Exec Indicted In Price-Fixing, Bribery-Based Food Cartel

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SACRAMENTO, Calif. (AP) — The former owner of a California food company was indicted Thursday in an alleged price-fixing plot that involved buyers for some of the nation's biggest food chains.

A federal grand jury in Sacramento charged Frederick Scott Salyer with racketeering, wire fraud and obstruction of justice. Each of the seven charges against him carries a possible penalty of up to 20 years in prison.

Prosecutors said Salyer, 54, directed various schemes during the past 10 years to bribe purchasing managers so they would buy tomato products from his company, Monterey-based SK Foods.

Buyers from Kraft Foods Inc., Frito-Lay Inc., Safeway Inc. and B&G Foods Inc. already have pleaded guilty to accepting bribes.

The indictment also accuses Salyer of overseeing the sale and shipment of processed tomato products that contained high levels of mold or had been intentionally mislabeled.

Salyer's attorney, Malcolm Segal, said his client managed dozens of business in the U.S. and abroad in addition to SK Foods.

"The fact that employees at one business may have violated the law acting in their own personal interest does not mean that he did anything wrong," Segal said.

U.S. Attorney Benjamin Wagner estimated that when the investigation into SK Foods began in 2006, the company supplied 10 to 20 percent of the tomato products coming out of California.

Overall, the state is the source of about 90 percent of the tomato products sold in the U.S., Wagner said.

Salyer is being transferred to Sacramento from New York, where he was arrested by FBI agents on Feb. 4. He had been living in Europe since October.

Also on Thursday, prosecutors announced that former SK Foods plant manager Steven James King has agreed to plead guilty to one felony count of food adulteration and misbranding.

He was the 10th former employee or customer of SK Foods to plead guilty in connection with the investigation.

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