

CONTINENTAL GRAIN AND AFFILIATE SETTLE MAJOR U.S. FRAUD SUIT FOR \$35 MILLION

From U.S. Dept. of Justice

■(WASHINGTON) The U.S. Department of Justice and the U.S. Department of Agriculture announced Monday that Arab FinaGrain Agri-Business Trading, Ltd. [ARAB FINAGRAIN], a foreign-based affiliate of Continental Grain Company [Continental] in New York, has pled guilty in U.S. District Court for the District of Columbia to a criminal information charging ARAB FINAGRAIN with conspiring to defraud the USDA in connection with sales of agricultural products to Iraq.

The plea agreement requires ARAB FINAGRAIN to pay a \$10 million criminal fine. In a related civil settlement, Continental agreed to pay the United States an additional \$25 million to resolve the government's civil claims against Continental and ARAB FINAGRAIN in connection with this investigation.

The criminal information charges that ARAB FINAGRAIN fraudulently participated — through Continental — in the USDA's Export Credit Guarantee Programs, known as the GSM Programs. Through the GSM programs, which are funded by the Commodity Credit Corporation [CCC], the USDA provides payment guarantees to exporters which sell their goods on credit to importers in designated countries. The USDA established the GSM program to expand foreign markets for domestic agricultural goods by reducing the risk of doing business with financial institutions in developing countries. The criminal information charges that, from 1987 through 1990, ARAB FINAGRAIN caused Continental to register for, and obtain, GSM export credit guarantees for sales of agricultural goods —

specifically protein concentrate and soybean meal — to Iraqi government agencies. The criminal information charges that ARAB FINAGRAIN, a company organized under laws of the United Kingdom, with offices in Geneva, Switzerland, and its joint venture partner, used Continental to register these sales for the GSM guarantees because ARAB FINAGRAIN — which had no office or presence in the United States — was not eligible to participate in the federally-backed program.

Assistant Attorney General of the Civil Division, Frank W. Hunger stated that, "this settlement — one of the largest single recoveries in the history of the USDA — represents the Justice Department's commitment to ferreting out fraud even in the most complex cases involving international commercial transactions guaranteed by the United States."

USDA Inspector General Roger C. Viadero said that the criminal plea and civil settlement bring to a successful conclusion a major investigation by personnel from his

office and attorneys of the Department of Justice — "this case exemplifies the excellent working relationship we have with the Justice Department in our mutual efforts to pursue difficult and sophisticated fraud schemes." Viadero also announced that ARAB FINAGRAIN, and certain of its affiliated companies, had voluntarily agreed to no longer participate, directly or indirectly, in any U.S. Government funded, guaranteed, or sponsored programs or transactions.

This case was investigated by the USDA's Office of Inspector General Special Agents Arthur J. Wade and Marla M. Fricke and U.S. Department of Justice, Criminal Division, Fraud Section Trial Attorneys Nicole M. Healy and Clifford I. Rones, as well as Civil Division, Fraud Section, Senior Trial Counsel Judith Rabinowitz and Trial Attorney Laurie A. Oberemba. For further information, contact John Russell, U.S. Department of Justice, Office of Public Affairs at (202) 514-2007 and Paula Hayes, U.S. Department of Agriculture, Office of the Inspector General at (202) 720-6979.

USDA TO HOLD WORKSHOP ON RETAIL MEAT PRICE REPORTING

From U.S. Dept. of Agriculture

■(WASHINGTON) The Agriculture Department will hold a public workshop on reporting of retail meat prices and farm-to-retail price spreads, Agriculture Secretary Dan Glickman announced Monday. The workshop will take place Dec. 18, 1996, in Kansas City, MO.

"Many questions have been raised about retail meat price data in light of changing consumer preferences and market structures," Glickman said. "We are inviting representatives of producers, the livestock marketing industry, the retail sector, and universities to review USDA's current retail meat price series, and price spread information, and suggest improvements."

The workshop, sponsored by USDA's Economic Research Service (ERS), was first proposed by Glickman in a July 31 announcement of USDA actions to improve information on livestock markets.

The workshop will feature presentations on current retail price reporting procedures by USDA and other federal government analysts and reactions from an invited panel of representatives knowledgeable about retail price reporting issues. The public is invited to attend the workshop, present oral statements, and submit written comments. Due to time constraints, speakers will be sched-

uled on a first come, first served basis and oral statements will be limited to five minutes each.

To request speaking time, more information on the workshop or assistance in sign interpretation, contact Lawrence Duewer at (202) 501-8522 voice, (202) 219-2462, TDD, (202) 219-0356, fax, or lduewer@econ.ag.gov. Written comments should be sent to Kitty Smith, Director, Commercial Agriculture Division, Economic Research Service, USDA, 1301 New York Avenue, NW, Washington, D.C. 20005-4788.

The workshop will be held 8:30 a.m. to 6 p.m. on Wed., Dec. 18 at the Kansas City Airport Hilton Hotel, 8801 N.W. 112th Street, P.O. Box 20366, Kansas City, MO, 64195. The meeting will be open to the public. To make room reservations, call the hotel at (816) 891-8900 or 1-800-525-6322. A block of rooms for workshop participants will be held until December 4.

Background information on retail meat prices and price spreads will be posted on the ERS home page at <http://www.econ.ag.gov> on the meat prices and price spreads briefing room.

"Flirtation — attention without intention."

Max O'Neil

Comparison, cont. from page 2

Keating has been criticized for comparing Oklahoma's economy to that of other states, such as Texas, and for his comments in general on the state of the Oklahoma economy. The governor defends his statements by saying he is Oklahoma's biggest cheerleader outside the state, but its coach when he's at home.

"Outside the state," he explained in a September press conference, "I hammer on what we do have. I think I'm a very good cheerleader for Oklahoma. But inside the state, I act like the coach, and I think we have to sit down and think of ways we can become richer."