



THE UNITED STATES
DEPARTMENT *of* JUSTICE

United States Attorney's Office
District of Oregon

FOR IMMEDIATE RELEASE
July 7, 2021
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**Former Grass Seed Company Manager Sentenced to Federal Prison for
Schemes to Defraud Simplot and its Customers**

PORTLAND, Ore.—The former general manager of the Jacklin Seed Company, a Pacific Northwest producer and marketer of grass seed and turfgrass, was sentenced to federal prison today for conspiring to commit wire fraud and money laundering as part of multiple schemes to defraud Jacklin's former owner, the J.R. Simplot Company, and its customers.

Christopher Claypool, 53, a resident of Spokane, Washington, was sentenced to three years in federal prison and three years' supervised release.

Under the terms of his plea agreement, Claypool has already paid nearly \$8.3 million in restitution and agreed to forfeit nearly \$7.8 million in criminally derived proceeds.

As general manager of Jacklin, Claypool oversaw the company's product sales to domestic and foreign distributors. Jacklin contracted with independent growers in Oregon for the production of proprietary grass seed varieties and fulfilled orders from a distribution facility in Albany, Oregon. Differences in grass seed yield rates resulted in the over-delivery of some varieties and underproduction of others.

According to court documents, at some point between 2013 and 2015, Claypool and other Jacklin employees realized that growers' preference for higher-yield grasses was creating substantial shortages of lower-yield varieties Jacklin had contracted to deliver to its customers. Claypool and a colleague who oversaw product fulfillment at the company's Albany distribution facility recognized that these shortages would either cause Jacklin to fail to deliver on its existing contracts or require Jacklin to pay a premium to growers to acquire necessary inventory, substantially eroding company profits. Claypool and his colleague anticipated that either result would negatively affect their careers.

From January 2015 and continuing until at least the summer of 2019, Claypool and his colleague directed Jacklin employees, at the Albany facility and elsewhere, to fulfill customer orders with different varieties of grass seed than the customers had ordered, to conceal such substitutions from the customers, and to invoice the customers as though no substitutions had taken place. Claypool and his colleague referred to this scheme as "getting creative."

To conceal the unauthorized substitutions, Claypool and his colleague directed Jacklin employees to package the substitute seed varieties with false and misleading labels. They also directed employees to invoice the customers under the original terms of their contracts,

notwithstanding the unauthorized substitutions. As a result of this scheme, Simplot has refunded or credited more than \$1.5 million to defrauded buyers.

In addition to the undisclosed seed substitutions, Claypool engaged in several other fraudulent schemes while serving as Jacklin's general manager. In one scheme, he directed an accomplice to create a limited-liability corporation (LLC) to pose as an independent grass seed broker. Claypool and a colleague conspired to route a portion of Jacklin's overseas sales through a competing grass-seed seller based in Jefferson, Oregon. The company would, in turn, add its own mark-up to the sales and kick back outsized commissions to Claypool through his accomplice's LLC. From December 2018 through August 2019, Claypool generated more than \$369,000 in fraudulent commissions.

In a third scheme, Claypool conspired with the owner of an independent travel agency in Spokane to inflate the purported costs of Claypool's international business travel. Claypool traveled overseas extensively for business and had authority to approve his own travel expenses. In lieu of using Simplot's contract travel agency, Claypool booked his flights through the independent travel agent. The agent booked economy and other lower-cost fares for Claypool, but created fake first-class bookings on the most expensive comparable itineraries in order to generate inflated invoices that he transmitted to Simplot, through Claypool, for payment. In total, the agent overbilled more than \$500,000 for international airfare, the majority of which Claypool ultimately received in kickbacks from the agent.

In the most lucrative fraud scheme, Claypool directed Simplot's payment of more than twelve million dollars in "rebates" and "commissions" to entities that were posing as foreign sales partners but were, in fact, fronts for Claypool's coconspirators in embezzling those funds. The coconspirators then transmitted part of their ill-gotten gains from accounts in Hong Kong to real estate investments in Hawaii under Claypool's control. Years later, Claypool sold the real estate and wired the proceeds to investment accounts in Spokane as part of an elaborate money laundering operation.

On February 24, 2021, Claypool was [charged](#) by criminal information with conspiracy to commit wire fraud and money laundering. On March 15, 2021, he waived indictment and pleaded guilty to all charges.

Acting U.S. Attorney Scott Erik Asphaug of the District of Oregon made the announcement.

This case was investigated by IRS-Criminal Investigation and the U.S. Department of Agriculture Office of Inspector General. It was prosecuted by Ryan W. Bounds, Assistant U.S. Attorney for the District of Oregon.

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