



**Office of Genesee County Prosecutor
David Leyton**

PRESS RELEASE

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**THREE FLINT BUSINESS OWNERS CHARGED WITH
FELONY FOOD STAMP FRAUD**

- *Tens of thousands of dollars of food assistance benefits used to make purchases for restaurant and catering operations*

FLINT -- Genesee County Prosecutor David Leyton has charged three Flint business owners with felonies in connection to a scheme involving the fraudulent use of food stamps, officially known as EBT (Electronic Benefit Transfer) Bridge Cards under the state's Food Assistance Program (FAP).

At a press conference this morning, Prosecutor Leyton was joined by Al Kimichik, Director of the Office of Inspector General (OIG) at the Michigan Department of Human Services (DHS), in announcing charges against Paul Verdun, 63 (d.o.b. 11-2-48) of Flint; Reginald Clements, 51 (d.o.b. 9-07-60) of Flint; and Beverly Biggs-Leavy, 54 (d.o.b. 11-19-57) of Flint.

Each is charged with four counts of food stamps fraud over \$1,000 which carries a maximum possible sentence of 10 years in prison and/or \$250,000 in fines.

"Food stamp fraud is a serious crime that my office does not take lightly," said Prosecutor Leyton in announcing the charges.

"It cheats the taxpayers, unfairly tarnishes the reputations of all who truly need and use food assistance benefits, and places an even greater strain on already tight budgets at all levels of government services," Leyton continued.

According to the investigation conducted by OIG agents, Biggs-Leavy would pay EBT Bridge Card holders pennies on the dollar to be able to use their cards at various grocery stores including Sam's Club, Gordon Food Service, Krogers, and Great Giant Supermarket among others. Usually, the purchases made were in bulk amounts for food supplies that Biggs-Leavy used in her catering business.

The investigation of Biggs-Leavy led to the discovery of a similar scheme of FAP trafficking by Verdun and Clements who were illegally using EBT Bridge Cards belonging to others to purchase food supplies for their restaurant and catering

businesses known as Chip's Shrimp and Fish and Chip's Supper Club located in Flint and Burton.

The scheme is believed to have involved tens of thousands of dollars worth of FAP benefits and more than forty identified individuals who sold their Bridge Card funds to Biggs-Leavy, Verdun, and Clements between August of 2010 and March of 2011.

"We cannot and we will not allow individuals to fraudulently use taxpayer-funded services for the needy to line their own pockets," Leyton said.

Leyton's comments were echoed by Kimichik who said "We will not tolerate flagrant abuse and exploitation of a benefit system that so many Michigianians rely on to meet their basic needs."

"Criminal fraudulent abuse of the food assistance program undermines society's efforts to provide a safety net for all citizens," he said.

All three defendants have been arraigned in 67th District Court in Genesee County and each were given personal recognizance bonds. Pre-trials are set for this Friday at 8:30 AM with preliminary examinations tentatively scheduled one week from today on July 18th.

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