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File
Everfresh Inc
Warren, MI
J. L. P.
12/7/89

MEMORANDUM OF MEETING

Date: June 21, 1989
Place: Center for Food Safety and Applied Nutrition,
FDA, 200 C Street S.W., Washington, D.C.

Participants: Industry
D.W. Murray
Director, Technological Development
Labatt Food Company
London, Ontario, Canada
William D. Addier Esq.
McDermott, Will & Emery
Washington, D.C.
Mervin H. Shumate
Consultant on Regulatory Matters

FDA

Raymond W. Gill
Deputy Director, Office of Compliance HFF-300
Center for Food Safety and Applied Nutrition
Martin J. Stutsman
Case and Advisory Branch HFF-314
Center for Food Safety and Applied Nutrition
Samuel Page, PhD
Chief, Natural Products and Instrumentation
Branch
Center for Food Safety and Applied Nutrition
Alan Rulis, PhD
Chief, Regulatory Food Chemistry Branch
Center for Food Safety and Applied Nutrition

Subject: Adulterated Orange Juice

In order to bring Mr. Stutsman, Dr. Page, and Dr. Rulis up to date (see memorandum of May 5, 1989 meeting), the visitors described a brief history of their ownership of their Everfresh subsidiary, a Michigan manufacturer of orange juice.

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Ex. B

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The visitors described their current and earlier efforts to detect adulteration in juices in Canada. They described a pattern of adulteration that they were finding in juices manufactured by other firms in Canada. This pattern seemed to indicate that everyone was adulterating to about 15% with sugar.

Labatts acquired Everfresh at some unspecified date between 1983 and 1986. The visitors indicated that at some unspecified point they realized that Everfresh's orange juice was adulterated. This realization was apparently very recent and long after their purchase of Everfresh.

The visitors indicated that they were very concerned when the president of Everfresh settled a lawsuit brought against Everfresh by a Baltimore firm in which the plaintiff had alleged that Everfresh was competing unfairly because they were adulterating their orange juice. Labatts was concerned because the settlement seemed to admit that Everfresh was adulterating their product. Everfresh's president (unnamed) reportedly alleged that the settlement was intended merely to avoid a bothersome, protracted and expensive litigation.

The president of Everfresh apparently left the firm in early 1989. Subsequently, Labatts discovered that the president and 3 employees had been systematically adulterating orange juice sold in this country with pulowasn, sugar, and a mix of chemical substances. The composition of the chemical mixture was a closely held secret among the former president and several others. The mixture was intended to conceal the adulteration by causing the product to appear normal in the usual tests for adulteration. A completely false set of books was fabricated to conceal the adulteration from Labatts.

After discovering these facts, Labatts terminated severance payments to the former president and fired a number of quality control individuals who were apparently in on the scheme.

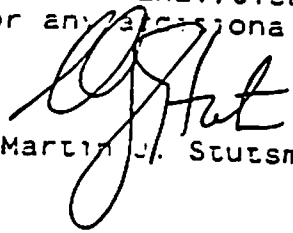
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After this brief history, the visitors provided summaries of a number of analyses of orange juice, mostly orange juice manufactured in Canada, but also some domestic orange juice. The analyses had been performed by Dr. Alan Brause, General Physics Corp. or Dr. Dana Krueger, Krueger Food Laboratories Inc., consultants hired by Labatts. Many of these samples were considered by the consultants to be adulterated. The visitors advised that the consultants have retained reserve samples on most of these products. The visitors indicated that adulterated orange juice concentrate could also be purchased in the United States but identified no specific sources of such concentrate.

There was some discussion about the generally low 443/325 absorbance ratios observed by Labatts on the considerable number of the samples they had analyzed, particularly on "non-Florida" concentrate. The visitors suggested that ratios greater than 0.1 might be normal principally on Florida juices. Their evidence also seemed to indicate that "hard squeezing" during juice extraction caused low values on this test, values which were usually interpreted as "suspicious" or as "adulterated with pulwash".

There was some general discussion about the FDA providing authentic samples of orange juice to a Labatts' sponsored individual who was doing research on fermentation analyses to detect adulteration with beet sugar. We indicated that we were interested in this research and that after we had completed our own data analysis for the pattern recognition methodology we were developing, we would probably provide some authentic samples for work such as this.

We thanked the visitors for the analytical information and they invited us to ask for any additional information we might need or want.


Martin J. Stutsman

cc:

FDA Participants

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HFR-MW240 (w/copy incoming material)

HFF-314, R/F

HFF-300, R/F

R/D:HFF-314:MJStutsman:6/21/89

R/d Init: SWPage, HFF-423, 6/22/89

AMRulis, HFF-414, 6/22/89

RWGill, HFF-300, 6/23/89

F/T:MJStutsman:mt:6/23/89

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