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MARIN COUNTY, CALIFORNIA

Prevention * Prosecution * Protection

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PRESS RELEASE

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**SYSCO CORPORATION SETTLES CONSUMER PROTECTION
ACTION FOR UNLAWFUL BUSINESS PRACTICES RELATING TO
HOLDING AND TRANSPORTING OF PERISHABLE FOOD PRODUCTS**

Sysco Corporation, the country's largest food distribution company, and its seven California Operating Companies (hereinafter "Sysco") will pay over \$19 million dollars in restitution, costs and civil penalties for the Operating Companies' unlawful practice of holding perishable foods in unrefrigerated and unregistered storage sheds. Judgment was entered on July 17, 2014 in Santa Clara Superior Court Case No. 114CV268078.

Sysco principally markets and delivers food products to the foodservice industry. Sysco uses a fleet of refrigerated food trucks to transport most of its products. From at least 2009-2013, for some customer orders, Sysco delivered perishable food products to storage sheds that were not registered, as required by law, with the California Department of Public Health (CDPH). The perishable food products were picked up throughout the day by Sysco marketing associates in unrefrigerated personal vehicles for delivery to Sysco customers.

The Complaint filed by ten District Attorneys offices, including Marin County, alleges these practices violated a number of laws set forth in California's Health and Safety Code, including transporting and holding potentially hazardous foods above a safe temperature and temporarily storing food in unregistered sites. The Complaint further alleges that Sysco also engaged in misleading advertising regarding food safety standards.

The practices at issue were brought to light by an undercover investigation by NBC Bay Area which triggered an investigation by the CDPH. The CDPH investigation determined that Sysco had used at least 22 unregistered storage sheds in California and most had no or inadequate refrigeration and some were found to be unsanitary. The NBC investigation discovered one of these unregistered sheds existed in the unincorporated area of Greenbrae in Marin County.

The results of the CDPH investigation, which Sysco cooperated in, resulted in the enforcement action brought by the District Attorneys. Subsequently, Sysco voluntarily ceased these alleged practices in California.

Marin County District Attorney Edward S. Berberian stated: "The results of this consumer protection enforcement action is a great accomplishment in enhancing food safety for not only Marin County residents but for consumers statewide who could potentially be affected by unsafe food handling practices."

As a result of this consumer protection action, Sysco will pay \$15 million dollars in civil penalties and over \$4 million in restitution, including a \$1,000,000 food contribution to food banks throughout California and \$3,300,000 to the CDPH Food Safety Division for the cost of a 5-year statewide food inspection program which will fund CDPH inspectors and their enforcement of food transportation laws. Sysco is also enjoined from engaging in the alleged unsafe food transportation and storage practices and required to develop a comprehensive food safety program to ensure that these practices are not repeated.

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