



U.S. Department of Justice

**Terrence Berg
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**For Immediate Release:
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May 5, 2009

Event: Sentenced

Defendant: Fatima Shalhout & Wasfi Shalhout

**OWNER AND OPERATOR OF A DETROIT MARKET SENTENCED
ON FOOD STAMP FRAUD**

Fatima Shalhout, age 43 and her husband Wasfi Shalhout, age 50, both of Dearborn, Michigan, were sentenced to 30 months and 36 months respectively as a result of having pleaded guilty to charges of conspiracy to commit wire fraud and money laundering involving a scheme to defraud the United States Department of Agriculture ("USDA") of approximately \$1,261,943 in Food Stamp Program Benefits, announced United States Attorney Terrence Berg. The defendants were also ordered to pay restitution in the amount of \$1,171,577.87.

Mr. Berg was joined in the announcement by Joe N. Smith, Special Agent in Charge, United States Department of Agriculture - Office of Inspector General and Maurice Aouate, Special Agent in Charge, Internal Revenue Service, Criminal Investigation Division.

The information presented to the court at the time of the plea established that from May 2005 to February 2008, Fatima Shalhout, who was the President, Vice President, Secretary and Treasurer of Ranyah Management, doing business as Ann's Market, located in Detroit,

Michigan, and her husband Wasfi Shalhout, who was the Operations and Business Manager of Ann's Market engaged in a scheme to defraud the USDA of approximately \$1,261,943. Fatima Shalhout and Wasfi Shalhout illegally paid food stamp beneficiaries cash in exchange for the food stamp benefits held via their EBT (Electronic Benefit Transfer) debit cards. The fraudulently obtained funds were deposited into Ann's Market's business banking account and were subsequently withdrawn by Fatima Shalhout and Wasfi Shalhout for their own personal use.

During the investigation, in excess of \$80,000.00 was seized by federal law enforcement pursuant to Court authorized search and seizure warrants and those funds will be forfeited to the government.

Food stamp recipients would typically receive 50% for the amount charged to the USDA Food Stamp Program – for example if a beneficiary wanted \$20.00 in cash, the defendants would charge the food stamp card \$40.00. The USDA would then unwittingly reimburse the store where the defendants worked \$40.00 – thinking that a legitimate transaction for food had taken place.

Under federal law, food stamps cannot be traded or sold for cash, and they cannot be used to buy non-food items such as gasoline, tobacco or alcoholic beverages.

United States Attorney Berg said, "The food stamp program is intended to provide millions of low income American families with their nutritional needs. However, abuse by some stores threaten the integrity of the entire program and this office will aggressively pursue those who seek to undermine it."

Special Agent in-Charge Smith said; "The USDA Office of Inspector General, Office of Investigations, is committed to aggressively investigating the criminal activities of store owners and employees who deprive needy citizens of the Detroit metropolitan area access to nutritious meals. We appreciate the assistance from our partners in the Federal and state law enforcement community."

Special Agent in Charge Aouate said, "IRS Criminal Investigation's unique role is to follow the money and identify those guilty parties who are financially benefitting from these illegal actions. Working with the United States Department of Agriculture Office of Inspector General and our other law enforcement partners, we will make sure that there are stiff consequences to these types of fraudulent activities that prey on the people that can least afford it."

The case was investigated by special agents of the United States Department of Agriculture Office of Inspector General, and the United States Internal Revenue Service, Criminal Investigation Division. The case is being prosecuted by Assistant United States Attorneys Noceeba Southern and Linda Aouate.