

Tyson Foods, Inc.

Case ID:

ST-364

Case Cluster :

Tyson Foods, Inc.

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Securities and Exchange Commission

Jurisdiction of Foreign Public Official(s) :

Mexico

Year of Settlement:

2011

Month/Day of Settlement (or Notes):

02/10

Other Jurisdictions of Settlement:

Unknown

Settlement with Individual or Legal Person?:

Legal Person

Type of Settlement:

Civil

Legal Form of Settlement:

Consent to Permanent Injunction

Monetary Sanctions (Types):

Disgorgement of Profits, Prejudgment Interest

Total Monetary Sanctions (US\$):

\$1,214,477.00

Civil Disgorgement of Profits (US\$) :

\$880,786

Civil Prejudgment Interest (US\$) :

\$333,691

Civil Fine / Penalty (US\$):

\$0

Monetary Sanctions Returned / Ordered Returned (US\$):

\$0

UNCAC Articles(s) Implicated:

Art.16

Art.26

OECD Anti-Bribery Convention Articles Implicated:

Art.1, Art. 2, Art. 8

Offenses - Alleged:

Bribery of foreign officials, Falsification of books and records, Internal controls violations

Offenses - Settled:

No admission or denial of allegations

Public Procurement Contract / SOE Involved?:

NO (INSPECTORS)

Summary:

According to the US Department of Justice Press Release, "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. [] 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." (Source: US Department of Justice Press Release, "Tyson Foods Inc. Agrees to Pay \$4 Million Criminal Penalty to Resolve Foreign Bribery Allegations," February 10, 2011.) The US Securities and Exchange Commission made the same allegations and also alleged that the company failed to keep accurate books and records and to implement a system of effective internal controls to prevent improper payments. (Source: SEC v. Tyson Foods, Inc., Case No. 1:11-cv-00350 (D.D.C.), Complaint filed February 10, 2011.) Without admitting or denying the SEC's allegations, Tyson Foods consented to the entry of a final judgment ordering disgorgement of profits and prejudgment interest and enjoining the company from future FCPA violations. (Source: SEC v. Tyson Foods, Inc., Case No. 1:11-cv-00350 (D.D.C.), Final Judgment filed February 15, 2011.)

Sources :

U.S. Securities and Exchange Commission, Litigation Release No. 21851 / February 10, 2011, "SEC Charges Tyson Foods With FCPA Violations; Tyson Foods to Pay Disgorgement Plus Pre-judgment Interest of More Than \$1.2 million; Tyson Foods to Pay Criminal Penalty of \$4 Million," accessed at <http://www.sec.gov/litigation/litreleases/2011/lr21851.htm>; SEC v. Tyson Foods, Inc., Case No. 1:11-cv-00350 (D.D.C.), Complaint filed February 10, 2011, accessed at <http://www.sec.gov/litigation/complaints/2011/comp21851.pdf> and Final Judgment filed February 15, 2011 (accessed via Pacer). DOJ: US Department of Justice Press Release, "Tyson Foods Inc. Agrees to Pay \$4 Million Criminal Penalty to Resolve Foreign Bribery Allegations," February 10, 2011, accessed at <http://www.justice.gov/opa/pr/2011/February/11-crm-171.html>; US v. Tyson Foods, Inc., Case No. 1:11-cr-00037 (D.D.C.), Information filed February 10, 2011, accessed at http://www.justice.gov/criminal/fraud/fcpa/cases/tyson-foods/02-10-11tyson_foods_info.pdf; and Deferred Prosecution Agreement dated February 4, 2011, accessed at http://www.justice.gov/criminal/fraud/fcpa/cases/tyson-foods/02-10-11tyson_foods_dpa.pdf.