

Easterday pleads guilty to \$244 million ghost-cattle scam

East Oregonian

MESA, Wash. — A Washington man pleaded guilty on Wednesday, March 31, to defrauding businesses out of more than \$244 million by charging them under various agreements for the purported costs of purchasing and feeding hundreds of thousands of cattle that did not actually exist, according to a press release from the U.S. Attorney's Office.

According to court documents, Cody Easterday, 49, of Mesa, Washington, used his company, Easterday Ranches, to enter into a series of agreements with Tyson Foods and an unnamed second business to purchase and feed cattle on behalf of Tyson.

"For years, Cody Easterday perpetrated a fraud scheme on a massive scale, increasing the cost of producing food for American families," said Acting Assistant Attorney General Nicholas L. McQuaid of the Justice Department's Criminal Division. "The criminal division's prosecutors are committed to swiftly and thoroughly prosecuting frauds affecting our nation's agricultural and other commodities markets, whether in the heartland or on Wall Street."

Per the agreements, Tyson and the unnamed business would advance Easterday



George Plaven/Capital Press, File

Easterday Farms President Cody Easterday pleaded guilty on Wednesday, March 31, to defrauding businesses out of more than \$244 million by charging them under various agreements for the purported costs of purchasing and feeding hundreds of thousands of cattle that did not actually exist.

Ranches the costs of buying and raising the cattle. Once the cattle were slaughtered and sold at market price, Easterday Ranches would repay the costs advanced — plus interest and certain other costs — retaining as profit the amount by which the sale price exceeded the repayment to both Tyson and the unnamed business.

Easterday submitted and caused others to submit fraudulent invoices and other information to both Tyson and the unnamed business starting in 2016 and continuing through

November 2020. The false invoices sought and obtained reimbursement from the victims for the purported costs of purchasing and growing hundreds of thousands of cattle that neither Easterday nor Easterday Ranches ever purchased and that did not actually exist, the press release said.

The press release said Easterday constructed the fraud in order to offset more than \$200 million in losses incurred in the commodities trading markets.

In connection with his commodity futures trading, Easterday also defrauded the CME Group, which operates the world's largest financial derivatives exchange. On two separate occasions, the press release said, Easterday submitted falsified paperwork to the CME that resulted in the company exempting Easterday Ranches from otherwise-applicable position limits in live cattle futures contracts.

"I commend the agents with the Federal Deposit

Insurance Company Office of the Inspector General and the U.S. Postal Inspection Service for their dedication to investigating this case and tenacity in ferreting out the fraudulent activity to which the defendant has pleaded guilty," said Acting U.S. Attorney Joseph H. Harrington for the Eastern District of Washington.

Easterday pleaded guilty to one count of wire fraud and agreed to repay \$244 million in restitution. He is scheduled to be sentenced on Wednesday, Aug. 4, and faces a maximum penalty of 20 years in prison. A federal district court judge will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors.

Tyson Foods is the world's second-largest processor and marketer of chicken, beef and pork. The company does not own or operate feedlots, but employs buyers in beef-producing areas who visit independent feed yards and public auctions to buy animals for its processing plants — including one near Pasco, which Easterday Ranches supplied.

Tyson entered into a cattle feeding agreement with Easterday Ranches in 2017. In a filing with the U.S. Securities and Exchange Commission, Tyson reported that Easterday provided roughly 2% of the company's beef during the last four fiscal years.

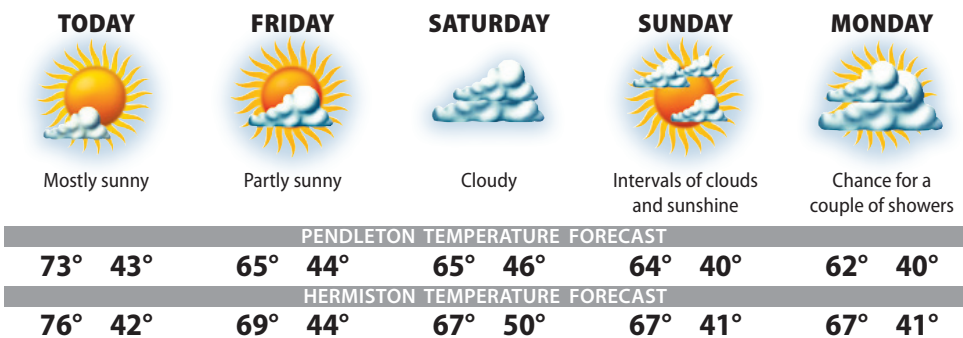
Gary Mickelson, senior director of public relations for Tyson, said in January the company became aware of fraud during a recent company-led inspection.

"As we disclosed in December, this misappropriation of funds has cost Tyson more than \$200 million, which the company is working to recoup," Mickelson said. "We are also working with our outside auditor to implement additional financial controls to help prevent or detect this type of activity in the future."

