

Decision Reached in GIPSA's Case Against Frey Cattle Company, Inc. and Alan Halfmann

WASHINGTON, May 25, 2006 - On May 23, 2006, the U.S. Department of Agriculture's Grain Inspection, Packers and Stockyards Administration (GIPSA) issued a decision against Frey Cattle Company, Inc. (Frey Cattle) and Alan Halfmann (Halfmann), Ballinger, Texas. Frey Cattle is engaged in the business of a dealer buying and selling livestock in commerce for its own account and is registered as a dealer to buy and sell livestock in commerce and as a market agency to buy livestock in commerce on commission. Halfmann is engaged in the business of a dealer buying and selling livestock in commerce for the account of Frey Cattle; is Secretary/Treasurer, forty-five percent owner of Frey Cattle; directed, managed, and controlled the operations of Frey Cattle; is a dealer and market agency within the meaning of these terms under the Packers and Stockyards (P&S) Act; and is not individually registered with the Secretary of Agriculture in any capacity under the P&S Act.

The decision follows a complaint issued on December 23, 2005, alleging that Frey Cattle and Halfmann purchased livestock at auction markets to fill orders taken from customers for a specified number of cattle of a particular weight range; arbitrarily increased weights from the original purchase weights, or from actual weights obtained upon a proper re-weighing supported by complete and accurate scale tickets; and prepared scale tickets with false weights to support these arbitrarily increased weights.

Under the terms of the decision Frey Cattle and Halfmann were ordered to cease and desist from selling livestock on false or arbitrarily increased weights, or on any weights other than the original purchase weights of the livestock or that actual weights determined upon a proper reweighing of the livestock; failing to disclose on the accountings, bills or statements issued when livestock is sold, the location and date where the actual weight is determined; issuing sales invoices or other records containing false or arbitrarily increased livestock weights; creating false scale tickets; and failing to properly use and complete scale tickets in connection with the weighing of livestock. Frey Cattle and Halfmann are to keep and maintain accounts, records and memoranda that fully and correctly disclose their transactions subject to the P&S Act and the regulations. Additionally, Frey Cattle and Halfmann were assessed a civil penalty of \$35,000.

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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