



NEWS RELEASE

Office of the New York State Welfare Inspector General
Catherine Leahy Scott – Acting Welfare Inspector General

FOR IMMEDIATE RELEASE: March 29, 2016
Contact [John Milgrim](#): 518-474-1010

ROCHESTER GROCER GUILTY OF FOOD STAMP FRAUD

ROCHESTER - New York State Inspector General Catherine Leahy Scott today announced the guilty plea of a Rochester grocer for defrauding the government for more than \$16,000 by illegally exchanging food stamps with low-income customers at his store for a fraction of their value in cash.

Nabil Saeed, 59, owner of Discount Food Market on Avenue D in Rochester, pleaded guilty today to Misuse of Food Stamps, a felony. His plea agreement includes his forfeiture of more than \$50,000 cash that was seized from his store as well as spending 16 weekends in jail.

Saeed was one of three charged last year as part of a year-long investigation by local, state and federal authorities into the illegal trafficking in nearly \$25,000 worth of food stamp benefits. Arrested in July along with Saeed was Kamalaldain Ahmed, 55, of Rochester, the owner and operator of Hudson Best Mini Mart on Hudson Avenue. In October, Aimal Sultan, 42, of Penfield, owner and operator of S and M Mini Mart at 439 South Avenue, was also charged. Ahmed and Sultan were also charged with Misuse of Food Stamps and their cases remain pending in court.

“This corrupt grocer was entrusted to administer food stamp transactions for low income individuals and families, but he instead violated that trust by defrauding the government and taking advantage of New Yorkers most in need of financial assistance,” said Inspector General Leahy Scott. “I will continue to work with my law enforcement partners to aggressively pursue and bring to justice anyone who defrauds the public benefits system and the people it serves.”

Between January 2013 and May 2015, Saeed engaged in \$16,596.80 worth of fraudulent food stamp transactions. Sultan was accused of engaging in \$4,895.22 worth of fraudulent food stamp transactions while Ahmed was accused of engaging in \$3,465.53 worth of fraudulent transactions.

Inspector General Leahy Scott’s investigation revealed that the store owners engaged in a food stamp trafficking scheme, predominantly one in which store owners provided discounted cash payments to customers in exchange for the full value of their food stamp benefits. Typically, the store owners would provide cash payments of 50% to 70% of the available food stamp benefits to the customer. In turn, the store owner would submit the entire amount of the customer’s food stamp benefit to the United States Department of Agriculture (USDA) for reimbursement, falsely indicating that the customer had purchased food at full value. In a separate scheme, the store owners allowed customers to purchase items not authorized under food stamp guidelines, such as cigarettes and lottery tickets.

The food stamp program, known also as the Supplemental Nutritional Assistance Program, or SNAP, is licensed and funded by the USDA, managed in New York by the State Office of Temporary and Disability Assistance (OTDA), and administered locally by the various social services districts around the State. The benefits are intended to provide food for low income residents including working people, seniors, individuals with disabilities, and others. Food stamp eligibility and benefit levels are based on household size, income, and other factors. The benefits can be accessed at registered retail stores throughout New York State using an Electronic Benefit Transfer card. Stores authorized to accept the benefits are licensed by the USDA.

Inspector General Leahy Scott thanked the USDA's Office of Inspector General, Rochester Police Department, Monroe County Department of Human Services, and the State Office of Temporary and Disability Assistance for their cooperation in this investigation. The Inspector General also thanked the Monroe County District Attorney's Office for handling the criminal prosecution, and the United States Attorney for the Northern District of New York which is handling the seizure of any assets forfeited by the defendants.

The defendants are presumed innocent until and unless proven guilty in a court of law.

###

The New York State Office of the Welfare Inspector General investigates fraud, abuse or illegal acts committed against public assistance programs designed to help those in need. Our office also investigates complaints about the agencies and local social services districts who administer social services programs. Complaints and referrals are kept confidential. We can be reached by calling toll free: 1-800-367-4448, utilizing our online complaint form: <http://www.ig.ny.gov> or sending an email to: inspector.general@ig.ny.gov. You also can write to our office at: Office of the Welfare Inspector General, Empire State Plaza, Agency Building 2, 16th Floor Albany, New York 12223