Reply to: SP 97-11
Attn. of: CACFP 497
SFSP 305

Subject: Debarment - Sun-Diamond Growers of California

To: STATE AGENCY DIRECTORS
(Child Nutrition Programs)

-Colorado ED, Colorado DPHE, Colorado DHS,
Iowa, Kansas, Missouri ED, Missouri DH,
Montana OPI, Montana DPHHS, Nebraska ED,
Nebraska SS, North Dakota, South Dakota,
Utah, Wyoming ED, Wyoming DHSS

On December 18, 1996 the Agricultural Marketing Service (AMS), an agency of the Department of Agriculture, debarred Sun-Diamond Growers of California (Sun-Diamond) for a period of 3 years ending October 2, 1999. Sun-Diamond is an agricultural marketing cooperative owned by other cooperatives which grow, process, package, market, and sell dried fruits and nuts. Sun-Diamond was convicted in September 1996, in part, of making improper gifts to a former government official.

On December 10, 1996 AMS proposed for debarment certain officials and affiliates of Sun-Diamond. These are:

Diamond Growers of California (Diamond Growers)
Diamond Walnut Growers, Inc. (Diamond Walnut)
Sun-Maid Growers of California (Sun-Maid)
Sunsweet Growers, Inc. (Sunsweet)
Valley Fig Growers (Valley Fig)
Hazelnut Growers of Oregon (Hazelnut Growers)
Sunland Products of California (Sunland Products)

William Cuff - Diamond Walnut
Joseph Garcia, Jr. - Sun-Maid
Earl L. Giacolini - Sunsweet
William Hosie - Diamond Walnut
Harold Jackson - Sunsweet
Barry Kriebel - Sun-Maid
Robert McAuley - Valley Fig
Peter Penner - Sun-Maid
Fred Schaeffer - Sunsweet
William Wagershauser - Diamond Walnut

William Beaton - Sun-Diamond
Larry D. Busboom - Sun-Diamond
Nicholas Tummer - Sun-Diamond

These actions were initiated pursuant to Federal procurement regulations and have reciprocal effect in the nonprocurement system. The proposed debarments are effective immediately and prohibit all of the listed entities and individuals from entering into, renewing, or extending any Federal nonprocurement covered transactions (those expected to equal or exceed $100,000) or Federal procurement
transactions including FCS programs. These entities and individuals are not excused from the performance of obligations under contracts or other transactions which are in existence at this time, but are prevented from any further such contracts and transactions during the debarment period. Pursuant to the Department's suspension and debarment Regulation 7 CFR Part 3017. State and local agencies must obtain the required certification regarding a prospective participant's eligibility to enter into a covered transaction. State and local agencies may rely on the certifications unless they believe they are erroneous. In those cases, the State/local agency should consult the General Services Administration Lists of Parties Excluded from Federal Procurement or Nonprocurement Programs. As always, if concerns still exist as to the accuracy of the certification, State Agencies should contact the regional office.

Please direct any questions to Ed Campbell at 303-844-0355.

ANN C. DEGROAT
Regional Director
Child Nutrition Programs