

## Woodburn Agrees To Settle GIPSA's Complaint

WASHINGTON (August 3, 2001) - On July 17, 2001, the Grain Inspection, Packers and Stockyards Administration (GIPSA), entered into a consent decision with Woodburn Livestock Market, Inc. (Woodburn), Robert J. Babcock, II, and Sharon K. Babcock (Babcocks) of Woodburn, Oregon.

The Babcocks are responsible for the direction, management, and control of Woodburn. The Babcocks admitted the jurisdictional allegations of the complaint and waived an oral hearing. They consented and agreed for the purpose of settling this proceeding to the entry of this decision.

Under the terms of the decision, the Babcocks agreed to stop: (1) failing to deposit in Woodburn's "Custodial Account for Shippers' Proceeds" within the time prescribed an amount equal to the proceeds receivable from the sale of consigned livestock; (2) failing to maintain Woodburn's Custodial Account for Shippers' Proceeds in conformity with applicable provisions of the regulations; (3) using custodial funds for purposes of their own or for any purpose other than the remittance of net proceeds to the person or persons entitled thereto and the payment of lawful marketing charges; (4) issuing insufficient funds checks to consignors in purported payment of net proceeds of livestock sold on a commission basis; (5) failing to remit, when due, the net proceeds due from the sale of livestock on a commission basis; (6) engaging in business subject to the Packers and Stockyards Act (Act) while Woodburn's current liabilities exceed its current assets.

The order requires Woodburn to maintain accounts, records, and memoranda that fully and correctly disclose all transactions conducted subject to the Act including, but not limited to, a current ledger balance of its accounts receivable. Woodburn's registration is suspended until the shortage in its custodial account has been eliminated and it has demonstrated that it is no longer insolvent.

Woodburn and the Babcocks are assessed a civil penalty, jointly and severally, in the amount of \$2,000.00.

The management and operating name of the market changed in October 1999. Operations under the new management are not affected by this action.

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

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Leah Akbar (202) 720-4998  
Leah\_L.Akbar@usda.gov