Easterday Farms, part of the family's multi-pronged agricultural operation, is working to revive Oregon's second-largest dairy, the former Lost Valley Farm near Boardman. The family registered a new business in Oregon, called Easterday Dairy LLC, which is now seeking state approval to reopen the dairy in rural Morrow County with up to 28,300 total cattle.

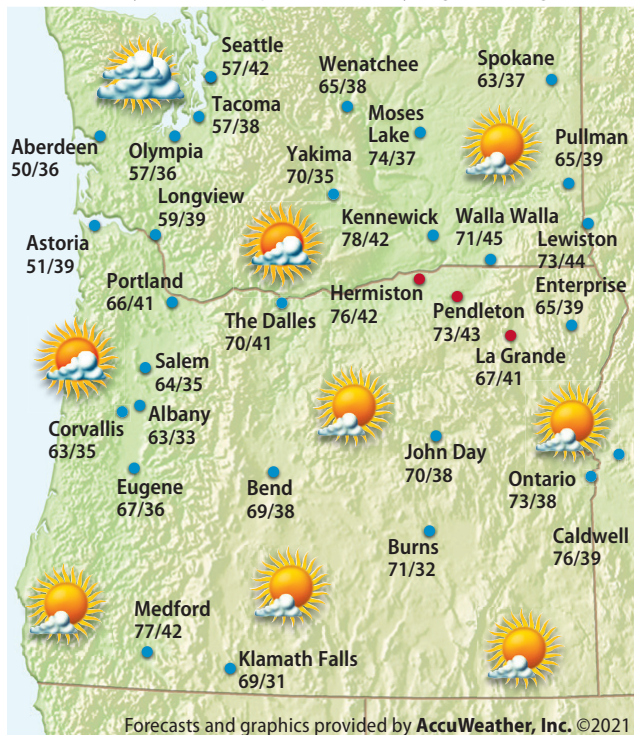
In a February statement to the *Capital Press*, Cole Easterday, one of the owners of Easterday Dairy, said the company is still working to secure a Confined Animal Feeding Operation, or CAFO, permit from the Oregon Department of Agriculture and Department of Environmental Quality to reopen the dairy near Boardman.

Forecast for Pendleton Area



OREGON FORECAST

Shown is today's weather. Temperatures are today's highs and tonight's lows.



