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Media Release

Nevada Department of Public Safety – Investigation Division Arrest Man in Food Stamp Fraud in Sparks

On Monday, March 04, 2013, Nevada Department of Public Safety, Investigation Division (DPS-ID) Detectives arrested Mr. Lokman Houssain BABU (age 49) and conducted a search warrant at Discount Center Liquor and Convenience Store located at 2250 Oddie Boulevard, Sparks, Nevada. In addition, search warrants were obtained for Mr. BABU's 1998 Toyota 4Runner and a Bank of America business account. The arrest of Mr. BABU and the execution of the various search warrants are the latest action stemming from an investigation which began in July 2012. Additional arrests are anticipated in the investigation.

It is alleged that recipients who received welfare benefits from the State of Nevada, Division of Welfare, were selling their Electronics Benefit Transfer (EBT) cards, referred to as food stamps, to the store owner, Mr. BABU and other store employees. The EBT cards were being exchanged for cash at a rate of approximately fifty cents on the dollar. It is alleged Mr. BABU then acted as a broker and distributed these cards to other individuals he associated with in the community. The exchange of food stamp benefits for cash is a violation of Federal and State laws. Once exchanged, Mr. BABU and other associates used the cards at full face value for the purchase of food for themselves and/or their business, or they processed the cards at full face value as authorized vendors.

Mr. BABU was arrested on one felony count of Food Stamp violations under NRS 207.340, and Burglary, a felony, under NRS 205.060.

During the course of the investigation DPS-ID was assisted by the State of Nevada Welfare Fraud Unit, EBT Section, and the All Threats All Crimes (ATAC) unit, which is a task force between the Washoe County Sheriff's Office and the Department of Public Safety. The Department of Public Safety – Investigation Division would like to express its appreciation for the professional assistance and cooperation received from Winco Loss/Prevention personnel during the investigation.

The DPS-ID welcomes information about food stamp fraud from the public who may call 775-684-7400. Callers may remain anonymous. For questions about the investigation of Mr. BABU, inquiries can be made by contacting Sgt. Martin Roberto at 775-684-7400 or 775-684-7429.



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