of the transactions conducted at the store. Based on my training and experience and the collective experience of other agents of the USDA, I know that a high volume of such transactions is indicative of SNAP benefits trafficking.

**C. Investigative Operations at Simbo**

25. On May 15, 2012, a Cooperating Witness (CW) working under the direction of Special Agent Stan Wojtkonski of USDA OIG exchanged SNAP benefits for cash with SIMBO owner CISSE. While equipped with a recording device, the CW entered SIMBO and approached a female at the at the store register. The CW displayed a SNAP EBT card and asked the female if he/she could get rid of some food stamps. (SNAP benefits are still commonly called food stamps). The female, who has been identified by the affiant as FANTA KEITA (KEITA) through means of a comparison of Driver's License photo to video images obtained during this and later operations, asked the CW how much he/she wanted to sell. The CW said \$278.00. KEITA then asked a black male behind the counter if the CW had been in the store before. The CW positively identified this black male as CISSE from a driver's license photo. CISSE asked the CW if he/she had ever been in the store before. The CW said that he/she had been in before with his/her girlfriend/boyfriend. CISSE then told KEITA to do the transaction. KEITA then took \$271.00 off the CW's investigative EBT card in exchange for \$135.00 in cash and a bowl of noodles (she required the CW to buy an item). KEITA did not take the \$135.00 in cash out of the cash register in front of the CW, but went and retrieved it from a second register that was next to CISSE. The CW then exited the store and the evidence was then turned over to Special Agent Wojtkonski. This meeting was recorded and contemporaneously monitored by USDA-OIG Special Agent Wojtkonski as well as an assisting agent from USDA OIG.
26. On June 14, 2012, following the same procedure, the CW entered SIMBO. The CW, while carrying a recording device, approached a male employee who was behind the counter. The CW told the employee that he/she two EBT cards and was trying to get rid of some stamps. CISSE, who was behind the counter during this conversation, stepped in and told the CW

that he would buy the benefits but would only buy half the benefits off each card. CISSE then swiped each card multiple times and had the CW enter the PINs multiple times. CISSE apparently did not have enough cash in the register to buy all the intended benefits so he walked out of the store and went to an ATM machine located next door. He came back with some cash and gave the CW a combination of cash from the register and cash CISSE had taken out of the ATM. CISSE gave the CW \$250.00 in total and 5 receipts for \$495.00 in benefits. After the transaction, the CW exited the store, met the surveillance team and relinquished the evidence to investigating agents. This meeting was recorded and contemporaneously monitored by USDA-OIG Special Agent Wojtkonski as well as members of USDA OIG and the FBI.

27. On July 19, 2012, following the same procedure, the CW entered SIMBO he/she observed CISSE sitting outside next to the front door. The CW entered the store after a brief conversation with CISSE and approached a female at the counter. He/she presented an investigative EBT card and told the woman that he/she wanted some cash for the benefits. CISSE came inside the store during this conversation. The female swiped the card and removed \$200.00 from it. CISSE then took \$100.00 in cash out of his pocket and gave it to the CW. After the transaction, the CW exited the store, met the surveillance team and relinquished the evidence to investigating agents. This meeting was recorded and contemporaneously monitored by USDA-OIG Special Agents and the FBI.
28. On January 7, 2013, following the same procedure, an undercover Special Agent of USDA OIG, accompanied by the same CW mentioned above, carried a recording device and investigative EBT card into SIMBO. KEITA was behind the counter. The CW approached the counter and told the female that he/she needed to get rid of some stamps. The CW stated he/she had \$97.00 on his/her EBT card. The CW gave KEITA the investigative EBT card and KEITA swiped it. The CW entered the PIN. KEITA then gave the CW \$48.50 in cash from the register. The UC then approached KEITA and gave KEITA another investigative EBT card. The UC told KEITA there was \$250.00 on the card. KEITA asked the UC how much he/she wanted? The UC told KEITA he/she wanted \$100.00 in cash in exchange for \$200.00 in benefits. KEITA told the UC that he/she would have to purchase something so the EBT transaction wouldn't be an even number. The UC purchased a can of Pringles and a bag of sunflower seeds. The UC then entered the PIN for the card and KEITA retrieved

\$100.00 in cash from the register and gave it to the UC. They then exited the store and turned the evidence over to SA Wojtkonski. This meeting was recorded and contemporaneously monitored by USDA-OIG Special Agents and members of the FBI and IRS CI.

