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EASTERN DISTRICT OF CALIFORNIA

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8 IN THE UNITED STATES DISTRICT COURT FOR THE  
9 EASTERN DISTRICT OF CALIFORNIA

10 2:09-CR-468 LKK

11 UNITED STATES OF AMERICA, ) No.  
12 Plaintiff, )  
13 v. ) VIOLATION: 18 U.S.C. § 371 -  
14 ALAN SCOTT HUEY, ) Conspiracy to Commit Honest  
15 Defendant. ) Services Mail Fraud and to Cause  
16 ) the Introduction and Delivery  
for Introduction of Adulterated  
and Misbranded Food into  
Interstate Commerce with the  
Intent to Defraud and Mislead

17 I N F O R M A T I O N

18 COUNT ONE: [18 U.S.C. § 371 - Conspiracy to Commit Honest  
19 Services Mail Fraud and to Cause the Introduction  
20 and Delivery for Introduction of Adulterated and  
Misbranded Food into Interstate Commerce with the  
Intent to Defraud and Mislead]

21 The United States Attorney charges:

22 ALAN SCOTT HUEY,  
23 defendant herein, as follows:

24 I. INTRODUCTION

25 1. At all times relevant to this Information, SK Foods,  
26 L.P. was a limited partnership, with principal places of business  
27 in Monterey, California, and in Williams, Ripon and Lemoore, in  
28 the Eastern District of California. SK Foods, L.P. and its

1 related corporate entities ("SK Foods") was a grower and  
2 processor of tomato products and other food products for sale to  
3 food product manufacturers, food service distributors and  
4 marketers, and retail outlets. For purposes of this Information,  
5 "processed tomato products" includes, among other things, bulk  
6 tomato paste and diced tomatoes.

7       2. At all times relevant to this Information, defendant  
8 ALAN SCOTT HUEY ("HUEY") served in a variety of positions, and  
9 most recently as Senior Vice President for Sales and Marketing  
10 for SK Foods, working in Lemoore, California, in the Eastern  
11 District of California, and out of the company's Monterey,  
12 California headquarters. In that capacity, HUEY served as a  
13 senior officer of SK Foods reporting directly to SK Foods' owner  
14 and chief executive officer. Among other responsibilities, as  
15 Senior Vice President for Sales and Marketing, HUEY oversaw and  
16 managed SK Foods' inventory of processed tomato products and  
17 other food products, to include the shipment of those food  
18 products to SK Foods' customers across the United States.

19       3. At all times relevant to this Information, Intramark  
20 USA, Inc. ("Intramark"), was a New Jersey-based company holding  
21 itself out as a wholesaler of food ingredients, including  
22 processed tomato products, and an importer of juice concentrates.  
23 In that capacity, Intramark acted on behalf of itself and others  
24 in selling processed tomato products to customers.

25       4. At all times relevant to this Information, Intramark was  
26 owned and operated by Randall Lee Rahal ("Rahal"). Through  
27 Intramark, Rahal worked on behalf of SK Foods as a sales broker.  
28 In that capacity, Rahal oversaw among other things the

1 negotiation and execution of contracts between SK Foods and many  
2 of its customer companies. Through Intramark, Rahal also acted  
3 as an advisor and Director of SK Foods, giving direction to and  
4 receiving periodic reports regarding various aspects of SK Foods'  
5 business from SK Foods' employees, including certain co-  
6 conspirators.

7 5. At all times relevant to this Information, Jennifer Lou  
8 Dahlman ("Dahlman") was employed by SK Foods in a variety of  
9 positions, and most recently as a Reports and Business Analyst.  
10 Working out of SK Foods' Lemoore, California facility in the  
11 Eastern District of California, Dahlman assisted in managing SK  
12 Foods' inventory of processed tomato and other food products, and  
13 assisted in arranging for the shipment of those food products to  
14 SK Foods' customers across the United States.

15 6. At all times relevant to this Information, Kraft Foods,  
16 Inc. ("Kraft") was a multinational food products company with a  
17 principal place of business in Northfield, Illinois. Kraft was a  
18 regular customer of SK Foods with respect to tomato paste and  
19 other tomato products.

20 7. At all times relevant to this Information, Robert  
21 Watson ("Watson") resided in the Northern District of Illinois  
22 and served as Purchasing Manager for Kraft, working out of the  
23 company's Northfield, Illinois headquarters.

24 8. At all times relevant to this Information, Frito-Lay,  
25 Inc. ("Frito-Lay") was a multinational food products company with  
26 a principal place of business in Plano, Texas. Frito-Lay was a  
27 regular customer of SK Foods with respect to tomato paste and  
28 other tomato products.



