Mississippi Department of Human Services
Press Release

Media Contact: Julia Bryan
Phone: 601-359-4517
Release Date: June 4, 2012

May a Busy Month for PI Investigators

(JACKSON, Miss.) — May was a busy month for Program Integrity investigators from the Mississippi Department of Human Services who helped to bust individuals trying to defraud a program that provides assistance to those in need.

Supplemental Nutrition Assistance Program (SNAP) trafficking arrests:

- Winston County: Store owner Vaishali Y. Rathod of Louisville was arrested and charged trafficking at her store, the Handy Andy Store, located on 801 South Church Avenue in Louisville. She fraudulently exchanged $8,691.68 in SNAP benefits for ineligible food items or cash benefits.

- Lee County: Store owner Sananjit Nagra and clerk Harmanpreet Nagra, both of Tupelo, were arrested and charged with trafficking at their store, the Nagra First Stop, located on 3892 Highway 178 in Mooreville. They committed fraud in the amount of $2,409.01.

SNAP fraud arrest:

- Madison County: Stacy Fleming was indicted by the Madison County Grand Jury. She entered a guilty plea and was ordered pay $9,838 in restitution, fees and fines with five years of supervised probation subject to successful completion of the non-adjudication program. She is disqualified from receiving benefits for a 12 month period.

SNAP trafficking investigations are aimed at preventing the illegal use, transfer or trafficking of SNAP benefits, with the focus of investigations on retailers who are authorized to accept benefits through EBT purchases but instead exchange benefits for cash and/or ineligible goods such as non-food items. Retailers arrested for trafficking are not only charged but lose eligibility to accept any future EBT benefits at that store location. Further, clients who participate in trafficking are charged and potentially lose their benefits. All can face fines and jail time.

SNAP fraud is usually the result of the client withholding income or household information that would deem them ineligible to receive welfare benefits. Disqualification periods are determined by state and federal mandates and/or can be ordered by the court. Disqualification periods are normally 12 months for the first violation, 24 months for the second violation and permanent disqualification from the program for a subsequent violation.

“Greed by a few has cost the honest low-income families the convenience of a local store that can accept their EBT cards. This crime penalizes all who may have used these local shops for eligible EBT food purchases. The trickle down of effect of SNAP trafficking is huge, particularly in rural small-town Mississippi. The crime affects the whole area,” said MDHS Director of Special Investigations Frank Saddler. “We want store owners to know that we are watching them and if they choose to scam the system, they will be caught.”

(Continued on page 2)

Additionally, said Director of Fraud Investigations Kenneth Palmer, “The program is designed to help low-income people put food on the table. So when someone is disqualified from receiving SNAP benefits, everyone suffers. The local store where purchases would have been made loses revenue and, of course, the family suffers because of the loss of benefits that would have allowed for food purchases. It hurts everyone who would have benefited from the program.”

Local residents can help spot possible fraud in their grocery stores. The small “mom and pop” grocers are usually the type of stores targeted by those trying to defraud a system in place to help those who are at risk of food insecurity, such as the elderly and children.

If you suspect a store owner, clerk or client is misusing benefits, call the Fraud Hotline at 1-800-299-6905. SNAP fraud is a crime.

###