

**U.S. Department of Agriculture
Food and Nutrition Service
Administrative Review Branch**

Paradise Deli and Grocery LLC,

Appellant,

v.

Case Number: C0205450

Retailer Operations Division,

Respondent.

FINAL AGENCY DECISION

It is the decision of the USDA that the record indicates that Paradise Deli and Grocery LLC, (hereinafter Appellant) committed violations of the Supplemental Nutrition Assistance Program (SNAP). There is sufficient evidence to support a finding that the permanent disqualification from participation as an authorized retailer in the program, as initially imposed by the Retailer Operations Division was appropriate.

ISSUE

The issue accepted for review is whether the Retailer Operations Division took appropriate action, consistent with 7 CFR § 278.6(c) and (e)(1) in its administration of the SNAP, when it assessed a permanent disqualification against Appellant by letter dated March 7, 2018.

AUTHORITY

7 U.S.C. § 2023 and the implementing regulations at 7 CFR § 279.1 provide that “A food retailer or wholesale food concern aggrieved by administrative action under § 278.1, § 278.6 or § 278.7 . . . may file a written request for review of the administrative action with FNS.”

CASE CHRONOLOGY

In a letter dated February 7, 2018, Retailer Operations Division charged the Appellant with trafficking, as defined in Section 271.2 of the SNAP regulations, based on a series of irregular SNAP transaction patterns that occurred during the months of October 2017 through December 2017. The letter noted that the penalty for trafficking is permanent disqualification as provided by 7 CFR § 278.6(e)(1). The letter also noted that the Appellant could request a trafficking civil money penalty (CMP) in lieu of a permanent disqualification within 10 days of receipt under the conditions specified in 7 CFR § 278.6(i).

In correspondence dated February 9, 2018, Appellant replied to the charge letter and generally stated that most transactions ended in the same amounts because neighborhood customers have been purchasing the same products from our store on a daily basis. Regarding multiple transactions, we have been trying to be generous and helpful to our loyal customers (some homeless) by giving them credit. Regarding the majority or all of individual recipient benefits being exhausted, this has been clearly explained above. This is their personal issue. We cannot control how people spend their money and we always welcome people to purchase products from our store. Regarding the excessively large transactions, most of these transactions have been generated from the customer's purchases plus their previously unpaid balance that was given as credit from our store. Appellant stated we did not realize this was a violation and we will have to stop giving credit to our customers. Appellant provided copies of customer's card which was considered as a promissory note to pay. In a February 13, 2018, telephone conversation; ownership informed Retailer Operations Division that the firm extends credit accounts to SNAP customers.

In a letter dated February 13, 2018 and received on February 15, 2018, Retailer Operations Division informed Appellant that the acceptance of SNAP benefits as payment for items sold to a household on credit is a violation of SNAP regulation 278.2(f). A firm that commits such violations shall be disqualified from participation for a period of one year. The letter stated, please provide documentation to support that food items were purchased on credit as noted in the response provided on February 13, 2018. This documentation must identify specific accounts along with corresponding dates and amounts. Appellant was also informed that the requested documentation and any information, explanation, or evidence regarding the charges outlined in the February 7, 2018 letter, must be provided within 10 calendar days of its receipt of this letter.

Retailer Operations Division issued a Determination letter dated March 7, 2018. The letter informed Appellant that it was permanently disqualified from the SNAP in accordance with Sections 278.6(c) and 278.6(e)(1) of the SNAP regulations. The letter also stated that Retailer Operations Division considered Appellant's eligibility for a trafficking civil money penalty (CMP) according to the terms of Section 278.6(i) of the SNAP regulations. However, Retailer Operations Division determined that Appellant was not eligible for the CMP because it failed to submit sufficient evidence to demonstrate that Appellant had established and implemented an effective compliance policy and program to prevent violations of the SNAP.

