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# U.S. Seizes 14 7-Eleven Stores in Immigration Raids

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More than a dozen 7-Eleven franchises took in more than \$180 million in revenue by running a “modern-day plantation system,” prosecutors in New York charged on Monday, built on the unpaid labor of dozens of illegal immigrants hired using sham Social Security numbers.

Federal authorities seized 14 7-Eleven stores on Long Island and in Virginia, arresting nine owners and managers, and seized property, including five homes. They are investigating 40 other 7-Eleven franchises in New York City and elsewhere in one of the largest criminal immigrant employment investigations ever conducted by the Justice and Homeland Security Departments, officials said.

Through the scheme, the defendants, who as franchisees for the parent company were licensed to use 7-Eleven buildings, trademarks and Slurpee and hot dog machines, recruited more than 50 illegal immigrants and gave them identities stolen from American citizens, including children and dead people.

The employees worked for 100 hours a week but were paid for a fraction of that time, and were forced to live in substandard housing owned by the operators of the convenience stores, the authorities said.

The store managers escaped notice, some for more than a decade, because the national company, 7-Eleven Inc., which has more than 7,600 stores in the United States, did not have safeguards in place to protect its payroll system from employee fraud, the authorities said. For example, two immigrant employees, one in New York and one in Virginia, used the same Social Security number to get paid.

There was “little to no effort to insure the integrity of their payroll system,” said Loretta E. Lynch, the United States attorney in Brooklyn, whose office helped investigate the case.

A spokesman for 7-Eleven Inc., Scott Matter, said in a statement that the company would “take aggressive actions to audit the employment status of all its franchisees’ employees” and was cooperating with federal authorities. The company, based in Dallas, is one of the largest operators of convenience stores in the world.

The raids come as Congress is debating a major overhaul of the immigration system, and Obama administration officials have been called upon to defend their record on enforcement against illegal immigration to convince skeptical lawmakers, many of them Republicans, that the nation is ready to grant legal status to undocumented immigrants.

Under the Obama administration, Immigration and Customs Enforcement has moved away from high-profile workplace raids in which dozens of workers in the country illegally were rounded up for deportation. Instead, agents from ICE, as the agency is known, have relied on audits of employers' hiring records to detect illegal immigrant workers.

The audits were low profile but often very effective at forcing illegal immigrants to leave their jobs.

Federal immigration officials said the wage theft and other abuses of the workers in the 7-Eleven case were the type of violation they now treat as a priority. Vincent Picard, an ICE spokesman, said the timing of the arrests was not related to the debate in Washington.

The case began two years ago when a 7-Eleven employee approached the New York State Police about not being paid for his work. Another worker later contacted the Suffolk County police.

The investigation led to two families and their associates with roots in Pakistan and the Philippines, who recruited from their own ethnic communities.

Farrukh and Bushra Baig, a married couple and American citizens from Pakistan who live on Long Island, owned and managed 12 stores in New York and Virginia along with Mr. Baig's brothers, Zahid and Shannawaz, and his associates, Malik Yousaf, Tariq Rana and Ramon Nanas. All have been charged.

A separate case was brought against two brothers, Ahzar Zia, a citizen of the United States and Pakistan, and Ummer Uppal, who the authorities said was an illegal immigrant. They own and control two stores in Suffolk County.

The defendants entered each employee's personal information and hours worked into computer terminals at the stores. The parent company processed the payroll and sent the wages to the employers for distribution. The defendants, officials said, never paid the workers all that they were due.

Instead, prosecutors said, they might have earned \$300 to \$500 per week for 100 hours of work.

Ms. Lynch said the employees "were not innocent victims in this scheme," but added that they had been abused. Agents from ICE had interviewed some of the illegal immigrants and, for now, were treating them as potential witnesses and were not seeking to move to deport them, Mr. Picard said.

Investigators have not found a connection between the two families, suggesting that the knowledge of how to exploit the payroll system could have been widespread and the ongoing investigation is based on payroll records provided by the parent company. Prosecutors are seeking \$30 million in forfeiture from the stores and the corporate parent.

The charges were announced at a news conference by Ms. Lynch and James T. Hayes, who is in charge of ICE's office of investigations in New York City, along with officials from the New York State Police and the Suffolk County Police Department.

"From their 7-Eleven stores the defendants dispensed wire fraud and identity theft, along with Slurpees and hot dogs," Ms. Lynch said. "In bedroom communities across Long Island and Virginia, the defendants not only systematically employed illegal immigrants but concealed their crimes by raiding the cradle and grave to steal the identify of children and even the dead."

Ms. Lynch said the defendants "ruthlessly exploited their immigrant employees," forcing them to live in unregulated boardinghouses and "creating a modern -day plantation system."

In one instance, an employee of one franchise was paid using the Social Security number of a former 7-Eleven employee, a person who had not worked for the store for 10 years and who had been the target of collection efforts by the Internal Revenue Service for much of that time because of the reported payments to the illegal immigrant, officials said.

The charges against the owners and managers, eight men and a woman, included wire fraud conspiracy and aggravated identity theft. Each pleaded not guilty in federal court and was held in custody pending trial.

The conduct charged in the indictment, officials said, had been going on since 2000, during which the defendants generated more than \$180 million in revenue.

One of the raids took place around 6 a.m., at a 7-Eleven on Carleton Avenue in Islip Terrace, on Long Island, according to a law enforcement agent at the scene who declined to give his name or reveal the agency he worked for. One person, he said, was taken into custody from the store and two people were taken away from a house across the street.

A neighbor who lives near the house said the home had been divided into several apartments.

"It's packed in there," said the neighbor, who asked not to be identified. "There's been a constant flow of new people coming in."

<http://www.nytimes.com/2013/06/18/nyregion/us-seizes-14-7-eleven-stores-in-immigration-raids.html>