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Convenience Store Owner Sentenced In Food Stamp Scam



ALBANY, NY - District Attorney P. David Soares announced today that LATERIO SANTOS was sentenced to 6 months in the Albany County Correctional Facility and 5 years of Felony Probation and the forfeiture of over \$108,000 during the initial raid, before Judge Dan Lamont in Albany County Supreme Court this morning. On November 5, 2012, SANTOS pleaded guilty to (1) Count of Grand Larceny in the Third Degree, a Class D Felony.

SANTOS, former owner of Frank and Giovanni's at 80 Morton Avenue, was one of four store owners in the City of Albany who engaged in large scale food stamp trafficking out of their bodegas. The other three owners, previously convicted and sentenced, were ROBERTO CASTRO, RICARDO FABIAN, and ELHADI ABDALLA. In the scam, food stamp card recipients would allow store operators to illegally convert their electronic food stamp benefits into cash. Store owners would typically keep half of the cash and return the other half to the customer. Working jointly with local law enforcement, the Albany County District Attorney's Office used under-cover buyers and video surveillance to catch many of these fraudulent exchanges on video. In many instances, video showed card holders entering the market and then leaving several minutes later with no bags or groceries, although their cards were used to make up to \$399 in alleged food stamp purchases while they were inside.

CASTRO, former owner of Franze's market at 53 North Swan Street, was sentenced on April 4, 2012 to 1 to 3 years in State Prison after pleading guilty to (1) count of Grand Larceny in the Third Degree, a Class D Felony. FABIAN, former owner of New City Market on 561 Clinton Ave pleaded guilty to (1) count of Criminal Possession of Public Benefit Cards in the Second Degree, a Class D felony, on March 8, 2012 and was sentenced on May 3, 2012 to 1 to 3 years in State Prison. ABDALLA, former operator of South Pearl Street Deli at 267 South Pearl Street, pleaded guilty to (1) Count of Grand Larceny in the Fourth Degree, a Class E Felony, and was sentenced to 1 ½ to 3 years in State Prison on August 14, 2012.

The investigation was assisted by the US Food and Drug Administration, the NYS Office of Temporary Disability Assistance, the United States Department of Agriculture, the State Law Enforcement Board, the Albany Police Department, the Albany County Sheriff's Department and the Albany County Department of Social Services.

The cases were prosecuted by Assistant District Attorneys Christopher Baynes and Benjamin Clark of the Financial Crimes Unit.

For more information, please contact Cecilia Logue.

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