PRESS RELEASE

Nationwide Alcohol Distributor Agrees To Pay Over $12 Million To Resolve Federal Investigation Into Bribery And False Invoicing Practices

Thursday, September 10, 2026

For Immediate Release

U.S. Attorney's Office, Northern District of California

Years of Improper Payments for Retailers to Purchase Certain Alcohol Products from Southern Glazer's Wine and Spirits Concealed by False Invoices

SAN FRANCISCO - Southern Glazer's Wine and Spirits, LLC ("Southern Glazer's"), a nationwide alcohol distributor headquartered in Florida, has entered into a non-prosecution agreement with federal prosecutors, and agreed to make a monetary payment of $12.5 million and other remedies to resolve the investigation. The investigation involved Southern Glazer's executives and employees funding and concealing improper payments and benefits to employees of alcohol retailers, including chain grocery stores in California and elsewhere.

In the agreement, Southern Glazer's admitted to and acknowledged responsibility for the acts of individuals employed by the company, which included years of improper payments and benefits to various alcohol retailer employees in connection with the promotion, purchase,

maintenance, and placement of certain alcohol products distributed by Southern Glazer's, and the use of third-party vendors and false invoices generated to conceal the practice. Several Southern Glazer's executives based in California, including several Vice Presidents, were directly involved in the conduct, which included substantial cash payments, prepaid gift cards, flights, golf trips, resort stays, and luxury goods, along with participation in the falsification of documents.

In addition to Southern Glazer's monetary payment of $12.5 million to the United States, among other things, the company agreed to implement robust steps to enhance compliance with federal and state laws prohibiting bribery and other improper payments and also agreed to continue to cooperate with the government in connection with any criminal prosecutions related to the matter, including against current or former employees of the company.

One of government's top jobs is to ensure a level playing field for American business. Southern Glazer's employees tried to distort the wine and spirits market in California through bribes and other improper conduct and in the end it was the consumer that lost out," said U.S. Attorney Craig Missakian. "Our office takes this kind of conduct seriously and we are committed to making sure everyone plays by the same rules, which will mean lower prices and more choices for the California consumer. By refusing to compete honestly, the company didn't just harm its competitors and consumers — it struck at the heart of the American tradition of fair and open competition."

"Today's announcement of this agreement is a testament to IRS Criminal Investigation and our law enforcement partners commitment to holding accountable companies like Southern Glazer's Wine and Spirits who engaged in dishonest business practices that circumvented trade practice regulations and internal controls," said Kareem Carter, Executive Special Agent in Charge of the Internal Revenue Service - Criminal Investigation (CI), Washington, D.C. Field Office. "This investigation is an excellent example of the importance of law enforcement agencies working together to address complex illicit financial activity by holding those responsible to account for their actions."

"TTB takes trade practice enforcement seriously to ensure that all industry members operate under the same rules and that law abiding businesses do not lose competitive ground because of the illegal actions of a few," said Anthony P. Gledhill, Assistant Administrator, Field Operations, Alcohol and Tobacco Tax and Trade Bureau (TTB). "This case serves as an important reminder that industry members are accountable not only for their own conduct, but also for the actions taken on their behalf by third party affiliates. Third parties, likewise, are responsible for any illegal activities they carry out on behalf of an industry member."

The investigation was handled by the National Security, Cyber & Special Prosecutions Section of the United States Attorney's Office for the Northern District of California. Assistant U.S. Attorneys Colin Sampson and Sailaja Paidipaty investigated the case with the assistance of

Helen Yee and Maryam Beros. The prosecution is the result of a joint investigation by the Internal Revenue Service – CI and the Alcohol and Tobacco Tax and Trade Bureau with support from the Treasury Executive Office for Asset Forfeiture.

Southern Glazer's NPA

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Component

USAO - California, Northern

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SAN JOSE - Matthew L. Madsen pleaded guilty in federal court today to conspiring to smuggle contraband into state prison in exchange for approximately $100,000 in payments from an inmate

October 20, 2026

PRESS RELEASE

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October 16, 2026

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