

# Blue Bell: The Deadly Scoop

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**Abstract.** Texas' beloved Blue Bell Creameries was one of the leading ice cream brands worldwide until contaminated products issues culminated in 2015. During the outbreak, three people died and Blue Bell was forced to issue a total product recall. Governmental investigations revealed the company knew its production facilities had contamination issues as early as 2009. In 2020, Blue Bell pled guilty to shipping contaminated ice cream and paid over \$19 million in fines. Paul Kruse, Blue Bell's long-standing president, was alleged to have ordered the cessation of a product contamination testing program and to have ordered the destruction of evidence that confirmed contamination. As a result of his alleged actions, Kruse was charged with seven criminal counts. Students must step into the role of Kruse, critically think through the consequences of action and inaction at the management level, and consider possible alternatives from various ethical perspectives.

**Keywords:** Paul Kruse, business ethics, management, consumer protection, food safety.

## 1. Introduction

In 1907, Blue Bell Creameries (Blue Bell) started churning ice cream in Texas under the name Brenham Creamery Company (Inampudi & Harwell 2012). For over one hundred years, Blue Bell rose in popularity and became one of the top-selling brands in the world (Zhu, 2016). Blue Bell's success was evidenced by more than \$12.5 billion in total gross sales between 2011 and 2015 (Grand Jury Indictment 2020, p. 1).

One factor that contributed to Blue Bell's success was the consistent leadership of the company by the Kruse family. Paul Kruse (Kruse) was "the third-generation family member to head Blue Bell" (Inampudi & Harwell 2012, p. 3). Kruse assumed the role of CEO and president in 2004 from his uncle, who had taken over for his brother, who had in turn taken over the position from his father (Kaplan 2011). In sum, a Kruse led Blue Bell from 1919-2017.

The Kruse era at Blue Bell came to an end in February 2017 when Kruse retired as president and chairman after a tainted food scandal that brought the company to the very edge of collapse (Pulsinelli 2017). In October 2020, more than three years after Kruse's retirement, he was charged with conspiracy and multiple counts of wire fraud and attempted wire fraud for his actions in the alleged cover-up of the distribution of contaminated products by Blue Bell. In the

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indictment against Kruse, prosecutors, on behalf of the United States, accused Kruse of poor ethical decision-making which led to contaminated food being sold to the public and in turn caused the deaths of three people (Grand Jury Indictment 2020). Challenged with the same circumstances would you have made similar decisions?

## 2. Background

The federal criminal indictment against Kruse provided a timeline of events that helped explain just what happened in the years that led up to the 2015 contaminated Blue Bell recall. In the indictment, the United States alleged that “from at least 2010 and continuing through April 20, 2015, Blue Bell executives, including Kruse, knew that appropriate practices to ensure sanitary conditions were not being followed and achieved at the Blue Bell manufacturing facilities” (Grand Jury Indictment 2020, p. 3). Inspection reports from the Food and Drug Administration (FDA) showed Blue Bell knew as early as 2009 that its manufacturing plants were likely contaminated. The FDA warned Blue Bell that condensation from filler pipe was dripping into gallon cartons just prior to filling and onto sandwich wafers which were being used in ice cream production. Inspectors also warned that “all reasonable precautions are not taken to ensure the production procedures do not contribute contamination from any source” (Lorenz & Frazier 2009, para. 1). For almost two years, Kruse and Blue Bell failed to eliminate the contamination issues. In fact, the situation worsened as in a later report, inspectors warned again of the condensation, while adding “roof leak concerns in all facilities” (Grand Jury Indictment 2020, p. 3).

In early 2011, Blue Bell quality control employees tried to address the continued contamination issues and created a *Listeria* testing program. *Listeria* is a bacterium that can cause listeriosis, a serious and sometimes life-threatening infection. The Centers for Disease Control and Prevention (CDC) estimated about 260 people die every year from listeriosis (Centers for Disease Control and Prevention, n.d.). The *Listeria* testing program was designed to further test Blue Bell products that had received high coliform numbers in initial quality testing (Grand Jury Indictment 2020). Coliform is a less dangerous bacteria for humans to consume and testing for it was standard at Blue Bell. High coliform reports should have served as a red flag. “It is well understood in the food industry that finished-product test result[s] showing high levels of coliforms is an indication of unsanitary conditions in the production facility” (Grand Jury Indictment 2020, p. 4).

The Blue Bell *Listeria* testing program sent an estimated 12 samples to an independent laboratory to be tested for *Listeria*. Unfortunately, soon thereafter, Kruse shut the program down. In April 2011, Kruse met with the creator of the program and ordered all *Listeria* product testing to stop (Grand Jury Indictment