



# 'FAMILY FARM'

## Statement describes Easterday's post-plea actions

By DON JENKINS  
Capital Press

Eastern Washington cattleman Cody Easterday took charge in an effort to make amends after admitting he bilked Tyson Fresh Meats and another victim out of \$244 million, according to a 4,000-word statement submitted to a bankruptcy court.

The statement depicts Easterday and his wife and mother rallying employees after he filed for bankruptcy last year and then pleaded guilty to wire fraud.

Most employees of the family's cattle operations, Easterday Ranches, wanted to leave, according to the statement. "They did not leave because Cody asked them to stay for the benefit of Tyson and Ranches."

Easterday is scheduled to be sentenced in U.S. District Court June 13 for fraud. In recommending a sentence, the Department of Justice will take into account whether Easterday took responsibility for his crime.

Attorneys who have been battling the Easterday family in bankruptcy court distanced themselves from the statement. The eight-page memo was attached to an agreement setting a framework for distributing money from the liquidation of Easterday Ranches and Easterday Farms.

U.S. Bankruptcy Court Judge Whitman Holt in Yakima said April 19 the agreement looked good, but asked who the statement was written for. "I'm just curious. Is the audience for that creditors or me or someone else?" he asked.

"It's creditors and parties with interest in the case," said attorney Tim Conway, who represents Cody Easterday's mother in the bankruptcy case.

"That memo quite frankly doesn't even touch half of what the family did and a lot of it has gone un-noted by virtually everybody except for those heavily involved," Conway said.

Tyson contracted with Easterday to supply cattle. Easterday billed Tyson for more than 265,000 head of cattle that didn't exist.

He faces up to 20 years in prison, though in a plea deal, U.S. attorneys agreed to recommend a term within or below federal sentencing guidelines. Easterday's post-plea actions will be considered in calculating a recommendation, according to the plea agreement.

U.S. District Judge Stanley Bastian has twice postponed Easterday's sentencing to give him time to sell his farming and ranching operations to raise money for creditors. The two largest creditors are the victims, Tyson and Segale Properties of Tukwila, Wash.

The bankruptcy settlement does not bar Tyson and Segale from seeking full repayment. "It does not, of course, resolve all the issues that will be determined in criminal proceedings, such as restitution," said Jeff Misley, Cody Easterday's bankruptcy lawyer.

The Department of Justice must approve the bankruptcy settlement and is reviewing it, U.S. Assistant Attorney Brian Donovan told Holt. "The fact that the two victims in our case, Tyson and Segale, are in agreement with it is, of course, very persuasive to us," he said.

The bulk of the restitution, \$233 million, is owed to Tyson. The second victim, identified in the plea agreement as "company 1," advanced Easterday more than \$11 million in 2020 to buy and raise cattle. Easterday was to repay the advance plus 4% interest. The cattle were not purchased.

Efforts to obtain comment from Tyson and Segale were unsuccessful.



Sierra Dawn McClain/Capital Press

Oswaldo, a sheep herder at Cunningham Sheep Co., brands sheep with paint-chalk.

## Eastern Oregon operation gives the term a whole new meaning

By SIERRA DAWN McCLAIN  
Capital Press

PENDLETON, Ore. — Inside the Pendleton Woolen Mills retail store, shoppers oohed and aahed while fingering vibrantly colored clothing and blankets.

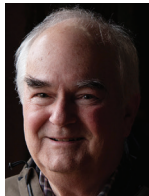
"I love people's reactions. That's the most gratifying thing about this work," said John Bishop, president of Pendleton Woolen Mills.

In the adjoining mill — run by generations of the same family since 1909 — skilled artisans worked alongside roaring machinery. Wool was carded, aligned into roving, wound onto spools,

stretched and twisted into yarn on spinning frames and sent to looms to be woven into cloth.

Some of this wool came from the Cunningham Sheep Co., one of Oregon's largest and oldest family-run farms, with thousands of sheep plus cattle, timber, wheat and hunting grounds.

Those familiar with the farm say its success was built on more than just land and capital; it was also forged through five generations of family members, each contributing to the farm in different ways through a highly orchestrated business structure.



Steve Corey

"We are truly a family ranch with almost a 100-year history in the same family, and to me, that's the most important thing, not so much how much sagebrush we've got," said Steve Corey, 75, himself a member of the family farm.

Corey, former longtime chair and secretary-treasurer of the farm's board of directors, acted as spokesman for the family business and gave the Capital Press a tour of the farm.

### Five generations

According to family records, the sheep business was founded by Charles Cunningham in 1873.

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Courtesy of Steve Corey

A Family Council gathering during the 2022 lambing at Cunningham Sheep Co.

## Klamath Tribes warn of ESA violations over water allocation

By GEORGE PLAVERN  
Capital Press

KLAMATH FALLS, Ore. — The Klamath Tribes are considering whether to sue the federal government over protections for two species of endangered sucker fish in Upper Klamath Lake.

Tribal Chairman Don Gentry sent a letter April 14 to David Palumbo, acting director of the U.S. Bureau of Reclamation, and Martha Williams, director of the U.S. Fish and Wildlife Service, claiming the agencies are violating the Endangered Species Act after allotting limited water from the lake for irrigators in the Klamath Project.

The Klamath Project provides irrigation water for 170,000 acres of farmland straddling Southern Oregon and Northern California.



George Plaver/Capital Press

A pair of C'waam, or Lost River suckers, swimming in captivity at the Klamath Tribes Research Station near Chiloquin, Ore.

Reclamation estimates it will release about 50,000 acre-feet of water from Upper Klamath Lake into the Project's A Canal, based on current hydrologic conditions.

That would be the second-lowest allocation in project history and

15% of full demand as the basin confronts a third consecutive year of intense drought.

Under the ESA, Reclamation must operate the Klamath Project without harming listed fish — including Lost River and shortnose suckers in Upper Klamath Lake, known by the Klamath Tribes as C'waam and Koptu.

Both species of suckers were listed as endangered in 1988. Populations that once numbered in the tens of millions have since dropped to fewer than 50,000 surviving individuals in the Upper Klamath River drainage.

As part of an environmental assessment negotiated with the U.S. Fish and Wildlife Service, Reclamation must maintain a minimum surface elevation of 4,142 feet

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