



NEWS RELEASE

**KAREN L. LOEFFLER
UNITED STATES ATTORNEY
DISTRICT OF ALASKA**

James M. Fitzgerald United States Courthouse and Federal Building
222 W. 7th Avenue • Room 253 • Anchorage, AK 99513-7567 • (907) 271-5071

FOR IMMEDIATE RELEASE
Friday, February 20, 2015

Contact: Steven E. Skrocki
Assistant U.S. Attorney
907-271-5071

STORE OWNER SENTENCED TO PRISON AND FORFEITURE OF FUNDS FOR FEDERAL FOOD PROGRAM FRAUD

Anchorage, Alaska - U.S. Attorney Karen L. Loeffler announced today that an Anchorage store owner was sentenced by U.S. District Court Judge Timothy M. Burgess to 18 months imprisonment, along with forfeiture of over \$42,000 in criminal proceeds in connection with a United States Department of Agriculture food aid program fraud scheme which he operated out of his Anchorage store.

In late 2013, Africa and Middle East Market store owner Ayub Yusuf Eprahin, 45, was charged by the federal grand jury with 15 counts of wire fraud and 11 counts of U.S. Department of Agriculture Supplemental Nutrition Assistance Program (SNAP) food aid fraud in connection with the illegal use of food aid debit cards. Eprahin, who plead guilty in 2014, to two counts of wire fraud, contested the overall loss amount of the scheme, claiming it amounted to only \$42,000. In day-long and contentious sentencing hearing, Judge Burgess found that Eprahin had defrauded the United States Department of Agriculture of more than \$335,000 over a period of 19 months. As part of that finding, Judge Burgess imposed a sentence of 18 months imprisonment, forfeited to the United States more than \$42,000 in funds seized from Eprahin, and imposed a term of three years of supervised release.

According to Assistant U.S. Attorney Steve Skrocki, in November, 2012, Eprahin was the owner of the Africa and Middle East Market and a participant in the Supplemental Nutrition Assistance Program (SNAP), formerly known as the "Food Stamp Program" administered by the United States Department of Agriculture's Food and Nutritional Service. The program is designed to provide authorized nutritional foods to low-income families. The federal government pays the full cost of the SNAP benefits and also shares with the states some of the administrative costs. Under the SNAP program, authorized recipients are issued a certain amount of benefits each month, which they may use to purchase eligible food items. SNAP recipients typically receive their benefits in the form of a credit on their personal electronic benefit transfer card. The rules of the program prohibit the purchase of items other than food, and the card benefits cannot be redeemed for cash. As a participant in the program, Eprahin received computer issued payments based on unauthorized purchases made by participants from his store.

As part of the scheme Eprahin permitted non-food items and cash to be redeemed from participants in the program on a large scale. In so doing, Eprahin represented to the SNAP program that the benefits were being redeemed to purchase eligible food items when they in fact were not. Instead, Judge Burgess found that the cards were being used like ATM cards with amounts being debited for cash instead of food items required by the program and with some of that cash being wired overseas. Judge

Burgess noted that Ephraim's actions negatively impacted the community, other small businesses and the integrity of a government program designed to help and feed people in need, finding the offense, "very, very serious as hundreds of thousands were misused by not being provided to those it was supposed to help."

Ms. Loeffler commends the Federal Bureau of Investigation, and United States Department of Agriculture, Office of Inspector General, who administers the SNAP program, for their investigation of this case.

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usao/ak/15-025

Prepared by: Eileen Frost, 907-271-5071, USAAK.PressRelease@usdoj.gov