



Egg Executives Get Prison Time

Greg Henderson

June 28, 2017

An Iowa father and son are headed to prison in a rare instance of corporate officials being held responsible for a foodborne illness outbreak.

Austin "Jack" DeCoster, 83, and his son, Peter DeCoster, 53, were each sentenced to three months in prison for selling adulterated food as responsible corporate officers. U.S. District Judge Mark Bennett filed a 68-page sentencing opinion in April 2015 that said prison time was necessary to deter officials from making unsafe food.

The DeCosters appealed the sentence, but the U.S. Supreme Court refused to hear those appeals in May of this year without comment.

The case stems from a salmonella outbreak traced back to the DeCoster's Quality Egg LLC business that, according to the U.S. Centers for Disease Control and Prevention, sickened an estimated 56,000 people, leaving many with permanent injuries.

At trial, the DeCosters pled guilty to felony charges of shipping eggs with false processing and expiration dates and bribing a U.S. Department of Agriculture inspector to approve sales of poor-quality eggs. The company paid a \$6.8 million fine, and the DeCosters each paid \$100,000 in criminal penalties, and they owe \$83,000 in restitution.

Although they pled guilty, the DeCosters said they didn't know the eggs were contaminated but acknowledged they were in a position to stop the problems had they known. They were supported at trial by groups such as the National Association of Manufacturers, the Pharmaceutical Research Manufacturers of America and the libertarian Cato Institute, all of which filed friend-of-the-court briefs backing the DeCosters appeal of their sentences.

The business groups say it is highly unusual to give executives a criminal penalty and prison time when there is no proof of intention or knowledge of wrongdoing.

"This sanction will slow business growth and innovation," said Ilya Shapiro, a senior fellow in constitutional studies at the Cato Institute.

Judge Bennett, however, was undeterred. "Given the defendants' careless oversight and repeated violations of safety standards, there is an increased likelihood that these offenses, or offenses like

these, could happen again," he wrote. "The punishment will also serve to effectively deter against the marketing of unsafe foods and widespread harm to public health by similarly situated corporate officials and other executives in the industry."

Peter DeCoster was ordered to report to the Federal Prison Camp in Yankton, S.D. after July 30. His father must serve his term 30 days after Peter is released. He is scheduled to report to the Federal Correctional Institution in Berlin, N.H.