29. On February 11, 2013, following the same procedure, the CW mentioned above along with a Confidential Human Source (CHS) under the direction of the FBI entered SIMBO. The CHS was carrying monitoring and recording devices. CISSE was behind the counter. CISSE purchased \$187.00 in SNAP benefits from the CHS in exchange for \$93.50 in cash which he took out of the register. He purchased \$148.00 in SNAP benefits from the CW in exchange for \$74.00 in cash that he took out of his pocket.
30. On March 11, 2013, the same CHS mentioned above entered SIMBO. He/she was carrying recording/monitoring devices. KEITA was behind the counter. The CHS approached KEITA and told her that he/she had some stamps to sell. KEITA stated that they don't do that anymore. The CHS then asked KEITA where her husband was (meaning CISSE), because CISSE had bought stamps from the CHS in the past. KEITA then asked/reiterated that CISSE had bought stamps from the CHS in the past? The CHS again stated that CISSE had done it for him/her before. KEITA then asked the CHS how much he/she wanted to sell. The CHS said he/she wanted to sell \$200.00. KEITA took the EBT card and swiped it. The CHS entered the PIN. KEITA then took \$100.00 in cash out of her sweater pocket and gave it to the CHS with a receipt. This meeting was recorded and contemporaneously monitored by USDA-OIG Special Agents as well as agents of the FBI and IRS CI. The evidence was turned over to agents.
31. On April 9, 2013, the same CHS mentioned above entered SIMBO. He/she was carrying recording/monitoring devices. KEITA was behind the counter. CISSE was standing in the customer area of the store. The CHS approached CISSE and told him that he/she had some stamps to sell. CISSE feigned ignorance and asked the CHS if he/she had sold stamps to him in the past, because he doesn't do that. The CHS told CISSE that last month he/she had sold stamps to CISSE's wife, indicating KEITA, and also stated that the month before that the CHS had sold stamps to CISSE directly. CISSE then turned to KEITA and nodded his consent. The CHS then approached the counter and told KEITA the amount of benefits on

his/her investigative EBT card. KEITA said she would give the CHS half that amount back in cash. The CHS then gave KEITA the card and entered the PIN number. KEITA looked into the cash register and apparently there wasn't enough cash to give to the CHS. KEITA left the store and came back in about 1 minute with cash. KEITA handed the CHS \$130.00 in cash upon her return to the store. This meeting was recorded and contemporaneously monitored by USDA-OIG Special Agents as well as agents of the FBI and IRS CI. The evidence was turned over to agents.

32. During the aforementioned transactions, CISSE and his wife KEITA collectively conducted 7 fraudulent SNAP EBT transactions during which they purchased over \$1,900.00 in investigative SNAP benefits.

