



Department of Justice

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Tyler Meat Product Manufacturer Reaches Settlement with U.S. Attorney's Office

LUFKIN, Texas – A major meat manufacturer in Tyler, Texas has entered into a settlement agreement with the government to resolve a USDA investigation in the Eastern District of Texas, announced U.S. Attorney John M. Bales today.

On July 22, 2012, John Soules Foods, Inc., entered into a settlement agreement with the U.S. Attorney's Office for the Eastern District of Texas and the U.S. Department of Agriculture's (USDA) Food Safety and Inspection Service. The settlement agreement concludes a three year investigation into allegations that in late 2006 and early 2007, some wholesale buyers of a raw, John Soules Foods product known as "beef trimmings" may have received some portion of that product in an adulterated and/or mislabeled condition. USDA investigators obtained evidence that during that time period, John Soules Foods experienced problems getting some of their beef trimmings product to freeze properly. In order to minimize the risk of any potential problems, John Soules Foods sold some boxes of their beef trimmings to an independent meat broker who agreed to sell the product as pet food. With the understanding that the specified boxes of beef trimmings would be sold as pet food, John Soules Foods did not change the labels on the boxes to reflect the new "pet food" designation. However, the broker violated the agreement and sold the boxes of pet food beef trimmings to another meat broker for human consumption. A subsequent meat broker later re-sold some of the pet food beef trimmings to the Federal Bureau of Prisons for human consumption. There is no evidence that anyone who consumed any of the "beef trimmings" product suffered any ill effects.

Under the terms of the agreement, John Soules Foods, Inc. will adopt additional procedures designed to assure continued compliance with the Federal Meat Inspection Act, and the Poultry Products Inspection Act, and will review existing procedures, books and records, and policies to assure such continued compliance. John Soules Foods will also pay \$392,000.00 to the U.S. Treasury General Fund as a monetary payment to resolve the pending investigation and for the purpose of reimbursing the costs of the investigation. Pursuant to the agreement, the government will not bring any criminal, civil, or administrative action against John Soules Foods, Inc., in connection with the allegedly adulterated and/or misbranded meat food products.

John Soules Foods, Inc. is the leading fajita processing and marketing company in the United States and employs approximately 500 people. The Settlement Agreement acknowledges that John Soules Foods, Inc. does not admit any civil or criminal misconduct, and that the company, "has cooperated and has demonstrated a desire to continue to cooperate in investigating any allegations that any of their products may have been received in an adulterated state or without the appropriate labeling."

“We fully support the USDA’s vigorous protection of the nation’s food supply,” said U.S. Attorney Bales. “This settlement agreement upholds the government’s commitment to food safety while also recognizing that John Soules Foods, Inc. is a good corporate citizen with a long record of regulatory compliance and customer satisfaction.”

This case was investigated by the Office of the Inspector General, Office of Investigations, and Food Safety and Inspection Service, of the USDA, as well as the U.S. Department of Justice, Office of the Inspector General. The government is represented by Assistant U.S. Attorney Jim Noble.

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