

Complaint Issued Against Calhan Auction Market and Kenneth Larry Miller

Washington, DC (April 04, 2001) - On February 13, 2001, the Grain Inspection, Packers and Stockyards Administration (GIPSA) issued an administrative complaint against Calhan Auction Market, Inc. (Calhan) and its president and operator Kenneth Larry Miller (Miller), Calhan, Colorado. Calhan is registered under the Packers and Stockyards Act (Act) as a market agency buying and selling livestock in commerce on a commission basis and as a livestock dealer buying and selling livestock in commerce for its own account.

The complaint alleges that Calhan, under the direction, management and control of Miller, violated the Act by failing to maintain and use properly its Custodial Account for Shippers. Proceeds (custodial account) that was used for livestock sales, thereby endangering full and prompt payments due to owners and consignors of livestock. Calhan is alleged to have violated the Act by issuing custodial account checks to consignors of livestock that were returned to the consignors unpaid due to insufficient funds in the account when presented for payment. Shortages in the custodial account were due, in part, from Calhan's failure to deposit into the account the amount due from the sale of consigned livestock within the time limits prescribed by the regulations issued under the Act.

The complaint also alleged that Calhan operated while its current liabilities exceeded its current assets, in violation of the Act's financial requirements, and issued checks in payment for livestock purchased in its dealer operations, which were returned unpaid due to insufficient funds available in the account on which they were drawn. The issuance of insufficient funds checks resulted in the failure to pay, when due under the Act, the full purchase price for livestock purchases. Calhan is also alleged to have falsely reported information on a report filed with GIPSA.

Calhan and Miller have 20 days after receipt of the complaint in which to file an answer to the allegations stated in it. Failure to file an answer will constitute an admission of the allegations. If an answer is received denying the allegations, a date will be set for oral hearing. If allegations are proven, Calhan and Miller may be ordered to stop violations of the Act, suspended as registrants under the Act, and assessed a civil penalty.

The Packers and Stockyards Act is a fair trade practice and payment protection law that promotes fair and competitive marketing environments for the livestock, meat, and poultry industries.

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