In a letter dated March 12, 2018, Appellant appealed the Retailer Operations Division's assessment and requested an administrative review of this action. The appeal was granted.

STANDARD OF REVIEW

In appeals of adverse actions, the Appellant bears the burden of proving by a preponderance of the evidence, that the administrative actions should be reversed. That means an Appellant has the burden of providing relevant evidence which a reasonable mind, considering the record as a whole, would accept as sufficient to support a conclusion that the matter asserted is more likely to be true than not true.

CONTROLLING LAW

The controlling statute in this matter is contained in the Food & Nutrition Act of 2008, as amended, 7 U.S.C. § 2021 and 278 of Title 7 of the Code of Federal Regulations (CFR). Part 278.6(a) (c) and (e)(1)(i) establish the authority upon which a permanent disqualification may be imposed against a retail food store in the event that personnel of the firm have engaged in trafficking SNAP benefits.

7 CFR § 278.6(a) states, *inter alia*, that “FNS may disqualify any authorized retail food store...from further participation in the program if the firm fails to comply with the Food and Nutrition Act of 2008, as amended, or this part. Such disqualification shall result from a finding of a violation on the basis of evidence that may include facts established through on-site investigations, inconsistent redemption data, evidence obtained through a transaction report under an **electronic benefit transfer system...**” (*Emphasis added*)

7 CFR § 278.6(c) reads, in part, “*Review of Evidence.* The letter of charges, the response, and any other information available to FNS shall be reviewed and considered by the appropriate FNS regional office, which shall then issue the determination. In the case of a firm subject to permanent disqualification under paragraph (e)(1)...the determination shall inform such a firm that action to permanently disqualify the firm shall be effective immediately upon the date of receipt of the notice of determination from FNS...”

7 CFR § 278.6(e)(1) reads, in part, “FNS shall disqualify a firm permanently if personnel of the firm have trafficked as defined in § 271.2.” Trafficking is defined, in part, in 7 CFR § 271.2, as “the buying or selling of SNAP benefits for cash or consideration other than eligible food.”

7 CFR § 271.2 states in part that, “Eligible foods mean: Any food or food product intended for human consumption except alcoholic beverages, tobacco and hot food and hot food products prepared for immediate consumption.”

7 CFR § 278.6(e)(4) reads, in part, “Disqualify the firm for 1 year if: (ii) The firm has accepted food stamp benefits in payment for items sold to a household on credit.”

SUMMARY OF THE CHARGES

The charges on review were based on an analysis of SNAP electronic benefit transfer (EBT) transactions dated during the five month period of October 2017 through December 2017. This involved four patterns of EBT transaction characteristics indicative of trafficking:

1. An unusual number of transactions ended in a same cents value.
2. Multiple transactions were made from individual benefit accounts in usually short time frames.
3. The majority or all of individual recipient benefits were exhausted in unusually short periods of time.
4. Excessively large purchase transactions were made from recipient accounts.

The issue in this review is whether, through a preponderance of evidence, it is more likely true than not true that the questionable transactions were the result of trafficking.

APPELLANT'S CONTENTIONS

The Appellant made the following summarized contentions in its response to the permanent disqualification letter issued by Retailer Operations Division, and its request for administrative review, in relevant part:

1. This is the first time we operated our own business. This store was transferred to our name since August 1, 2017. We have not made any profits yet.
2. The majority of our customers are low income and they begged us for help to feed their family. When they ran out of money, they begged us to let them purchase the food in advance, when they received the money they will pay us.
3. We have supported this statement by attaching the customer's testimony where they signed their names to acknowledge that our statement is correct.
4. We did not realize that this action was a violation against SNAP regulations. This is a valuable lesson for us as first time business owners and we hope to have a chance to continue maintaining our business to serve the community.

Appellant provided 80 signed customer statements, two petitions totaling 206 entries attesting to Appellant's character and the need to allow the store to remain SNAP authorized as well as 133 index cards as evidence of its alleged credit accounts. Appellant also provided its Profit & Loss Statement from August 2017 through December 2017.

