



***United States Attorney  
Southern District of New York***

**FOR IMMEDIATE RELEASE  
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**FORMER PEPSICO EXECUTIVE PLEADS GUILTY IN WHITE PLAINS  
FEDERAL COURT TO \$1.8 MILLION EMBEZZLEMENT**

LEV L. DASSIN, the Acting United States Attorney for the Southern District of New York, and RONALD J. VERROCHIO, the Inspector-in-Charge of the New York Office of the United States Postal Inspection Service ("USPIS"), announced that EDWARD F. BACKUS pleaded guilty today in White Plains federal court before United States District Judge KENNETH M. KARAS to all three counts of a felony Information charging him with embezzling over \$1.8 million from his former employer, Pepsi Cola North America ("PepsiCo").

According to the Information and statements made at the guilty plea hearing:

BACKUS, whose last position at PepsiCo was Vice President, New Business Development, worked in PepsiCo's marketing department. BACKUS was authorized to use marketing department funds to purchase travel, entertainment, meals, and lodging—for example airplane tickets and tickets to sporting events—as long as the purchases were made in connection with his efforts to entertain potential PepsiCo customers. For nine years, from approximately July 1997 through July 2005, BACKUS and two co-conspirators arranged for a purported business in Pittsburgh, Pennsylvania, operating under the names Passline Tours and Passline Junket & Tours, to send to BACKUS's office at PepsiCo phoney invoices for tickets to major sporting events, airplane tickets, and meals and lodging, that Passline Tours had supposedly booked for BACKUS and others. After PepsiCo issued checks to Passline Tours for these fraudulent invoices, BACKUS received his share of the payments. As a result of this conspiracy, BACKUS and his co-conspirators obtained over \$1,600,000. BACKUS also arranged for a travel agency in Kansas and a livery services company to submit phoney invoices for PepsiCo to pay, the proceeds of which he also used to pay for both personal and business expenses. BACKUS embezzled an additional \$200,000 from PepsiCo in this manner.

BACKUS, 53, of Ridgefield, Connecticut, pleaded guilty to one count of conspiracy and two counts of mail fraud. If convicted, BACKUS faces a maximum term of twenty years in prison for each of the counts. He also faces a fine of up to \$250,000 or twice the gross gain or loss resulting from the crimes on each count, an order of restitution in the amount of \$2,368,441 and forfeiture of ill-gotten gains.

BACKUS is scheduled to be sentenced by Judge KARAS on November 12, 2009.

Mr. DASSIN praised the work of the USPIS. He added that the investigation is continuing.

Assistant United States Attorney MARGERY B. FEINZIG is in charge of the criminal prosecution.

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