1 of their own employees in material matters, and to obtain money  
2 or property by means of materially false and fraudulent  
3 pretenses, representations and promises, and for the purpose of  
4 executing such scheme and artifice to defraud, to place and cause  
5 to be placed items in a post office and authorized depository for  
6 mail matter, to be sent or delivered by the Postal Service, and  
7 to cause items to be sent and delivered by private and commercial  
8 interstate carrier according to the direction thereon, and to  
9 conceal said scheme, in violation of Title 18, United States  
10 Code, Sections 1341 and 1346; and

11           b. with the intent to defraud and mislead, to cause  
12 the introduction and delivery for introduction into interstate  
13 commerce, from SK Foods' facilities in the Eastern District of  
14 California to certain of SK Foods' customers throughout the  
15 United States, of processed tomato paste, a food, which was (1)  
16 adulterated as described at 21 U.S.C. § 342(a)(3), in that it  
17 contained tomato ingredients with mold counts exceeding the  
18 relevant Food Defect Action Level under Title 21, Code of Federal  
19 Regulations, Section 110.110, and thus consisted in part of a  
20 decomposed substance and was otherwise unfit for food; and (2)  
21 misbranded as described in 21 U.S.C. § 343(a)(1), in that its  
22 labeling contained false representations that the mold counts in  
23 the processed tomato paste were below the relevant Food Defect  
24 Action Level when, in fact, the tomato paste contained mold  
25 counts significantly in excess of such level, and the labeling  
26 contained false representations that the percentage of Natural  
27 Tomato Soluble Solids ("NTSS") in the product was materially  
28 higher than the actual NTSS percentage, all in violation of Title

1 21, United States Code, Sections 331(a) and 333(a)(2).

2 13. It was an object of the conspiracy to increase SK  
3 Foods' profits by making personal bribe payments to the  
4 purchasing agents of certain of SK Foods' customers in order to  
5 ensure that those purchasing agents caused their employers to  
6 purchase processed tomato products and other food products from  
7 SK Foods rather than from certain of its competitors, and that  
8 those purchasing agents provided bidding and other proprietary  
9 information from SK Foods' competitors to assist SK Foods in  
10 securing contracts between the purchasing agents' employers and  
11 SK Foods at elevated prices. It was a further object of the  
12 conspiracy to increase SK Foods' profits by fraudulently inducing  
13 certain of SK Foods' customers to pay for adulterated and  
14 misbranded processed tomato product by causing the falsification  
15 of mold counts and other grading factors and data contained on  
16 the quality control documents that accompanied customer-bound  
17 shipments of processed tomato product that was produced,  
18 purchased and sold by SK Foods, and by actually shipping the  
19 adulterated and misbranded tomato product to customers along with  
20 the altered documentation. As a result of the conspiracy, SK  
21 Foods and certain co-conspirators acquired money to which they  
22 were not entitled, causing a substantial loss to various SK Foods  
23 customers.

24 **III. MANNER AND MEANS OF THE CONSPIRACY**

25 In furtherance of the conspiracy, defendant ALAN SCOTT HUEY  
26 and his co-conspirators employed, among others, the following  
27 ways and means:  
28

1           14. Leaders, employees, and associates of SK Foods engaged  
2 in a scheme to defraud and deprive certain of SK Foods' customers  
3 of their respective rights to the honest services of certain of  
4 their own employees through acts involving bribery, which were  
5 intended to: (1) ensure that those customers purchased processed  
6 tomato products and other products from SK Foods rather than from  
7 certain of its competitors; (2) ensure those customers paid an  
8 inflated price for such products; (3) induce the purchasing  
9 agents to disclose bidding and other proprietary information of  
10 certain of SK Foods' competitors; and (4) ensure that SK Foods  
11 could control certain purchasing agents' decisions as to when to  
12 accept and not accept product from SK Foods.

13           15. Bribery payments to the purchasing agents of SK Foods'  
14 customers were made with the knowledge and at the direction of SK  
15 Foods' senior leadership.

16           16. In the normal course, the bidding and proprietary  
17 information of SK Foods' competitors that was provided by  
18 customer purchasing agents in return for bribe payments was  
19 transmitted to Rahal who, in turn, forwarded the confidential  
20 information to defendant HUEY and other senior leaders of SK  
21 Foods. Defendant HUEY and other senior leaders of SK Foods  
22 routinely used that bidding and proprietary information when  
23 determining the price at which SK Foods would vie for contracts  
24 for the sale of processed tomato products to customers. By  
25 possessing the bid information of SK Foods' competitors,  
26 defendant HUEY and his co-conspirators were often able to bid for  
27 contracts at otherwise elevated prices.