**IV. 6607 DOGWOOD ROAD, GWYNN OAK, MD 21207**

33. A federal grand jury subpoena was issued to Bank of America for account [REDACTED]. This subpoena revealed the account number was assigned to "DBA SIMBO FOOD SERVICES, AMARA CISSE SOLE PROP, EXPENSE ACCT." with an address of 2021 N. Rolling Rd, Windsor Mill, MD 21244-1821 as of the most recent bank statement on June 30, 2013.
34. A single family home is located at the address 2021 N. Rolling Rd, Windsor Mill, MD 21244-1821. Based on surveillance, your affiant believes that Amara Cisse and Fanta Keita lived at this address in 2012.
35. On July 17, 2013 a check of AMARE CISSE's Maryland driver's license showed that his current listed residential address is 6607 Dogwood Rd, Gwynn Oak, MD 21207.
36. A 30 day mail cover for 6607 Dogwood Rd, Gwynn Oak MD was put in place beginning on August 3, 2013. The mail cover revealed that mail was being forwarded from 6607 Dogwood Rd, Gwynn Oak, MD 21207 to 6607 Dogwood Road, Gwynn Oak, MD 21207. That means that the bank statements for Simbo Food Mart are being forwarded to 6607 Dogwood Road, Gwynn Oak, MD 21207.
37. In addition the mail cover showed that on August 8, 2013 a letter from "PERSONNEL CONCEPTS, COMPLIANCE SERVICE DEPARTMENT" addressed to "AMARA CISSE,

HR MANAGER, SIMBO SMART FOOD” was sent directly to 6607 DOGWOOD RD, GWYNN OAK, MD 21207.

38. In sum, mail for Simbo Food Smart is being sent to 6607 Dogwood Road, Gwynn Oak, MD 21207. Based on that fact and my training and experience, I believe that other business records are likely mailed to 6607 Dogwood Road, Gwynn Oak, MD 21207.
39. In addition, based on my training and experience, small business owners, particularly ones that own small retail establishments where space is limited, store business-related documents in their homes. They also have and use computers for their businesses in their homes for purposes such as accounting, inventory control, purchasing and billing and other business-related purposes. This is particularly the case when their place of business is located in an area that experiences high rates of property crimes. Simbo Food Smart is located in a part of Baltimore City that experiences a high rate of property crimes.

#### V. PROPERTY SUBJECT TO FORFEITURE

40. I know that criminal forfeiture is governed by the procedures in 21 U.S.C. § 853.
41. In the case of criminal forfeiture, I also know that the Government is entitled to seize and forfeit substitute property if the property involved in the drug distribution offense is no longer available. *See* 21 U.S.C. § 853(p); *United States v. Billman*, 915 F.2d 916, 920 (4th Cir. 1990).
42. Based on my training and experience, I know that property subject to forfeiture may be seized pursuant to a warrant based on probable cause. *See* 18 U.S.C. § 981(b); 21 U.S.C. § 853(f). I am further advised that "probable cause" means simply a reasonable ground for belief that goes beyond mere suspicion but need not amount to prima facie proof. 820 F. Supp. at 251-52. This standard requires courts to make a practical, common sense decision whether, given all the circumstances, a fair probability exists that the property to be forfeited was involved in or was the subject of a transaction violating 5324. *Id. See also United States v. Thomas*, 913 F.2d 1111, 1114 (4<sup>th</sup> Cir. 1990).
43. Accordingly, to seize the property from the referenced bank accounts in this case for criminal forfeiture, the Government must show that there is probable cause to believe that the

violations occurred, and that the funds in the accounts are equal to or less than the funds involved in the violations so that the funds presently in the accounts may be forfeited as substitute assets.

