

(Ce)

rev. 08/09) Criminal Complaint

UNITED STATES DISTRICT COURT

for the

Eastern District of Michigan

United States of America

v.

Nemr Ali Rahal

Case: 2:12-mj-30557

Judge: Unassigned,

Filed: 09-12-2012 At 10:27 AM

CMP USA v. NEMR ALI RAHAL (WI)(AC)

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of From May 2009 through August 2012 in the county of Wayne in the

Eastern District of Michigan, the defendant(s) violated:

<i>Code Section</i>	<i>Offense Description</i>
7 U.S.C. Section 2024(b)	Food Stamp Fraud.
42 U.S.C. Section 1760(g)	WIC Fraud.

This criminal complaint is based on these facts:

See Attached Affidavit.

Continued on the attached sheet.

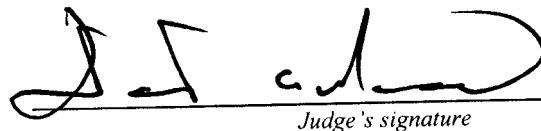
Sworn to before me and signed in my presence.

Date: 9/12/12

City and state: Detroit, Michigan


Complainant's signature

Special Agent Jenna L. Shiver, USDA-OIG
Printed name and title


Judge's signature

David R. Grand, U.S. Magistrate Judge
Printed name and title

AFFIDAVIT

I, Jenna L. Shiver, being duly sworn on oath, state as follows:

1. I am a Special Agent of the United States Department of Agriculture, Office of Inspector General (USDA-OIG), assigned to the East Lansing, Michigan sub-office. I am a graduate of the Federal Law Enforcement Training Center's Criminal Investigator Training Program. I possess a Bachelor of Arts degree and a Master of Science degree from Michigan State University.
2. As part of my duties as a USDA-OIG Special Agent, I conduct investigations of offenses involving food stamp fraud, access device fraud, money laundering, wire fraud, and other financial crimes. I have conducted this investigation in conjunction with the Michigan State Police, Bridge Card Enforcement Team (MSP-BCET). This affidavit is based on my personal knowledge, as well as information obtained from documents, electronic databases, witnesses, and other law enforcement agents 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.
3. This affidavit is submitted in support of the Government's application for the issuance of an arrest warrant for the following individual:

NEMR ALI RAHAL
4. As set forth in detail below, there is probable cause to believe that NEMR ALI RAHAL (RAHAL) has conducted criminal activity:
 - a. the unauthorized acquisition of more than \$100 in food stamp benefits, in violation of Title 7, United States Code, Section 2024(b); and
 - b. the unauthorized acquisition of more than \$100 in WIC benefits, in violation of Title 42, United States Code, Section 1760(g), among other federal violations.

Background: Federal Food Stamp Program / Supplemental Nutrition Assistance Program

5. In 2001, the United States Department of Agriculture (USDA), through the State of Michigan Family Independence Agency (FIA), now known as Michigan Department of Human Services (DHS), began converting from a traditional paper food stamp coupon system to what is known as an Electronic Benefit Transfer (EBT) card. The EBT card is an access device within the meaning of Title 18, United States Code, Section 1029(e)(1), in that it is a card containing a series of numbers which can be used to obtain items of value, specifically, eligible food items under the Food Stamp Act.

6. To become eligible to participate in the Supplemental Nutrition Assistance Program (SNAP) (more commonly referred to as the Food Stamp Program), store owners are required to complete, sign, and submit a Food Stamp Program Application for Stores, form FNS 252, to the USDA Food and Nutrition Service (FNS). Stores approved to participate in the Food Stamp Program are issued a food stamp authorization number. To access the electronic funds on the EBT card, authorized vendors are also provided with a "point of sale device" (POS), which serves to debit recipients' food stamp account for the cash value of eligible food items purchased.
7. To administer Federal program benefits, the State of Michigan DHS uses an on-line magnetic card EBT system, employing existing card technology developed by financial institutions and credit card companies. DHS provides a plastic EBT card to food stamp recipients which contains a magnetic strip containing basic information necessary to make food purchases. At an authorized vendor, the recipient presents the card and enters a personal identification number (PIN) into a POS terminal. The POS terminal communicates with a central database that maintains recipient account balance information. The central database verifies the amount of benefits available, authorizes the transaction, and deducts the purchase amount from the recipient's account. The system also calculates cumulative food stamp sales for each retailer, and authorizes payment electronically to the retailer's bank account. In Michigan, EBT transactions involve interstate transfer of information via wire, specifically the transfer of electronic information to and from the states of Michigan and Texas. The Food Stamp Program is funded by the USDA, and administered through the State of Michigan DHS.
8. Pursuant to the Food Stamp Act, recipients are permitted to exchange food stamp benefits only for eligible food items. Food stamp transactions are completed via use of an EBT card, and these purchases can only take place at stores authorized by USDA-FNS to accept food stamp benefits. By law, food stamp benefits cannot be exchanged or redeemed for cash; nor can they can be used to obtain items such as alcoholic beverages, tobacco, vitamins, medicines or pet foods.

