

**FOR IMMEDIATE RELEASE
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FreshPoint, Inc. Pays \$4.2 Million to Settle False Claims Litigation

SAVANNAH, GA: FreshPoint, Inc. a wholly owned subsidiary of Sysco Corporation, has paid the United States \$4.2 million to settle allegations that it submitted false claims to the United States in connection with the sales of fresh fruit and vegetables to the Department of Defense and other Department of Defense customers.

The settlement resolves allegations that during the period of December 17, 2007 through September 11, 2009, FreshPoint over-charged the government on thousands of sales by improperly adding random price mark-ups known as "marketing earned income" or "MEI" to invoices submitted by FreshPoint to the Department of Defense. These invoices were submitted pursuant to contracts that FreshPoint had with Department of Defense to supply fresh fruits and vegetables to its customers, including military troops. MEI was added to bring the price of those fresh fruits and vegetables to the perceived market value of the products. The United States contends that this addition of MEI was a violation of the contracts in place between FreshPoint and Department of Defense.

United States Attorney Edward J. Tarver said, "This settlement demonstrates the commitment of the United States Attorney's Office to the vigorous enforcement of the False Claims Act. All contractors who do business with the Government are expected to abide by the rules, no matter who you are. Enforcement actions such as this are necessary to protect American taxpayers and to protect our troops."

The civil settlement announced today resolves allegations against FreshPoint and Sysco that were originally part of a qui tam or whistleblower lawsuit, filed by Charles Hall, a former FreshPoint employee. As a result of today's settlement, Mr. Hall will receive a share of the settlement proceeds. Under the qui tam provisions of the False Claims Act, a private party can file an action on behalf of the United States and receive a portion of any recovery.

United States Attorney Tarver praised the hard work of Defense Criminal Investigative Services Special Agent Heather Hamed and Retired Defense Criminal Investigative Services Special Agent Chip Curington, along with Defense Contract Audit Agency Auditor Keith Melville. The United States was represented by Assistant United States Attorneys Shannon Heath Statkus and Edgar D. Bueno, and Trial Attorney Kelley Hauser from the Department of Justice, Civil Frauds Division. For additional information, please contact First Assistant United States Attorney James D. Durham at (912) 201-2547.