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SYSCO PAYS $19.4 MILLION TO SETTLE CONSUMER PROTECTION LAWSUIT, HELD PERISHABLE FOOD IN UNREFRIGERATED SHEDS

Sysco Corporation, the largest U.S. food distribution company, along with its seven California Operating Companies (OpCos), will pay almost $20 million dollars in restitution, costs and penalties for the OpCos' illegal practice of holding perishable foods – such as seafood, milk and raw meat - in unrefrigerated sheds.

Sysco food trucks would deliver some small food orders to unrefrigerated and unsanitary sheds. That food would then be picked up later by other employees who would use their personal vehicles to deliver the unsafely held food to restaurants, hotels, hospitals and schools. Sysco ceased the illegal practices once it was brought to light by a local NBC Bay Area reporter Vicky Nguyen.

“When we go out to eat with our friends and families we should be assured that our meals are safe to eat,” District Attorney Jeff Rosen said. “It is not a luxury for our food to be handled with the utmost professional care to ensure that it is not dangerous. That is your right and that is the law.”

The July 2013 NBC report triggered a state-wide investigation by the California Department of Public Health and, ultimately, an enforcement proceeding brought by the California Food Drug and Medical Device Task Force, comprised of ten district attorneys’ offices. The enforcement proceeding was headed by the District Attorney’s offices in Santa Cruz and Santa Clara counties. The suit was filed in Santa Clara County. State Inspectors found that Sysco used 22 of these unregistered sites in California. Most had no refrigeration and some were unsanitary. Sysco voluntarily cooperated with the investigation.

The Complaint alleges that Sysco's practices had 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. The Complaint also alleges that Sysco made misleading advertising claims such as: “We go to great lengths to ensure that our suppliers and our state-of-the-art distribution warehouses maintain the highest standards, often above and beyond government regulations.”

In addition to paying $15 million dollars in penalties, Sysco agreed to pay more than $4 million in restitution, including a $1 million food contribution to food banks throughout California and $3.3 million for the cost of a 5 year state-wide program which will fund inspectors for the enforcement of food transportation laws. Sysco is also now required to develop a comprehensive food safety program to ensure that these practices are not repeated.

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