Background: The Special Supplemental Nutrition Program for Woman, Infants, and Children

9. The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) is designed to prevent nutritional deficiencies by providing supplemental foods to women, infants, and children. The WIC program is funded by the United States Department of Agriculture (USDA), and it is administered in Michigan by the Michigan Department of Community Health (MDCH) under federal regulations.
10. The WIC program is designed to serve low and moderate income pregnant, breastfeeding, and postpartum women, infants, and children up to age 5 who have a nutrition-related health problem. The program provides a combination of nutrition education, supplemental foods, breastfeeding promotion and support, and referrals to health care. To qualify for WIC benefits, program participants must have a nutritional and/or medical need and meet WIC income guidelines.

11. Participants in the WIC program are supplied with WIC benefits, which are redeemable only for specifically identified eligible food items. Eligible WIC items include food products such as milk, juice, cereal, and baby formula. WIC benefits can be redeemed only at grocery stores, pharmacies, and other retailers authorized by the MDCH to accept WIC benefits. By law, WIC benefits cannot be exchanged or redeemed for cash; nor can they be used to obtain items such as alcoholic beverages, tobacco, or pet foods.

Facts in this Investigation

12. From May 2009 through present, USDA-OIG Special Agents have been conducting an investigation related to ongoing food stamp fraud and WIC fraud activities at BEN ALKAMAL INC. During undercover operations at BEN ALKAMAL INC, store employee RAHAL indicated that he managed and operated the business.
13. From May 2009 through the present, a series of undercover operations were conducted at BEN ALKAMAL INC. These undercover operations utilized confidential informants (CI). These operations have been monitored by law enforcement and consensually recorded with audio and video equipment. The following information is derived from observations made by Special Agents, debriefings of the confidential informants immediately following transactions, and a review of audio and video recordings obtained during the undercover operations:
 - a. On May 15, 2012, a confidential informant (CI) equipped with audio/video recording device, conducted a WIC benefit for cash and ineligible item transaction at BEN ALKAMAL INC. During the transaction, the CI entered BEN ALKAMAL INC and waited in the store for the store manager (identified as NEMR RAHAL through review of his official drivers license on file with the Michigan Secretary of State) to return to the counter. The CI handed RAHAL a WIC card, and asked him to check the balance on the card. RAHAL approached the cash register and then asked the CI to enter the PIN number. RAHAL purchased \$89.95 in WIC benefits and in exchange the CI received \$10.00 in US Currency, two tins of 250 gram rose flavored 360-Black Snow molasses tobacco, one tin of 250 gram apple flavored 360-Black Snow molasses tobacco, and one pack of Marlboro red cigarettes. RAHAL executed one transaction using one investigative WIC card provided to the CI by USDA-OIG Special Agents. This transaction was recorded and contemporaneously monitored by USDA-OIG Special Agents.
 - b. On the following dates, using the same general procedures as in the transaction described above, RAHAL illegally purchased food stamp benefits and WIC benefits for cash and ineligible items:

Date	Parties	Amount
5/21/2009	CI / NEMR RAHAL	\$49.34 food stamp benefits in exchange for a phone card and tobacco
2/11/2010	CI / NEMR RAHAL	\$87.46 food stamp benefits in exchange for tobacco, cigarettes, and a hookah pipe
4/22/2010	CI / NEMR RAHAL	\$40.80 food stamp benefits in exchange for tobacco
5/6/2010	CI / NEMR RAHAL	\$106.20 food stamp benefits in exchange for a hookah pipe, tobacco, and cigarettes
8/16/2010	CI / NEMR RAHAL	\$95.05 food stamp benefits in exchange for tobacco and a hookah pipe
8/17/2010	CI / NEMR RAHAL	\$23.75 food stamp benefits in exchange for cigarettes and a phone card
12/12/2011	CI / NEMR RAHAL	\$198.67 WIC benefits in exchange for \$90.00 cash and tobacco
1/19/2012 and 1/20/102	CI / NEMR RAHAL	\$179.90 WIC benefits in exchange for \$30.00 cash, tobacco, and a hookah pipe
3/21/2012	CI / NEMR RAHAL	\$67.82 WIC benefits in exchange for cigarettes and tobacco
8/14/2012	CI / NEMR RAHAL	\$241.92 WIC benefits in exchange for \$50.00 cash, cigarettes and tobacco


14. Based on undercover operations conducted throughout this investigation, RAHAL conducted eleven fraudulent transactions, during which he collectively purchased \$402.60 in food stamp benefits and \$778.26 in WIC benefits from confidential informants in exchange for \$180.00 cash and ineligible items.

15. Based on the information contained in this affidavit, there is probable cause to believe that NEMR ALI RAHAL has committed, among other violations:

- a. the unauthorized acquisition of more than \$100 in food stamp benefits, in violation of Title 7, United States Code, Section 2024(b); and
- b. the unauthorized acquisition of more than \$100 in WIC benefits, in violation of Title 42, United States Code, Section 1760(g).

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

Executed by affiant this 12th day of
September, 2012.



JENNA L. SHIVER
Special Agent
USDA- Office Inspector General

Subscribed and sworn before me
this 12th day of September, 2012.



United States Magistrate Judge

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