

GIPSA ISSUES A COMPLAINT AGAINST HOUSTON LIVESTOCK CO., INC. AND BILLY MIKE GENTRY

WASHINGTON, Feb. 15, 2002 - On Jan. 29, 2002, the Grain Inspection, Packers and Stockyards Administration (GIPSA) issued an administrative complaint against Houston Livestock Co. Inc. of Pontonoc, Miss., and Billy Mike Gentry of Houston, Miss. Houston is registered under the Packers and Stockyards Act (P&S Act) as a market agency selling livestock in commerce on a commission basis.

Gentry is President and Treasurer, as well as owner of 50% of the stock of Houston. Gentry is also registered under the P&S Act as a market agency buying livestock on commission, and as a dealer buying and selling livestock in commerce for his own account.

The complaint alleges that Houston, under the direction, management, and control of Gentry, issued checks to consignors of livestock that were returned to the consignors unpaid because of a lack of sufficient funds on deposit in the account on which the checks were drawn. Houston is also alleged to have failed to pay consignors of livestock within the time required by the regulations issued under the P&S Act.

The complaint further alleges that Houston, under Gentry's direction, failed to properly maintain and use its custodial account, endangering full and prompt payment to livestock consignors. Shortages in Houston's custodial account occurred on several occasions because Houston allegedly failed to make timely deposits into the account, and made improper deposits of funds collected from the sale of consigned livestock into the firm's general account instead of into the custodial account.

Houston and Gentry have 20 days after receiving the complaint to file a response to the allegations. Failure to file an answer will constitute an admission of the allegations. A denial of the allegations will result in an oral hearing. If GIPSA proves the allegations, Houston and Gentry may be ordered to stop violating the P&S Act, suspended as registrants, 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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Leah Akbar (202) 720-4998
Leah.L.Akbar@usda.gov