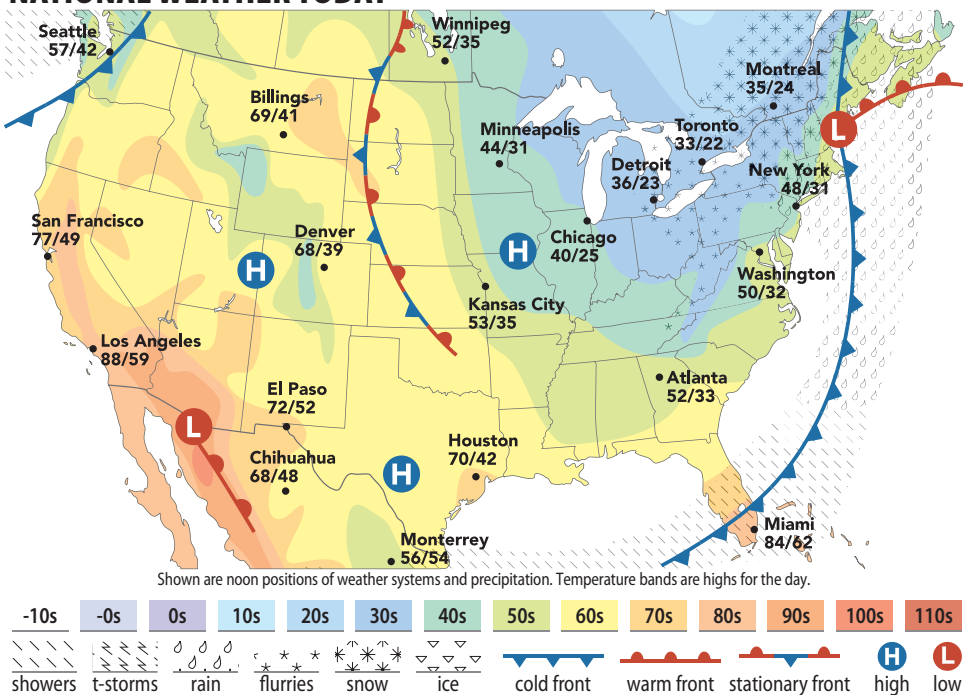
ALMANAC

PENDLETON through 3 p.m. yest.			
TEMP.	HIGH	LOW	
Yesterday	65°	27°	
Normals	58°	37°	
Records	82° (1923)	21° (1936)	
PRECIPITATION			
24 hours ending 3 p.m.	0.00"		
Month to date	0.32"		
Normal month to date	1.45"		
Year to date	3.34"		
Last year to date	4.95"		
Normal year to date	3.96"		
HERMISTON through 3 p.m. yest.			
TEMP.	HIGH	LOW	
Yesterday	65°	25°	
Normals	61°	37°	
Records	77° (1964)	24° (1930)	
PRECIPITATION			
24 hours ending 3 p.m.	0.00"		
Month to date	0.12"		
Normal month to date	0.87"		
Year to date	1.20"		
Last year to date	0.48"		
Normal year to date	3.11"		
WINDS (in mph)			
Today	Fri.		
Boardman	WSW 7-14	WSW 4-8	
Pendleton	WSW 7-14	NW 4-8	
SUN AND MOON			
Sunrise today	6:35 a.m.		
Sunset tonight	7:24 p.m.		
Moonrise today	none		
Moonset today	9:00 a.m.		
Last	New	First	Full
Apr 4	Apr 11	Apr 19	Apr 26

NATIONAL EXTREMES

Yesterday's National Extremes: (for the 48 contiguous states)
High 92° in Camarillo, Calif. Low -5° in Daniel, Wyo.

NATIONAL WEATHER TODAY



Ambulance service answers the call for fires, COVID-19

By BILL BRADSHAW
Wallowa County Chieftain

NORTH POWDER — An ambulance service based in North Powder that often helps with wildfire victims has turned its attention to the still-raging COVID-19 pandemic which, unlike last year's wildfires, has not yet subsided.

Owned by Chris Arvidson, of Baker City, Med Transport is a privately held ambulance service that responds to calls — in addition to Oregon — in California, Texas, Maryland and New Jersey. Arvidson said he has a pool of 45 paramedics and a handful of emergency medical technicians who can be deployed.

"We have changed the services offered by our service and have been fortunate to send out the experienced personnel to represent our community and our service throughout the country," Arvidson said in a press release.

In Eastern Oregon, paramedics reside in Enterprise, Baker City, La Grande and Pendleton, Arvidson said.

Sean Cariss, who has worked on fires and disaster-relief assignments with the

service, is based in Enterprise. He got started with Med Transport while working part time in eastern Umatilla County and Arvidson called where he was working looking for additional staff.

"I spent a good part of October on an ambulance with him in Central Oregon," Arvidson said in the release. "He's a competent paramedic and is currently finishing up his critical-care certifications while on deployments."

While Med Transport used to chiefly do interfacility transfers, the service got heavily into wildfire relief and, last year, doing vaccination clinics. Of late, Cariss said, he's been to California and New Jersey doing such clinics.

"They're all over the place," he said. "Wherever the federal government asks to have resources sent."

Med Transport is getting involved with a variety of activities to combat the pandemic. The press release mentioned COVID step-down units that, Cariss said, are field hospitals where lower-risk patients are sent while recovering from the virus when hospitals are at capacity.

"We did see some pretty

sick COVID patients, although they're now on the road to recovery," he said.

There also are COVID infusion centers, such as in California where the state health authority is trying experimental medication to help with symptoms of the virus, he said.

Cariss said in an interview that he's only been with Med Transport since September 2020. He's been living in Enterprise since 2017, primarily working as a paramedic, but also doing wildland firefighting.

"It's not guaranteed work. It's contract work," he said. "It's hit-and-miss stuff."

Cariss said it works well since it's just him and his wife. "If I had kids, it'd be harder," he said.

In Eastern Oregon, Med Transport has at least three other paramedics, the release stated. Bruce Cheeseman is based in La Grande, Nick Cripe is based in Baker City, and Mark Lewis is a recently retired firefighter paramedic from Pendleton.

"Some of our medics have done multiple deployments of up to 30 days and some have been out for over 90 days," Arvidson said in the release.

IN BRIEF

No injuries in blaze at ODOT facility in La Grande

LA GRANDE — Nobody was hurt in a fire at an Oregon Department of Transportation sign shop building in La Grande on Monday, March 29, which caused the structure's roof, ceiling and garage doors to collapse.

Firefighters had to deal with high winds during the blaze, which was first reported shortly before 11 a.m.

"The wind was quite a factor," said Emmitt Cornford, chief of the La Grande Fire Department.

The wind accelerated the blaze but did not spread any embers that endangered nearby

buildings or property, Cornford said. He said firefighters were positioned upwind of the blaze to prevent flames or embers from being blown at them.

Twenty-two firefighters from the La Grande and the La Grande Rural fire departments responded to the blaze. The La Grande Fire Department sent a ladder truck and an engine to the blaze and La Grande Rural sent two engines.

Fire officials say the blaze was caused by the malfunction of a ceiling heater exhaust system in the building's attic. Cornford and Deputy State Fire Marshal Casey Kump made this determination after conducting an investigation.

—EO Media Group

CORRECTIONS: The *East Oregonian* works hard to be accurate and sincerely regrets any errors. If you notice a mistake in the paper, please call 541-966-0818.

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