44. With respect to the tracing requirement, I am advised that for the purpose of establishing probable cause, the Government is not required to strictly trace the funds in the accounts at the time of seizure to the offense giving rise to the forfeiture. Rather, given the volatility in bank accounts, it is sufficient to show that a given sum of forfeitable money was deposited into an account and that the amount to be seized does not exceed that sum. *See United States v. Dupree*, 781 F. Supp. 2d 115, 135 (E.D.N.Y. 2011) (there is probable cause for the seizure of funds in a bank account if there is a showing that the value of the criminal proceeds deposited into the account exceeds the current balance in the account or the amount the Government is seeking to seize; the probable cause affidavit does not have to negate the possibility that legitimate funds have replaced the criminal proceeds; that is an issue for trial).
45. I am further advised that pursuant to 18 U.S.C. § 984, currency in a bank account is considered fungible for one year from the date of the offense. Accordingly, even if the Government were required to establish strict tracing of forfeitable funds to a bank account to satisfy the probable cause requirement for civil forfeiture, any volatility in the bank account since August 16, 2012 may be disregarded. *See United States v. \$79,650 Seized from ...Afework*, 2009 WL 331294, \*3 (E.D. Va. Feb. 9, 2009) (§ 984 "loosens the burden on the Government to 'trace' forfeitable property" if the property is fungible property found in the same place or account as the directly forfeitable property, and the action is commenced within one year)).
46. Moreover, to the extent that any or all of the funds directly traceable to the property involved in the offenses have become unavailable, the Government is entitled to criminally forfeit substitute assets up to the value of the missing property. Accordingly, even if the funds presently in the referenced accounts were not traceable to the offenses, they would be subject to seizure and forfeiture as substitute assets in a criminal forfeiture case pursuant to 21 U.S.C. § 853(p) *see also United States v. Billman*, 915 F.2d 916, 920 (4th Cir. 1990).

**A. Bank of America account number [REDACTED] held in the name of "DBA Simbo Food Services, Amara Cisse Sole Prop., Expense Acct"**

47. A federal grand jury subpoena was issued to Chase Paymentech requesting the Retailer Agreement between Chase Paymentech and SIMBO FOOD SMART. The Retailer Agreement directs a credit card or EBT processor to make electronic cash transfers into a designated business account. The Retailer Agreement for SIMBO FOOD SMART shows that EBT reimbursements are to be deposited into account number [REDACTED] held by Bank of America.

48. A review of the bank records disclosed that Bank of America account number [REDACTED] was opened on July 10, 2009, in the name of DBA Simbo Food Services, Amara Cisse Sole Prop., Expense Acct. The authorized signatory on the account is Amara Cisse.

49. From November 2010 through June 2013, Bank of America account number [REDACTED] has received approximately \$665,195.59 in SNAP EBT reimbursements from the Federal Reserve Bank via electronic funds transfer, which were issued under the authority of FNS pursuant to the Food and Nutrition Act. These reimbursements have consistently been deposited in said account.

50. The balance in Bank of America account number [REDACTED] as of September 9, 2013 was \$763.39.

**B. Bank of America account number [REDACTED] held in the name of Amara Cisse**

51. A review of bank records disclosed that Bank of America account number [REDACTED] was opened on May 29, 2012 in the name of Amara Cisse. The authorized signatory on the account is Amara Cisse. An analysis of bank records for account number [REDACTED] shows that funds were transferred from Bank of America account number [REDACTED], the account where SNAP EBT reimbursements were deposited for Simibo, to Bank of America account [REDACTED], an account in the name of Amara Cisse on the dates listed:

DATE	FROM ACCOUNT	TO ACCOUNT	DOLLAR AMOUNT
06/14/2012			\$6,000
07/10/2012			\$4,000
07/17/2012			\$5,600
12/18/2012			\$5,000
		<b>TOTAL</b>	<b>\$20,600</b>

52 From June 14, 2012 through December 18, 2012, approximately \$20,600 was transferred from Bank of America account number [REDACTED], the account where SNAP EBT reimbursements were deposited for Simibo, to Bank of America account [REDACTED], an account in the name of Amara Cissee.

53. The balance of Bank of America account number [REDACTED] on September 9, 2013 was \$10,039.96.

54. Based on fraud analysis detailed above, there is probable cause to believe that from November 2010 through the end of July 2013, after tripling the CS average to \$27.63, and excepting all purchases during that time frame that fall below \$27.63, the amount of suspected fraudulent transactions at SIMBO FOOD SMART would be \$654,349.24. Therefore, there is probable cause to believe that the funds up to and including \$654,349.24 held in Bank of America account numbers [REDACTED] and [REDACTED] are the fruits of crimes, including: fraud associated with the Supplemental Nutrition Assistance Program in violation of Title 7, United States Code, Section 2024; wire fraud in violation of Title 18, United States Code, Section 1343; access device fraud in violation of Title 18, United States Code, Section 1029; and Money Laundering in violation of Title 18, United States Code, Section 1956.