The preceding may represent a brief summary of Appellant's contentions in this matter however, in reaching a decision, full attention has been given to all contentions presented, including any not specifically recapitulated or referenced herein.

ANALYSIS AND FINDINGS

The FNS authorized the business as a convenience store on August 8, 2016. The file indicates that in reaching a disqualification determination, Retailer Operations Division considered information obtained during a December 21, 2017, store visit to the business conducted by a FNS contractor to observe the nature and scope of the firm's operation, stock and facilities. This information was then used to ascertain if there were justifiable explanations for the EBT transactions at Appellant that formed patterns indicative of trafficking. The firm review summary documented the following store size, description, and characteristics:

- One cash register and one POS device with a small counter area partially obstructed by other smaller items available for sale.
- Estimated to be approximately 2300 square feet.
- No shopping baskets or carts available for customers.
- Optical scanners were used. No adding machines at checkout. No specialty registers present.

- Store operates through a night window or plastic barrier with food stock behind the barrier.
- No evidence of wholesale business such as posted prices or separate entrances for wholesale customers.
- No unusual pricing structure such as ending most products with 00 cents and does not round transaction totals.
- No food stored in an area outside of public view.
- Store has no storage freezers or coolers and does not store food offsite.
- Store is not primarily selling one food type such as meat, poultry, dairy, seafood, fruits, baked goods or vegetables.
- Store does not take telephone or online orders and does not offer delivery
- Highest priced eligible food items were Folgers Coffee (\$6.50), Dreyer's Ice Cream (\$6.00), Kirkland Hot Dogs (\$6.00) and Kirkland Bacon (\$5.00).
- Store stocks a significant amount of non-food items such as but not limited to paper products, cleaning products, tobacco products, alcohol products, lottery tickets, and health and beauty aids.
- Store stocks limited amounts of dairy products, bread and cereal products, fruit and vegetable products and meat, poultry and fish products. No fresh fruits or produce, no fresh meat or poultry. Most meats are canned, packaged or frozen.
- No kitchen/prepared food area with hot foods sold for onsite consumption.
- No hot food sold.
- Food is sold for on-site consumption with a microwave available for heating.
- There is a deli or prepared food section. Stock is not used in preparation of food.
- No meat or seafood specials or bundles or fruit/vegetable boxes sold.

The issue for consideration is whether Retailer Operations Division has presented a convincing case that Appellant likely trafficked in SNAP benefits. Each attachment furnished with the charge letter represents the questionable and unusual patterns of SNAP transactions indicative of trafficking which were conducted at the Appellant firm during the review period. As there is more than one pattern of irregular transactions, the case of trafficking becomes more convincing.

Attachment 1 of the Charge Letter – Unusual number of transactions ended in a same cents value.

There were 245 SNAP transactions that met the parameters of this attachment. When such repetitive patterns are unsupported by special pricing structures they are a strong indicator of trafficking in SNAP benefits.

The store visit documentation indicates that Appellant does not have a special pricing structure that would account for the percentage of transactions that ended in 99 cents. The record reflects that 33.4 percent of the transactions that met the parameter of this attachment ended in 99 cents. Based on the contracted store visit, Appellant's inventory contains almost exclusively inexpensive single-serving, prepared food items and accessory foods. As such, it is implausible that several of these relatively inexpensive items purchased together would routinely total to a purchase amount ending in 99 cents.

When there are a disproportionate amount of transactions ending in same cent value it appears the transactions are contrived and absent any compelling rationale to the contrary it is a strong indicator of trafficking. Especially when item prices end with a standard *9 it is implausible that several of these relatively inexpensive items purchased together would routinely total to a purchase amount ending in 99 cents. In addition a store that is rounding prices up or down or an even value would not have any transactions ending in odd values.

