

Abbott Labs under federal criminal investigation at Sturgis, Michigan baby formula factory

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Attorneys from the Consumer Protection branch of the Department of Justice (DoJ) are investigating Abbott Laboratories, according to a CNN report on January 20. An unnamed Abbott spokesperson is quoted as saying, “DOJ has informed us of its investigation and we’re cooperating fully.”

The *Wall Street Journal* reported the same day that the focus of the investigation was the company’s infant formula factory in Sturgis, Michigan that was at the center of a devastating baby formula shortage in 2022 that continues to this day. NBC News said a law enforcement official familiar with the matter confirmed the Michigan factory where 420 workers are employed is where the investigation is being conducted.

No one from the US government or Abbott Laboratories has officially acknowledged the DoJ probe or explained the reasons for the investigation.

Such cooperation between federal government agencies and the multinational medical devices and health care corporation is unsurprising considering that the Food and Drug Administration (FDA) has allowed Abbott to continuously deny there is any link between the conditions in the Sturgis facility and a series of illnesses and deaths of infants after they consumed formula produced there.

Abbott manufactures about 40 percent of the baby formula in the United States, one of four companies that produce 90 percent of all such products sold domestically. The formula shortages in 2022 were largely caused by the FDA shutdown of the Sturgis facility and voluntary recall of products made there beginning in February 2022.

The shutdown occurred when reports emerged that four infants became ill with bacterial infections after

being fed Abbott’s Similac PM 60/40 powdered formula in late 2021. Two of those children died. Since then, the FDA has received 129 complaints about tainted products related to the presence of *Cronobacter sakazakii*, including 8 additional deaths of infants, bringing the total to 10.

On May 16, 2022, Abbott and the FDA signed a consent decree outlining the process by which manufacturing could restart at the Sturgis facility. The agreement included the guarantee that Abbott Labs would not be held criminally liable for the bacterial contamination of its products.

All of these facts would never have come to the public’s attention, had it not been for the out-of-stock rates that families experienced before the Sturgis facility was closed, stemming from the inability of the baby formula monopolies to calibrate their production volumes during the supply chain disruptions and surges in consumer demand in from the coronavirus pandemic.

These shortages continued for much of 2022 and are still higher than typical. As of December 2022, for example, out-of-stock rates for infant nutritional products were reported at 18 percent, down from the high of 43 percent in May. Before the shutdown of the Sturgis facility in February, these rates were 11 percent.

This is even though, as reported previously by the WSWS, about two weeks after the consent decree was signed, FDA Commissioner Dr. Robert Califf gave sworn testimony in which he stated, “We had no confidence in the integrity of the quality program at the facility.”

Califf also described bacteria growing in multiple sites within the complex, cracks in key equipment, leaks in the roof, standing water and inadequate

handwashing by staff. The FDA found five different strains of *Cronobacter*, bacteria that can cause dangerous blood infections, at the Michigan facility.

The new DoJ investigation comes in the same month that tariffs that had been temporarily lifted on the importation of baby formula and nutritional products had expired. During that period, emergency measures doubled the number of companies able to sell formula in the United States, including from Mexico and the United Kingdom.

On May 15, 2022, Transportation Secretary and former Democratic Party presidential candidate Pete Buttigieg, had these words for the parents struggling to find food for their children in the middle of a global health crisis, “The government does not make baby formula, nor should it. Companies make formula. Let’s be very clear, this is a capitalist country.”

Buttigieg, of course, is correct. This is a capitalist country. Which means that all aspects of life are subordinated to the drive for profits. Whether it is the push for lower wages and worsening conditions in auto plants, the understaffing of hospitals or the inability of the largest capitalist economy in human history to put baby food on shelves.

According to Statista, the US baby formula market is worth \$6.93 billion annually. Fiscal reports from 2021 show that Miles White, former chief executive officer of Abbott, received \$14,034,939 in total compensation. Meanwhile, a current job posting for a second shift supervisor at the facility shows an estimated salary of \$56,000–\$91,000 annually.



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