55. Based on the information contained in this affidavit, I respectfully request issuance of a seizure warrant for funds held in Bank of America account number [REDACTED] under the name of Amara Cissee.

56. Based on the information contained in this affidavit, I respectfully request issuance of a seizure warrant for funds held in Bank of America account number [REDACTED] under the name DBA Simbo Food Services, Amara Cisse Sole Prop., Expense Acct. Further, based upon the my training and experience, in the event that this Court grants this application for seizure warrant, I believe there is a likelihood that the account will continue to receive ACH credits of funds representing proceeds of the above described fraud for a period of time after such warrants are initially executed. It is probable that those involved in the above-described conduct will be unable to promptly stop the flow of funds. As such, I request that any warrant issued by this court order the receiving bank to allow funds to be credited to the account but to disallow any of such funds to be debited out of the accounts for any reason for a period of 14 days from the issuance of such warrants. I ask that FBI be allowed to periodically remove such funds after initial execution of any seizure warrant during that 14 day period.

#### VI. COMPUTER DATA

57. Based on my training and experience and information provided to me by agents and others, I know that convenience stores commonly use computers to perform business calculations, compile and store inventory records, purchase inventory, issue payroll checks, and maintain employee records. Authority is requested to search any computer hardware or computer-related equipment capable of creating and/or storing information in electronic or magnetic form. Computer-related equipment includes, but is not limited to, central processing units, and/or peripheral equipment used to facilitate the creation, transmission, encoding or storage of information. I seek the authority to search for any or all information and/or data stored in the form of magnetic or electronic encoding on computer media, or on media capable of being read by a computer, or with the aid of computer-related equipment. This media includes, but is not limited to, floppy disks, fixed hard disks, removable hard disk cartridges, tapes, laser disks, videocassettes, CD-ROMs, zip disks, smart cards, memory sticks, memory calculators, PDAs, USB flash drives and/or other media that is capable of storing magnetic coding.

58. Based on my training and experience and information provided to me by agents and others involved in the forensic examination of computers, I know that computer data can be stored on a variety of systems and storage devices including hard disk drives, floppy disks, compact disks, magnetic tapes and memory chips. I also know that during a search of a premises it is not always possible to search computer equipment and storage devices for data for a number of reasons, including the following:
59. Searching computer systems is a highly technical process which requires specific expertise and specialized equipment. There are so many types of computer hardware and software in use today that it is impossible to bring to the search site all of the necessary technical manuals and specialized equipment necessary to conduct a thorough search. In addition, it may also be necessary to consult with computer personnel who have specific expertise in the type of computer, software application or operating system that is being searched.
60. Searching computer systems requires the use of precise, scientific procedures that are designed to maintain the integrity of the evidence and to recover "hidden", erased, compressed, encrypted or password-protected data. Computer hardware and storage devices may contain "booby traps" that destroy or alter data if certain procedures are not scrupulously followed. Since computer data is particularly vulnerable to inadvertent or unintentional modification or destruction, a controlled environment, such as a law enforcement laboratory, is essential to conduct a complete and accurate analysis of the equipment and storage devices from which the data will be extracted.
61. The volume of data stored on many computer systems and storage devices typically will be so large that it is highly impractical to search for data during the execution of the physical search of the premises. A single megabyte of storage space is the equivalent of 500 double-sided pages of text. A single gigabyte of storage space or 1,000 megabytes is the equivalent of 500,000 double-spaced pages of text. Storage devices capable of storing 160 gigabytes (GB) of data are now commonplace in desktop computers. Consequently, each non-networked, desktop computer found during a search can easily contain the equivalent of 80 million pages of data, which, if printed out, would completely fill a 35' x 35' x 10' room to the ceiling. Further, a 160 GB drive could contain as many as approximately 150 full run movies or 150,000 songs.

