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Lawsuit against StarKist, the biggest canned tuna manufacturer in the world, will continue

SEATTLE — Attorney General Bob Ferguson today announced that Christopher Lischewski, formerly the CEO of Bumble Bee brand tuna, will pay \$100,000 to Washington for his role in a canned tuna price-fixing scheme that artificially inflated the price of tuna from the three largest national brands: Bumble Bee, Chicken of the Sea and StarKist.

Washington was the first state to sue the companies and the first to reach a legally-binding agreement with Lischewski. He is now serving a 40 month sentence in federal prison in Arizona after a jury found him guilty of criminal price-fixing.

The price-fixing conspiracy led to Washington consumers overpaying millions of dollars for packaged tuna. The office is investigating the precise effect on Washingtonians as the case continues

For years, Lischewski worked with the executives of Chicken of the Sea and StarKist, the largest manufacturer of canned tuna in the world, to artificially control the prices consumers paid for packaged tuna. Under the scheme, a consumer who would have normally paid \$1 for a five-ounce can of chunk light tuna — one of the most popular tuna products on the market — would instead have paid \$1.08 as a result of this conspiracy.

“Washingtonians are struggling,” Ferguson said. “They don’t need to be paying any more money for basic food items because corporate executives engaged in an illegal price-fixing scheme. I will hold corporate executives personally accountable for illegal schemes that hurt Washingtonians.”

Ferguson filed a lawsuit in early June asserting that StarKist, its parent company Dongwon and former Bumble Bee Foods CEO Lischewski, engaged in a price-fixing conspiracy involving Bumble Bee, Chicken of the Sea and StarKist to drive up the price of packaged tuna, violating Washington’s Consumer Protection Act. As a result, Washington residents paid millions more than they should have. StarKist is the leading manufacturer of packaged tuna, accounting for 40 percent of the market share.

Ferguson’s lawsuit against StarKist will continue to proceed.

Assistant Attorneys General Holly Williams and Eric Newman are leading the case for Washington.

Lischewski's role in the conspiracy

The conspiracy came to light when federal officials were reviewing the proposed purchase of Bumble Bee by Chicken of the Sea's parent company Thai Union Group for \$1.5 billion. Chicken of the Sea came forward as a whistleblower seeking amnesty and cooperated with federal investigators to show the full scope of the collusion between the three canned tuna giants. Bumble Bee subsequently filed for bankruptcy protection.

Internal records show Lischewski promoted the idea to artificially inflate lagging canned tuna prices at a trade conference in 1999. He estimated the companies lost as much as \$200 million in profits due to competition. In 2011, he complained canned tuna was "too cheap" and wanted the price artificially increased for consumers. Two of Lischewski's subordinates testified that he gave "a very clear, direct" order to fix canned tuna prices. In subsequent years, the companies regularly exchanged information about their sales and plans for pricing.

Lischewski and executives at StarKist and Chicken of the Sea routinely communicated about ways to keep the price of tuna artificially high for consumers in order to reap more profits. Executives at the three competitors called each other, texted, used private emails and in some instances had face-to-face meetings at pre-arranged locations such as hotels and restaurants to avoid detection so they could exchange internal company policies and data.

Lischewski was under pressure from Bumble Bee investors, who demanded he deliver over a hundred million dollars in profits. Lischewski also had an ownership interest in tuna fishing boats, was the largest individual shareholder of Bumble Bee and stood to personally profit when the price of fish increased. Additionally, his corporate compensation included bonuses tied to the company's financial performance.

In December 2019, a federal jury found Lischewski guilty of criminal price fixing in a case brought by the U.S. Department of Justice. The jury found Lischewski guilty within 30 minutes and the federal judge referred to the evidence in the trial as "legion." He was sentenced in June to serve 40 months in prison and pay a \$100,000 criminal fine and is now serving that sentence.

StarKist and Bumble Bee pleaded guilty to criminal price fixing. A federal judge sentenced StarKist to pay a \$100 million criminal fine — the maximum allowed by law — for its role in the conspiracy and Bumble Bee was sentenced to pay a \$25 million fine.

The federal criminal case was separate from the Attorney General's lawsuit.

The Office of the Attorney General's Antitrust Division is responsible for enforcing the antitrust provisions of Washington's Unfair Business Practices-Consumer Protection Act. The division investigates and litigates complaints of anticompetitive conduct and reviews potentially anticompetitive mergers. The division also brings actions in federal court under the federal antitrust laws. It receives no general fund support, funding its own actions through recoveries made in other cases.

The Antitrust Division investigates complaints about potential anticompetitive activity. For information about filing a complaint, visit <https://fortress.wa.gov/atg/formhandler/ago/AntitrustComplaint.aspx>.

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