28

1           17. Defendant HUEY routinely falsified, and directed  
2 Dahlman and other SK Foods' employees to falsify, the various  
3 grading factors and data contained on Certificates of Analysis  
4 and other quality control documents that accompanied customer  
5 bound shipments of tomato product that was produced, purchased  
6 and sold by SK Foods. Defendant HUEY routinely caused the  
7 falsification of these documents so that they reflected mold  
8 count levels in SK Foods' tomato product as being below the  
9 applicable Food Defect Action Level in many instances when, in  
10 fact, those levels were significantly above the federal  
11 threshold.

12           18. In other instances, defendant HUEY falsified, and  
13 directed Dahlman and other SK Foods' employees to falsify, the SK  
14 Foods quality control documents so that they reflected NTSS  
15 levels that were higher than what the tomato product actually  
16 contained, as well as altered pH, color, and viscosity values.  
17 These falsifications were undertaken in order to make it appear  
18 to customers as if the tomato product they were receiving from SK  
19 Foods was in compliance with contractual specifications when, in  
20 fact, it was not. Defendant HUEY and other co-conspirators  
21 subsequently caused the distribution of such product, along with  
22 the falsified quality control documents to certain of SK Foods'  
23 customers through interstate commerce. Defendant HUEY's conduct,  
24 and the conduct of co-conspirators in this regard was undertaken  
25 with the intent to defraud and mislead. As a result, certain of  
26 SK Foods' customers were fraudulently induced to pay for inferior  
27 processed tomato product.

28



1           23. On or about April 18, 2007, in the Eastern District of  
2 California, and at the direction of defendant HUEY and another  
3 senior leader of SK Foods, Dahlman caused the shipment of  
4 adulterated and misbranded processed tomato product from SK  
5 Foods' facilities in the Eastern District of California to a  
6 Kraft facility in Darien, Wisconsin. The tomato product was  
7 adulterated and unsaleable in that it contained mold count levels  
8 significantly above the relevant Food Defect Action Level.

9           24. On or about November 7, 2007, in the Eastern District  
10 of California, and at the direction of defendant HUEY and another  
11 senior leader of SK Foods, Dahlman caused the shipment of 37,603  
12 pounds of adulterated and misbranded processed tomato product  
13 from SK Foods' facilities in the Eastern District of California  
14 to Frito-Lay, c/o Lidestri Food, Inc., in New York. The tomato  
15 product shipped to Frito-Lay was adulterated and unsaleable in  
16 that it contained mold count levels significantly above the  
17 relevant Food Defect Action Level.

18           25. On or about December 12, 2007, Randall Rahal directed a  
19 check in the amount of \$9,689.80, drawn on Intramark's Sun  
20 National Bank account number XXXXXX5624 to Turner in the District  
21 of New Jersey, via United States mail.

22           26. On or about July 25, 2007, Randall Rahal directed a  
23 check in the amount of \$17,252.78, drawn on Intramark's Sun  
24 National Bank account number XXXXXX5624, from the District of New  
25 Jersey to Watson in the Northern District of Illinois, via United  
26 States mail.

27           27. On or about April 2, 2008, in the Northern District of  
28 California, defendant HUEY and Rahal engaged in a telephone

1 conversation during which Rahal informed HUEY that Kraft's  
2 purchasing manager, Watson, was about transmit to Rahal a copy of  
3 a contract offer from Morning Star Packing Company ("Morning  
4 Star") to Kraft Foods. Defendant HUEY acknowledged this  
5 information and further instructed Rahal to forward the Morning  
6 Star bid information directly to him after receiving it from  
7 Watson.

8 28. On or about April 7, 2008, Wahl transmitted to Rahal,  
9 via email from the Northern District of Texas to the District of  
10 New Jersey, a Morning Star proposal for a three-year contract for  
11 the sale of processed tomato products to Frito-Lay.

12 29. On or about April 7, 2008, Rahal transmitted to  
13 defendant HUEY and other senior leaders of SK Foods, via email  
14 from the District of New Jersey to the Eastern and Northern  
15 Districts of California, Morning Star's proposal to Frito-Lay for  
16 a three-year tomato products contract, which Rahal had received  
17 from Wahl earlier that day.

18 All in violation of Title 18, United States Code, Section  
19 371.

20 DATE: November 4, 2009

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