62. Computer users can attempt to conceal data within computer equipment and storage devices through a number of methods, including the use of innocuous or misleading filenames and extensions. For example, files with the extension ".jpg" often are image files; however, a user can easily change the extension to ".txt" to conceal the image and make it appear that the file contains text. Computer users can also attempt to conceal data by using encryption, which means that a password or device, such as a "dongle" or "keycard", is necessary to decrypt the data into readable form. In addition, computer users can conceal data within another seemingly unrelated and innocuous file in a process called "steganography". For example, by using steganography a computer user can conceal text in an image file, which cannot be viewed when the image file is opened. Therefore, a substantial amount of time is necessary to extract and sort through data that is concealed or encrypted to determine whether it is evidence, contraband, or instrumentalities of a crime.
63. In searching for data capable of being read, stored or interpreted by a computer, law enforcement personnel executing this search warrant will employ the following procedure:
64. The computer equipment and storage devices will be reviewed by appropriately trained personnel in order to extract and seize any data that falls within the list of items to be seized as set forth in Attachment B.
65. In searching the data, the computer personnel may examine all of the data contained in the computer equipment and storage devices to view their precise contents and determine whether the data falls within the items to be seized as set forth in Attachment B. In addition, the computer personnel may search for and attempt to recover "deleted", "hidden" or encrypted data to determine whether the data falls within the list of items to be seized as set forth in this attachment.
66. The agents executing this warrant will file a return with the Court within 10 days of the search. The return will describe the computer(s) and other digital storage media seized, and give an estimate of the time needed by trained forensic agents to complete a preliminary search of those items. If that preliminary search indicates that an item does not contain data within the scope of the warrant, the government will promptly make that item available for pickup by the owner.

67. Based on my training and experience, and the collective experience of other law enforcement officers, I know that product invoices, sales receipt confirmations, product delivery confirmations, vendor contact information, account numbers, vendor related correspondence, and other information that can be used to identify food purchases and sources are delivered and kept electronically in email form. The advent and proliferation of Personal Data Assistants (PDAs) and Smart Phones that can connect directly to the internet to receive and store email as well as access websites, such as vendor websites for ordering purposes, means that owners of stores can now keep much of their record keeping and vendor lists stored in their phones and on their persons at all times.

## VII. CONCLUSION

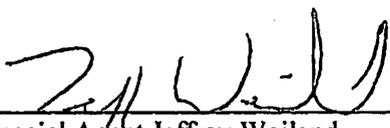
68. Based on my training and experience, and the collective experience of other law enforcement officers involved in this investigation, I know that convenience stores such as SIMBO must maintain records to facilitate operation of the business. Product invoices detailing the volume of wholesale food purchased by the store can be compared to the corresponding retail sales negotiated using SNAP benefits. Based on this comparison, it can be determined whether a particular store has adequate inventory to support the volume of food purportedly purchased with SNAP benefits.

69. Based on my training and experience, and the collective experience of other law enforcement officers involved in this investigation, principles (owners, officers, and managers) of businesses dealing in the illegal purchase of SNAP benefits commonly maintain evidence of assets purchased with the proceeds of such illegal enterprises, including but not limited to, books, records, receipts, notes, logs, ledgers, canceled checks, bank statements, telephone bills, electronically stored records, and other sources of information relating to the purchase, sale, transfer, or concealment of illegally obtained proceeds and assets.

70. As stated above, there is probable cause to believe that within the premises of SIMBO FOOD SMART, located at 2103 West Pratt Street, Baltimore St, to include all computers and containers therein, will be evidence and instrumentalities of violations of Title 7, United States Code, Section 2024 and Title 18, United States Code, Section 1343; to include: SEE ATTACHMENT B1.

