

JUSTICE NEWS

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Tyson Foods Inc. Agrees to Pay \$4 Million Criminal Penalty to Resolve Foreign Bribery Allegations

WASHINGTON – Tyson Foods Inc. has agreed to pay a \$4 million criminal penalty to resolve an investigation into improper payments by company representatives to government-employed inspection veterinarians in Mexico, announced Assistant Attorney General Lanny A. Breuer of the Criminal Division and James W. McJunkin, Assistant Director in Charge of the FBI's Washington Field Office.

"Tyson Foods used false books and sham jobs to hide bribe payments made to publicly-employed meat processing plant inspectors in Mexico," said Assistant Attorney General Breuer. "The penalty and resolution announced today reflect the company's disclosure of this conduct, its cooperation with the government's investigation and its commitment to implementing enhanced controls."

A criminal information filed in U.S. District Court in the District of Columbia in connection with a deferred prosecution agreement charges Tyson with conspiracy to violate the Foreign Corrupt Practices Act (FCPA) and with violating the FCPA. Tyson, which is headquartered in Springdale, Ark., produces prepared food products. As part of a deferred prosecution agreement with the department, Tyson acknowledged responsibility for the actions of its subsidiaries, employees and agents who made improper payments to government-employed veterinarians who inspected two of its chicken processing plants in Gomez Palacio, Mexico.

Any company that exports meat products from Mexico must participate in an inspection program, supervised by the Mexican Department of Agriculture. According to court documents, the inspection program at each facility is supervised by an on-site veterinarian employed by the government of Mexico to ensure that all exports conform to Mexican health and safety laws.

According to documents filed in court, Tyson's Mexican subsidiary, Tyson de Mexico, paid approximately \$90,000 between 2004 and 2006, to two publicly-employed veterinarians who inspected its Mexican plants, resulting in profits of approximately \$880,000. The payments were made both directly to the veterinarians and indirectly through their wives, who Tyson de Mexico listed on its payroll, although neither performed any services for Tyson. According to court documents, the bribe payments were made to keep the veterinarians from disrupting the operations of the meat-production facilities. When payments to the spouses were terminated in 2004, Tyson representatives agreed to increase the amount paid to the veterinarians to match the amount previously paid to their spouses.

The agreement requires that Tyson pay a \$4 million penalty, implement rigorous internal controls, and cooperate fully with the department. The agreement recognizes Tyson's voluntary disclosure and thorough self-investigation of the underlying conduct. If Tyson abides by the terms of the agreement for the two-year term, the department will dismiss the criminal information.

In a related matter, Tyson reached a settlement today with the U.S. Securities and Exchange Commission, under which it agreed to pay more than \$1.2 million in disgorgement of profits, including pre-judgment interest.

This case is being prosecuted by Trial Attorney Kathleen M Hamann of the Criminal Division's Fraud Section and investigated by the FBI's Washington Field Office.

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