

United States v. Tyson Foods, Inc. (D.D.C. 2011)

Nature of the Business.

Tyson Foods, Inc. ("Tyson"), a Delaware corporation, produces protein-based and prepared food products. Tyson de Mexico, Tyson's wholly-owned subsidiary, operates three meat-processing facilities in Mexico and processes prepared foods for sale in Mexico and abroad.

Influence to be Obtained.

From 1994 to 2004, Tyson de Mexico, with the knowledge of some of Tyson's employees at its Arkansas headquarters, placed the wives of Mexican government-employed veterinarians on Tyson de Mexico's payroll, even though the wives did not perform any services, to obtain certification of Tyson de Mexico products for export under a federally-administered inspection program. Payments made directly or indirectly to the veterinarians through their wives during this period totaled \$260,000. Between July 2004 and November 2006, Tyson representatives terminated the salaries of the veterinarians' wives and instead paid \$90,000 (the equivalent amounts previously paid to the veterinarians' wives) to the veterinarians directly, based on invoices received for "professional honoraria."

Enforcement.

On February 10, 2011, Tyson signed a deferred prosecution agreement that requires Tyson to pay a \$4 million penalty, implement rigorous internal controls, and cooperate fully with the DOJ. In a related matter brought by the SEC, Tyson agreed to pay more than \$1.2 million in disgorgement of profits and prejudgment interest.

Key Facts

Citation. *United States v. Tyson Foods, Inc.*, No. 1:11-cr-00037 (D.D.C. 2011).

Date Filed. February 10, 2011.

Country. Mexico.

Date of Conduct. 2004 – 2006.

Amount of the Value. Approximately \$350,000.

Amount of Business Related to the Payment. Net profits of more than \$880,000.

Intermediary. The Wives of Two Mexican Government-Employed Veterinarians.

Foreign Official. Veterinarians responsible for certifying meat exports under a federal inspection program in Mexico.

FCPA Statutory Provision. Conspiracy (Anti-Bribery); Anti-Bribery.

Other Statutory Provision. None.

Disposition. Deferred Prosecution Agreement.

Defendant Jurisdictional Basis. Issuer; Conspiracy.

Defendant's Citizenship. United States.

Total Sanction. \$4,000,000.

Compliance Monitor/Reporting Requirements. None.

Related Enforcement Actions. *SEC v. Tyson Foods, Inc.*

Total Combined Sanction. \$5,214,477.