71. Based on the information contained in this affidavit, I respectfully request issuance of a search warrant for the premises of 2013 West Pratt St, Baltimore, MD 21223-2244
72. As stated above, there is probable cause to believe that within the residence of 6607 Dogwood Rd, Gwynn Oak, MD 21207, to include all computers and containers therein, as well as the vehicles of CISSE and KEITA should they be located on the property, will be evidence and instrumentalities of violations of Title 7, United States Code, Section 2024 and Title 18, United States Code, Section 1343; to include: SEE ATTACHMENT B2.
73. Based on the information contained in this affidavit, I respectfully request issuance of a search warrant for the residence of 6607 Dogwood Rd, Gwynn Oak, MD, 21207 as well as the vehicles of CISSE and KEITA should they be located on the property. CISSE has a registered 1996 Ford, [REDACTED]. FANTA has a registered Saab sedan, MD tag [REDACTED] and a white 4 door Infinity, MD tag [REDACTED].

I declare under penalty of perjury that the forgoing is true and correct to the best of my knowledge.

  
Special Agent Jeffrey Weiland  
Federal Bureau of Investigation

Sworn to before me, and subscribed in  
my presence, this 13 day of September, 2013.

  
Honorable Susan K. Gauvey  
United States Magistrate Judge

# UNITED STATES DISTRICT COURT

for the  
District of Maryland

In the Matter of the Search of  
*(Briefly describe the property to be searched  
or identify the person by name and address)*

SIMBO FOOD SMART/SIMBO FOOD MART  
2103 West Pratt Street  
Baltimore, Maryland 21223-2244

)  
)  
) Case No.  
)  
)  
)

13-2212 SKG

## SEARCH AND SEIZURE WARRANT

To: Any authorized law enforcement officer

An application by a federal law enforcement officer or an attorney for the government requests the search of the following person or property located in the \_\_\_\_\_ District of \_\_\_\_\_ Maryland  
*(identify the person or describe the property to be searched and give its location):*

See Attachment A1

The person or property to be searched, described above, is believed to conceal *(identify the person or describe the property to be seized):*

See Attachment B1

I find that the affidavit(s), or any recorded testimony, establish probable cause to search and seize the person or property.

**YOU ARE COMMANDED** to execute this warrant on or before September 26, 2013  
*(not to exceed 14 days)*

in the daytime 6:00 a.m. to 10 p.m.       at any time in the day or night as I find reasonable cause has been established.

Unless delayed notice is authorized below, you must give a copy of the warrant and a receipt for the property taken to the person from whom, or from whose premises, the property was taken, or leave the copy and receipt at the place where the property was taken.

The officer executing this warrant, or an officer present during the execution of the warrant, must prepare an inventory as required by law and promptly return this warrant and inventory to United States Magistrate Judge

Susan K. Gauvey  
*(name)*

I find that immediate notification may have an adverse result listed in 18 U.S.C. § 2705 (except for delay of trial), and authorize the officer executing this warrant to delay notice to the person who, or whose property, will be searched or seized *(check the appropriate box)*  for \_\_\_\_\_ days *(not to exceed 30)*.

until, the facts justifying, the later specific date of \_\_\_\_\_.

Date and time issued: 9/13/13 at 4:55 pm [Signature]  
*Judge's Signature*

City and state: Baltimore, Maryland      Honorable Susan K. Gauvey, U.S. Magistrate Judge  
*Printed name and title*

ATTACHMENT A1 – PREMISES TO BE SEARCHED 13-2214 SWG

SIMBO FOOD SMART, 2103 West Pratt Street, Baltimore, MD



The building housing SIMBO FOOD SMART is a multi-story, mixed use building, with SIMBO FOOD SMART taking up the first floor and what appears to be residences on the upper floors. SIMBO is located on the south side of West Pratt St near the intersection of West Pratt and South Pulaski Streets. The building's upper two stories are a dark brick color, and the 1<sup>st</sup> floor is a store front with a recessed door on the right side and a plate glass window on the left side. There is a large sign above the store front that runs the width of the building. This sign reads "SIMBO FOOD MART". The store's entrance faces north onto West Pratt Street.