Based on the analysis above, it appears that the transactions cited in the charge letter are contrived and therefore, in the absence of plausible evidence to the contrary, are likely the result of trafficking in SNAP benefits and not as a result of credit accounts.

Attachment 2 of the Charge Letter - Multiple transactions were made from individual accounts in unusually short timeframes.

There were 29 sets of 67 SNAP transactions that met the parameters of this attachment. Multiple transactions conducted by the same household account within a **5 U.S.C. § 552 (b)(6) & (b)(7)(C)** period is a method which violating stores use to avoid the detection of single high dollar transactions that cannot be supported by the retailer's inventory and structure.

Appellant's stock consists of prepackaged meals, prepackaged sandwiches, packaged lunch meats and cheese and packaged bacon. There was no fresh or frozen meat or seafood, no ethnic or specialty items that sold for high prices and no bulk items. Based on the fact that the Appellant lacks high dollar inventory, there are other larger, better stocked, SNAP authorized stores within a half mile of Appellant and the shopping patterns of households show that they shopped at those other stores, as well as the high number of unusual transactions and the transaction patterns; it is determined that trafficking is more likely than not occurring and permanent disqualification is the appropriate sanction.

Attachment 3 of the Charge Letter – The majority or all of individual recipient benefits was exhausted in unusually short periods of time.

There were 34 sets of 53 SNAP transactions that met the parameters of this attachment in which individual recipient benefits were exhausted or nearly exhausted. Studies of historical transaction data shows that SNAP recipients do not normally exhaust their benefits in one or two transactions on the same day. A government report¹ on SNAP shopping patterns indicates that after the first day of benefit issuance, on average, 80 percent of a household's allotment remains unspent. Even after seven days, 40 percent of benefits still remain unspent. It takes two weeks to deplete 80 percent of one's benefits, and three weeks to deplete 90 percent. Although many SNAP households do shop early in the month as opposed to later in the month, most households do not spend all or a majority of their monthly benefits in only a few transactions or in a single day. Depleting one's entire allotment in one or two days, or in a single large transaction, leaving no benefits for the remainder of the month, is inconsistent with the normal shopping behavior of SNAP benefit households.

¹ U.S. Department of Agriculture, Food and Nutrition Service, Office of Research and Analysis, *Benefit Redemption Patterns in the Supplemental Nutrition Assistance Program*, by Laura Castner and Juliette Henke. Project officer: Anita Singh, Alexandria, VA: February 2011

Attachment 4 of the Charge Letter - Excessively large purchase transactions were made from recipient accounts.

There were 275 SNAP transactions that met the parameters of this attachment. Based on the results of the contracted store visit, the large transaction amounts are not consistent with the store's inventory of low priced foods. The firm does not offer food in bulk or any ethnic or specialty foods that sell for a high price. Therefore, the substantial number of high dollar purchases calls into question the legitimacy of these transactions.

The record reflects that there is one superstore, two supermarkets, one medium grocery store and 11 other convenience stores within ½ mile of Appellant where these SNAP households also shopped. Retailer Operations conducted an analysis of the shopping habits of four of the households identified in the charge letter. This analysis concluded that these households also shopped at other area grocery stores including full-line supermarkets and superstores that offer a much larger quantity and variety of eligible food items for likely better prices either on the same day or within days of visiting Appellant's firm. This again indicates that lack of access to other stores is not at issue. However, despite this access to large supermarkets and superstores, these households consistently conducted much higher transactions at the Appellant firm than at better stocked supermarkets/superstores in and around the Multnomah County area of Oregon. This is another strong trafficking indicator.

Contentions and Credit Claim

Appellant contends that this is the first time we operated our own business. This store was transferred to our name August 1, 2017 and we have not made a profit yet. With regard to this contention, the record reflects that the store was SNAP authorized on August 8, 2016 and Appellant signed the SNAP application, as owner, on June 21, 2016. Therefore Appellant's claim that the store was transferred in his name on August 1, 2017, is incorrect and does not provide grounds for dismissing the charge of trafficking.

