

Decision Reached in GIPSA's Case Against Gulf Coast Livestock Commission Co., Inc. and Victor J. Garcia

WASHINGTON, March 9, 2006 - On December 21, 2005, the U.S. Department of Agriculture's Grain Inspection Packer and Stockyards Administration reached a decision without hearing by reason of consent agreement with Gulf Coast Livestock Commission Co., Inc. and Victor J. Garcia, Houston, Texas. Gulf Coast is engaged in the business of a market agency, selling livestock on a commission basis, and as a dealer, buying and selling livestock for its own account and is not registered with the Secretary of Agriculture. Garcia is President; responsible for the direction, management and control of Gulf Coast, including the acts and practices alleged; and is engaged in the business of a dealer, buying and selling livestock for his own account.

The decision follows a complaint issued on October 6, 2005, in which GIPSA alleged that Gulf Coast, under the direction, management and control of Garcia, engaged in business of a market agency, selling livestock on a commission basis, and as a dealer, buying and selling livestock for its own account, without proper registration and bonding; sold livestock on a commission basis and in purported remission of the net proceeds to the consignors for such livestock, is NSF checks; and failed to remit the full amount of the net proceeds from the sale of consigned livestock.

Under the terms of the decision, Gulf Coast and Garcia, in connection with their operation subject to the Packers and Stockyards (P&S) Act agreed to cease and desist from engaging in the business of a market agency, selling livestock on a commission basis, and as a dealer, buying and selling livestock for Gulf Coast's own account or for the accounts of others, without proper registration and bonding; selling livestock on a commission basis and in purported payment to the consignors for such livestock, issuing checks which were returned unpaid by the bank upon which they were drawn because Gulf Coast did not have and maintain sufficient funds on deposit and available in the account upon which such checks were drawn to pay such checks when presented; failing to remit the full amount of the net proceeds for livestock, within the time period required by the P&S Act; buying livestock on a dealer basis and in purported payment to the sellers of such livestock, issuing checks which were returned unpaid by the bank upon which they were drawn because Gulf Coast did not have and maintain sufficient funds on deposit and available in the account upon which such checks were drawn to pay such checks when presented; and failing to pay the full amount of the purchase price for livestock, within the time period required by the P&S Act.

Gulf Coast and Garcia will not be registered under the P&S Act for a period of 5 years. Garcia may not be employed by a dealer, market agency or packer subject to the P&S Act for a period of 150 days. The provisions of this order became effective on the sixth day after service of the order.

The P&S 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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