**ATTACHMENT B1 – ITEMS TO BE SEIZED**

SIMBO FOOD SMART, 2103 West Pratt Street, Baltimore, MD 21223-2244.

13-2212 CRG

1. Records pertinent to the operation of the business SIMBO FOOD SMART.
2. Point of sale devices and receipts generated by point of sale devices.
3. Any and all negotiable instruments including SNAP EBT cards, food stamp coupons, United States currency, foreign currency, money orders and cashier's checks.
4. Telephone and address books.
5. Records pertaining to assets held by AMARE CISSE (CISSE), FANTA KEITA (KEITA) and SIMBO FOOD SMART.
6. Records pertaining to the exchange of cash for SNAP benefits, including ledgers and lists of names.
7. Records of bank transactions, including but not limited to bank statements, check stubs or registers, canceled checks, deposit tickets, debit memos, credit memos, wire transfer documents, records of savings accounts including passbooks and statements.
8. All records and documents identifying the location of safety deposit boxes or other possible depositories for cash and other liquid assets which are identified in any way with SIMBO FOOD SMART, its owners, officers, shareholders, agents, and employees, and any keys or other access devices associated with such depositories.
9. All tax returns together with all associated schedules, work papers, and supporting documentation.
10. Evidence of cash payments and evidence of transfer of assets.
11. Any store security video or other recordings.
12. All computer equipment and stored electronic data related to the operation of SIMBO FOOD SMART to include:
  - a. Any computer equipment and storage device capable of being used to commit, further or store evidence of the offenses listed in this affidavit;
  - b. Any computer equipment used to facilitate the transmission, creation, display, encoding or storage of data, including word processing equipment, modems, docking stations, monitors, printers, plotters, encryption devices, and optical scanners;
  - c. Any magnetic, electronic, or optical storage device capable of storing data, such as floppy disks, hard disks, tapes, CD-ROMs, CD-Rs, CD-RWs, DVDs, optical disks, printer or memory buffers, smart cards, PC cards, memory calculators, electronic dialers, electronic notebooks, and personal digital assistants;

- d. Any documentation, operating logs and reference manuals regarding the operation of the computer equipment, storage devices or software;
- e. Any applications, utility programs, compilers, interpreters, and other software used to facilitate direct or indirect communication with the computer hardware, storage devices or data to be searched;
- f. Any physical keys, encryption devices, dongles and similar physical items that are necessary to gain access to the computer equipment, storage devices or data; and
- g. Any passwords, password files, test keys, encryption codes or other information necessary to access the computer equipment, storage devices or data.
- h. Any of the items described in paragraphs (1) through (15) above which are stored in the form of magnetic or electronic coding on computer media or on media capable of being read by a computer with the aid of computer-related equipment, including floppy diskettes, fixed hard disks, or removable hard disk cartridges, software or memory in any form. The search procedure of the electronic data contained in computer operating software or memory devices shall include the following techniques **which shall be used to minimize the risk that those conducting the search will view information not within the scope of the warrant:**
  - (1) surveying various file “directories” and the individual files they contain (analogous to looking at the outside of a file cabinet for markings it contains and opening a drawer believed to contain pertinent files);
  - (2) “opening” or cursorily reading the first few “pages” of such files in order to determine their precise contents;
  - (3) “scanning” storage areas to discover and possibly recover recently deleted files;
  - (4) “scanning” storage areas for deliberately hidden files; or
  - (5) performing key word **or other search and retrieval** searches through all electronic storage areas to determine whether occurrences of language contained in such storage areas exist that are intimately related to the subject matter of the investigation.
- i. If after performing these procedures, the directories, files or storage areas do not reveal evidence of mail or wire fraud or other criminal activity, the further search of that particular directory, file or storage area, shall cease.