Appellant contends that it allowed credit accounts to SNAP customers because they begged for help but did not realize that this action was a violation against SNAP regulations. We have supported this statement by attaching the customer's testimony where they signed their names to acknowledge that our statement is correct. With regard to these contentions, Appellant did not provide sufficient evidence that the transactions cited in the charge letter were as a result of credit accounts. No other explanation was provided, either in its reply to the charge letter or during this review, to explain the transaction patterns.

7 CFR § 278.2 (f) states, inter alia: "Coupons (SNAP benefits) shall not be accepted by an authorized retail food store in payment for items sold to a household on credit." Ownership admitted to accepting SNAP benefits for payment on credit accounts, a program violation. To refute charges of trafficking, the retailer must provide adequate proof that credit accounts existed at the time the suspicious transactions occurred, and that such proof is to be compared with transactions outlined in the letter of charges. If the retailer is unable to account for all of the transactions outlined in the letter of charges, the remaining transactions must be evaluated to determine if trafficking occurred. If the retailer does not provide adequate proof to support credit

accounts, the store will be permanently disqualified.

An analysis was conducted on the index cards provided by Appellant. There were 44 cards that contained names that were found in the State Administrative Terminal. Eight (8) of the 44 names had household numbers that matched the household numbers listed in the charge letter however; they did not match any of the transaction dollar amounts and transaction dates as cited in the charge letter. The remaining 89 cards did not have a name associated and could not be compared to the charge letter transactions. The index cards also did not specify items that were purchased, when the accounts were paid or how the accounts were paid and therefore did not provide adequate proof that credit accounts, paid with SNAP, existed.

The petition and customer statements as well as the Profit & Loss Statement from August 2017 through December 2017, provided by Appellant, do not explain or justify the transaction patterns noted in the charge letter and therefore, cannot be accepted as a valid basis for dismissing the charges or for mitigating the penalty imposed.

Appellant contends that it did not realize that this action was a violation against SNAP regulations. With regard to this contention, it is important to note that the record reflects that ownership signed the SNAP application June 21, 2016. As part of the certification and signature page, ownership agreed to:

“I accept responsibility on behalf of the firm for violations of the Supplemental Nutrition Assistance Program regulations, including those committed by any of the firm's employees, paid or unpaid, new, full-time or part-time. These include violations such as, but not limited to:

- Trading cash for Supplemental Nutrition Assistance Program benefits (i.e. trafficking);
- Accepting Supplemental Nutrition Assistance Program benefits as payment for ineligible items;
- Accepting Supplemental Nutrition Assistance Program benefits as payment on credit accounts or loans;
- Knowingly accepting Supplemental Nutrition Assistance Program benefits from people not authorized to use them.”

Appellant received the same Authorization Kit that is sent to all retail food stores when they are newly authorized in the SNAP, including various information booklets, signs and posters indicating the Do's and Don'ts, rules of the SNAP available in several languages, a copy of the SNAP regulations, and a training video. Moreover, periodic newsletters have been sent to all retailer food stores participating in the SNAP with a reminder in almost every newsletter sent that accepting SNAP benefits for payment on credit accounts is a violation. Therefore, Appellant's contention that it did not realize that allowing credit accounts was a SNAP violation, cannot be accepted as a valid basis for dismissing the charges or for mitigating the penalty imposed.

Summary

As previously noted, SNAP regulations at § 278.2(f) provides, inter alia, that: “Food stamp

benefits shall not be accepted by an authorized retail food store in payment for items sold to a household on credit. A firm that commits such violations shall be disqualified from participation in the Food Stamp Program for a period of one year.” Since attributing suspicious EBT transactions to credit may be an attempt to avoid a more serious sanction which is appropriate for a trafficking violation indicated by the available evidence, to refute charges of trafficking, as part of the retailer’s reply to the charge letter, the retailer must provide adequate proof that credit accounts existed at the time the suspicious EBT transactions occurred. It is imperative that the retailer provide evidence to refute charges of trafficking so that the Retailer Operations Division can compare such proof with the transactions outlined in the Charge letter. If the retailer does not provide adequate proof, the determining office shall permanently disqualify the retailer for trafficking.

