



PRESS RELEASE

Passaic County Couple Sentenced for Roles in \$4.5 Million Food Stamps Fraud Scheme

Tuesday, May 4, 2021

For Immediate Release

U.S. Attorney's Office, District of New Jersey

NEWARK N.J. – A Passaic County, New Jersey, couple were sentenced to prison today for engaging in a food stamps fraud scheme, Acting U.S. Attorney Rachael A. Honig announced.

Ibrahim Zughbi, 67, of Wayne, New Jersey, was sentenced to 41 months in prison and his wife, Miriam Zughbi, 63, also of Wayne, was sentenced to 24 months in prison. Ibrahim Zughbi previously pleaded guilty before U.S. District Judge Peter G. Sheridan to an information charging him with Supplemental Nutrition Assistance Program (SNAP) benefit fraud and money laundering. Miriam Zughbi previously pleaded guilty to an information charging her with conspiracy to defraud the United States through SNAP benefit fraud. U.S. District Judge Anne E. Thompson imposed the sentences today in Trenton federal court.

According to documents filed in these cases and statements made in court:

From January 2014 to January 2018, the defendants owned and worked at Jamaica Meat Market, a medium-size grocery store in Paterson, New Jersey, that was authorized to accept benefits provided by SNAP, formerly known as the Food Stamp Program. The program is administered by the U.S. Department of Agriculture. Retail food stores approved for participation in SNAP may sell food in exchange for SNAP benefits. They may not exchange SNAP benefits for cash. While

the Zughbis ran the store, another individual owned the store and was the person registered with SNAP. From between 2014 and 2018, through unlawfully exchanging SNAP benefits for cash, Ibrahim and Miriam Zughbi defrauded SNAP more than \$4.5 million.

Every SNAP recipient receives an Electronic Benefit Transfer (EBT) card, similar to a debit card, with which to make purchases. Every retailer authorized to accept SNAP benefits has an EBT terminal. Food purchases are made by swiping the card at the terminal. After the customer enters a Personal Identification Number (PIN), the EBT terminal verifies the PIN, determines whether the customer's account balance is sufficient to cover the proposed transaction and informs the retailer whether the transaction should be authorized or denied. The amount of the purchase is deducted electronically from the SNAP benefits reserved for the customer and the amount is credited to the retailer's designated bank account. In addition to the high volume of SNAP benefits redemptions for Jamaica Meat Market indicating fraud, law enforcement agents verified the fraudulent exchange of SNAP benefits for cash through the use of a confidential source who, at the direction of law enforcement, engaged in 16 "purchases" at Jamaica Meat Market where both defendants exchanged money for SNAP benefits.

Ibrahim Zughbi had previously participated in SNAP when he was the owner of Neighborhood Supermarket, a grocery store that operated out of the same location as the Jamaica Meat Market. In March 2011, the USDA had permanently disqualified Ibrahim Zughbi from SNAP when Zughbi and the Neighborhood Supermarket were administratively charged with SNAP violations. Another individual took over the business, changed its name to Jamaica Meat Market, and certified in writing to the USDA that Ibrahim Zughbi would have nothing to do with the business or its participation in the program. Ibrahim Zughbi continued to run Jamaica Meat Market, and he and his wife continued to exchange cash for SNAP benefits.

To conceal the proceeds of the SNAP benefit fraud, from January 2014 to January 2018, Ibrahim Zughbi wrote inflated checks from the Jamaica Meat Market account containing the SNAP fraud proceeds to a supplier, and then received funds back in cash from the supplier. Zughbi also issued checks to family members with no apparent connection to Jamaica Meat Market.

In addition to the prison term, Judge Thompson sentenced Ibrahim Zughbi and Miriam Zughbi to three years of supervised release and ordered them to pay restitution of \$4.66 million.

Acting U.S. Attorney Honig credited special agents of the U.S. Department of Agriculture – Office of Inspector General, under the direction of Special Agent in Charge Bethanne M. Dinkins, and Homeland Security Investigations (HSI), Newark, under the direction of Special Agent in Charge Jason J. Molina, with the investigation leading to today's sentencings. She also thanked the Passaic County Prosecutor's Office, the Wayne Township Police Department and the Paterson Police Department for their roles in the investigation.

The government is represented by Assistant U.S. Attorney Sean M. Sherman of the Opioid Abuse Prevention & Enforcement in Newark.

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District of New Jersey

Main Office:

**970 Broad Street, 7th Floor
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Newark: 973-645-2700

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Camden: 856-757-5026

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