



OFFICE OF THE
DISTRICT ATTORNEY
COUNTY OF SHASTA
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PRESS RELEASE

“SHASTA COUNTY DISTRICT ATTORNEY’S OFFICE PART OF NEARLY \$20 MILLION
CONSUMER FRAUD SETTLEMENT WITH SYSCO CORPORATION”

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FOR IMMEDIATE RELEASE

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Sysco Corporation, the country’s largest food distribution company, and its seven California Operating Companies (OpCos) will pay a combined total of almost \$20 million dollars in restitution, costs, and penalties for the OpCos’ illegal practice of holding perishable foods – for example seafood, milk, and raw meat – in unrefrigerated sheds.

Between 2009 and 2013, Sysco food trucks would deliver some food orders to unrefrigerated and unsanitary sheds. That food would then be picked up later by other employees who would use their own personal vehicles to deliver the unsafely stored food to restaurants, hotels, hospitals, and schools. This practice was brought to light in July 2013 by a reporter from NBC News in the Bay Area.

The news report triggered a state-wide investigation by the California Department of Public Health (DPH) into Sysco’s practices. Sysco voluntarily cooperated with the investigation. DPH found that Sysco used 22 of these unregistered sites in California. Most had no refrigeration and some were unsanitary.

Ultimately, an enforcement proceeding was initiated by the California Food Drug and Medical Device Task Force, which is comprised of a team of 10 district attorneys’ offices including Shasta County DA’s Office. This action against Sysco was led by the District Attorneys’ Offices of Santa Clara and Santa Cruz Counties and the complaint was filed in Santa Clara County Superior Court. Shasta County Deputy DA Anand “Lucky” Jesrani, of the Consumer Protection Unit, prosecuted the case for Shasta County DA’s Office.

The filed Complaint alleges that Sysco’s practices violated a number of laws set forth in California’s Health & Safety Code, including transporting and holding potentially hazardous foods above a safe temperature. Additionally, the Complaint alleges that Sysco made misleading advertising claims such as: “We go to great lengths to ensure that our suppliers and our state-of-the-art distribution warehouses maintain the highest standards, often above and beyond government regulations.”

Pursuant to the terms of the settlement, Sysco will pay \$15 million in penalties. Additionally, Sysco will pay a total of \$4.3 million in restitution, which includes \$1 million in food contributions to food banks throughout California and \$3.3 million for the cost of a 5-year state-wide program which will fund inspectors for the enforcement of food transportation laws.

DDA Jesrani explained that per the settlement, “Sysco is also enjoined from engaging in the alleged unsafe food transportation/storage practices and also is required to develop a comprehensive food safety program to ensure that these practices are not repeated.”