The determining office shall compare the credit information provided by the retailer against the transactions outlined in the letter of charges and the recipient personal identifying information available from the State EBT administrative terminals. The retailer shall be assessed a fiscal claim for each transaction determined to be a credit account violation. If the retailer is not able to account for all of the suspicious EBT transactions for which it has been charged, the determining office must evaluate the remaining transactions and determine whether trafficking has occurred. If the retailer does not provide adequate proof, the determining office shall permanently disqualify the retailer for trafficking.

The record reflects that Retailer Operations Division presented Appellant with an opportunity to provide additional documentation and any information, explanation or evidence in support of its claim of credit accounts. Appellant was notified that the documentation must identify specific accounts along with corresponding dates and amounts to qualify as adequate proof of credit accounts. Appellant failed to provide sufficient evidence that the transactions cited in the charge letter are as a result of credit accounts. Therefore, Appellant’s contentions that the charge letter transactions were due to customers paying off credit accounts does not constitute valid grounds for dismissal of the current charges or for mitigating the impact of those charges.

Based on this empirical data, and in the absence of sufficient evidence as to the legitimacy of such transactions, a conclusion can be drawn, through a preponderance of evidence that the “unusual, irregular, and inexplicable” transactions and patterns cited in the charge letter evidence trafficking as the most likely explanation. In this case, ownership did not provide sufficient evidence to legitimize Appellant’s transaction data as outlined in the Attachments. Retailer Operations Division determined that Appellant’s contentions did not outweigh the evidence that the store was trafficking and concluded, through a preponderance of evidence, that trafficking is the most probable explanation for the questionable transactions listed in the charge letter attachments.

7 CFR §278.6(e)(1)(i), states in relevant part: “FNS shall take action... against any firm determined to have violated the Act or regulations. For the purposes of assigning a period of disqualification, a warning letter shall not be considered to be a sanction. A civil money penalty and a disqualification shall be considered sanctions for such purposes. The FNS... shall (1) Disqualify a firm permanently if: (i) Personnel of the firm have trafficked as defined in §271.2: ...” Therefore, Appellant’s contention does not provide a valid basis for dismissal of the charges

or for mitigating the impact of those charges. Furthermore, it is important to clarify for the record that the purpose of this review is to determine if the earlier decision of the Retailer Operations Division, to permanently disqualify Appellant from participation in the SNAP, was in fact a correct one. It is not within the scope of this review to consider what subsequent actions Appellant may have taken so that its store may begin to comply with program requirements.

The transaction data and overall firm record convincingly demonstrate repetitive patterns of unusual, irregular, and inexplicable SNAP activity for this type of firm indicative of trafficking. Once Retailer Operations Division established the convincing case against Appellant, ownership bears the burden of proving, by a preponderance of the evidence, that the administrative action should be reversed. That means the Appellant has the burden of providing relevant evidence which a reasonable mind, considering the record as a whole, would accept as sufficient to support a conclusion that the matter asserted is more likely to be true than not true. If this is not demonstrated, the case is to be sustained.

As noted, 7 CFR § 278.6(a) states that FNS may disqualify any authorized retail food store if the firm fails to comply with the Food and Nutrition Act of 2008, as amended, or this part. Such disqualification shall result from a finding of a violation on the basis of evidence that may include facts established through inconsistent redemption data, and evidence obtained through a transaction report under an electronic benefit transfer system.

