

USDA Brings Complaint Against Oregon Livestock Auction

Washington, DC (March 31, 2000) -- On March 23, 2000, the U.S. Department of Agriculture issued an administrative complaint against Woodburn Livestock Market Inc., Woodburn, Oregon, and its owners Robert Babcock, II and Sharon Babcock. The complaint alleges that the auction market is insolvent, a financial condition that does not meet the requirements of the Packers and Stockyards Act, and that Woodburn continued operating in spite of its insolvency when its current liabilities exceeded its current assets.

The complaint also alleges that Woodburn failed to maintain and use properly its "Custodial Account for Shippers Proceeds," thereby endangering payments due the consignors of livestock. Further, Woodburn was alleged to have failed to keep and maintain adequate records that fully and correctly disclosed all business transactions.

If the charges are proven, the parties could be placed under a cease and desist order, similar to a permanent injunction, and may be ordered to pay a civil penalty.

The Packers and Stockyards Act is a fair trade practice and payment protection law that is designed to ensure free and open competition, and to prevent unfair and deceptive practices in the marketing of livestock, meat and poultry.

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