

## U.S. Attorney's Report to the District

The Central Valley is the nucleus of the Eastern District of California, and the agriculture industry is its economic engine. Many of the food products companies in this district are large and complex businesses which ship billions of dollars of products each year. They have an enviable record of producing safe food and operating with integrity. Investigating and prosecuting those persons who would compromise those standards for personal profit, however, is an important part of the work of this office. Few priorities are higher than ensuring the safety of the nation's food supply, and the integrity and solvency of those companies that feed the nation.

This month, the last of four defendants was sentenced in U.S. District Court in Fresno in connection with a scheme to defraud almond growers and nut processors in the Stanislaus County area. Ronald Salado, the leader of the scheme, was sentenced to over 11 years in prison, and ordered to pay over \$2 million in restitution. He and his co-defendants, who were previously sentenced to prison, diverted loads of nuts from growers and processors and sold them for their own benefit through the use of fictitious and nominee names. They also caused a nut processor to purchase "ghost loads" of nuts that did not exist.

Over the last three years, this office has secured felony guilty pleas from ten persons involved in schemes to defraud the customers of SK Foods through kick-back arrangements and misbranding of food products. SK Foods, which operated facilities in Kings, San Joaquin, and Colusa Counties, was once among the nation's largest producer of tomato products. The last of the defendants, the former owner of the company, is scheduled for trial later this year.

Other recent prosecutions by this office include the conviction last year of a man who filed false crop insurance claims for crops grown in San Joaquin, Contra Costa and Lassen Counties. Gregory Torlai was sentenced to two and a half years in prison and ordered to pay over \$211,000 in restitution. Also last year, a Bakersfield man was charged with defrauding farmers who were customers of his organic fertilizer company by selling product that had been falsely certified organic. He is awaiting trial. A Manteca man was sentenced for aiding and abetting the sale of uninspected beef. Civil attorneys in this office filed a complaint to seize contaminated cheese from a specialty cheese maker in Tulare County, following a health and safety investigation by the US Food and Drug Administration. The year before that, the last of five members of a family that owned and operated Prima Frutta, a San Joaquin County firm that was one of the largest processors and packers of cherries and apples in California, was sentenced to prison in connection with a tax evasion scheme that involved the skimming of cash income from their business. And the Engelhart Gourmet Foods company, of Fairfield, pleaded guilty to offering misbranded poultry sausage products.

If you would like to communicate with our office, contact the main number in Sacramento, or submit a suggestion by clicking on the button below. Thank you.

United States Attorney

*Benjamin B. Wagner*