Retailer Operations Division has presented a convincing case that Appellant has likely trafficked in SNAP benefits. This is evidenced by: the suspicious patterns in four attachments of EBT transaction data, the inadequacy of the firm's eligible food stock as observed and recorded during the onsite visit to support such large transactions, the lack of evidence of invoices of foods in inventory to cover SNAP redemption totals for the review months, the lack of explanation for customer spending habits given that there are other SNAP authorized stores located within proximity to Appellant, and the irregular SNAP transaction data of Appellant as compared to other small grocery stores in the State.

Government analyses of stores caught in trafficking violations during on-site investigations have found that transactions involving trafficking consistently display particular characteristics or patterns. These patterns include, in part, those cited in the letter of charges. Therefore, based on this empirical data, and in the absence of evidence for the legitimacy for such transaction patterns, a conclusion can be drawn through a preponderance of evidence that the unusual, irregular, and inexplicable transactions and patterns cited in the letter of charges evidence trafficking as the most likely explanation. While ownership was afforded the opportunity to provide valid explanations and evidence that support that the questionable transactions were the result of legitimate purchases of eligible food items, Retailer Operations Division determined that Appellant's contentions did not outweigh the evidence in the record.

The purpose of the administrative review process is to ensure that firms aggrieved by Retailer Operations Division' adverse actions have the opportunity to have their position fairly considered by an impartial review authority prior to that adverse action becoming final. Appellant has been duly given, and has taken the opportunity to present to USDA through the administrative review process whatever evidence and information it deems pertinent in support

of its position that Retailer Operations Division' adverse action should be reversed. Therefore, any evidence and information that Appellant presented to Retailer Operations Division, as well as any such information submitted subsequently, have now been considered in this administrative review in rendering the final agency administrative decision in this case. The record does not indicate any departure from established policy or procedures with regard to Appellant's right to a fair and thorough review.

CIVIL MONEY PENALTY

Appellant was notified in the charge letter dated February 7, 2018, that it had 10 calendar days upon receipt of the charge letter to provide required documentation in order to be considered for the trafficking CMP.

Appellant failed to provide Retailer Operations Division with the required documentation to be considered for a trafficking CMP in lieu of disqualification. Therefore, Retailer Operations Division correctly determined that Appellant was not eligible for a trafficking CMP as set forth in the SNAP regulations.

CONCLUSION

Ownership has not provided sufficient evidence to rebut the convincing case that Appellant most likely trafficked in SNAP benefits. As such, the SNAP regulations are specific with regard to the action that must be taken if personnel of the firm have trafficked, which is that FNS shall disqualify the firm permanently.

Retailer Operations Division's analysis of Appellant's EBT transaction record was the primary basis for its determination to permanently disqualify Paradise Deli and Grocery LLC from participation in the SNAP. This data provided substantial evidence that the questionable transactions during the review period had characteristics that are consistent with trafficking in SNAP benefits. Therefore, based on a review of all the evidence in this case, it is more likely true than not true that program violations did, in fact, occur as charged by Retailer Operations Division. Based on the discussion herein, the determination to impose a permanent disqualification against Paradise Deli and Grocery LLC is sustained.

RIGHTS AND REMEDIES

Your attention is called to Section 14 of the Food and Nutrition Act of 2008, as amended, (7 U.S.C. § 2023) and to Title 7, Code of Federal Regulations, Part 279.7 (7 CFR § 279.7) with respect to your right to a judicial review of this determination. Please note that if a judicial review is desired, the Complaint, naming the United States as the defendant, must be filed in the U.S. District Court for the district in which you reside or are engaged in business, or in any court of record of the State having competent jurisdiction. If any Complaint is filed, it must be filed within thirty (30) days of receipt of this Decision.

Under the Freedom of Information Act (FOIA), we are releasing this information in a redacted format as appropriate. FNS will protect, to the extent provided by law, personal information that could constitute an unwarranted invasion of privacy.

Monique Brooks
Administrative Review Officer

June 19, 2018