

USDA Charges Gainesville Livestock Market, Inc., and Milton Ward Misused Its Custodial Account

WASHINGTON, February 22, 2007 - On January 30, 2007, Grain Inspection, Packers and Stockyards Administration (GIPSA) filed a complaint against Gainesville Livestock Market, Inc. (Gainesville) and Milton Ward (Ward), Gainesville, Texas.

Gainesville is a posted stockyard subject to the provisions of the Packers and Stockyards (P&S) Act; engaged in the business of a market agency selling livestock on a commission basis; and is registered as a market agency to sell livestock on a commission basis. Ward is President and 100% owner and is responsible for the direction, management and control of Gainesville.

GIPSA has evidence that Gainesville under the direction, management and control of Ward:

- failed to maintain and use properly its Custodial Account for Shippers' Proceeds endangering payments due consignors of livestock;
- failed to keep adequate records;
- failed to timely deposit in its custodial account amounts equal to the proceeds receivable from the sale of consigned livestock; and
- had custodial account shortages of \$160,695.23 on October 30, 2005, \$246,937.06 on April 30, 2006, and \$162,034.11 on August 4, 2006.

Failure to file an answer to GIPSA's complaint within the time allowed constitutes an admission of the allegations. If the allegations are admitted, or proven in an oral hearing, Gainesville and Ward may be ordered to cease and desist from violating the P&S Act and assessed a civil penalty.

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.

GIPSA Release #10-07

Catherine M. Grasso 202-720-7201
Catherine.M.Grasso@usda.gov