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United States Attorney's Office
District of Oregon

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Willamette Valley Grass Seed Company Pleads Guilty in Federal Court

PORTLAND, Ore.—A Willamette Valley wholesale grass seed distributor pleaded guilty today in federal court for knowingly concealing a scheme to defraud the Jacklin Seed Company, then a subsidiary of the J.R. Simplot Company.

ProSeeds Marketing, Inc., a company based in Jefferson, Oregon, pleaded guilty to one count of misprision of felony.

According to court documents, ProSeeds had a longstanding commercial relationship with the Jacklin Seed Company and routinely contracted with Jacklin for the purchase and sale of grass seed. These contracts were typically negotiated with a Jacklin employee acting under the supervision of Christopher Claypool, Jacklin's general manager. In March 2021, Claypool, 53, of Spokane, Washington, was [convicted](#) of wire fraud and money laundering for perpetrating multiple schemes to defraud Jacklin. Claypool was later [sentenced](#) to three years in federal prison.

Beginning in December 2018, Claypool and the Jacklin employee conspired to divert a portion of the overseas sales Claypool negotiated on behalf of Jacklin so that Claypool and the employee could collect commissions on those sales. As part of this scheme, Claypool incorporated Green Pyramid, LLC to pose as an independent grass seed broker and accept payment of the fraudulent commissions.

In furtherance of the scheme, the Jacklin employee whom Claypool supervised arranged for ProSeeds to book sales diverted from Jacklin with mark-ups dictated by Claypool. The bulk of these mark-ups were then kicked back to Claypool. ProSeeds participated in the scheme with the aim of creating an overseas customer base. Nevertheless, the company intended to and did conceal Claypool's scheme.

From December 2018 to August 2019, ProSeeds booked twelve diverted and bogus sales, generating more than \$474,000 in mark-ups on Jacklin seed. Although the bulk of the mark-ups went to Claypool and his subordinate, ProSeeds retained more than \$78,000 in revenue from the transactions.

On September 14, 2021, ProSeeds was charged by criminal information with misprision of felony. The company faces a maximum sentence of five years' probation and a \$500,000 fine. ProSeeds will be sentenced on November 29, 2021, before U.S. District Court Judge Karin J. Immergut.

As part of the plea agreement, ProSeeds has agreed to pay \$78,775 in restitution to Simplot.

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 is being prosecuted by Ryan W. Bounds, Assistant U.S. Attorney for the District of Oregon.

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