

## **USDA Suspends Central Livestock Corporation and Russell M. Frederick, d/b/a Atlas Cattle Company for a Period of Five Years**

WASHINGTON, April 25, 2007 - On March 15, 2007, the Grain Inspection, Packers and Stockyards Administration (GIPSA) entered into a decision without hearing by reason of consent with Central Livestock Corporation (Central), South Hutchinson, Kansas, and Russell M. Frederick (Frederick), Sterling, Kansas, doing business as Atlas Cattle Company and ordered them to cease and desist from:

- Endangering payment to livestock sellers by not reimbursing the account used for seller payment in a timely fashion;
- using custodial account for purposes other than those allowed by the regulations;
- failing to pay the full amount owed to livestock sellers;
- issuing checks in payment for livestock purchases without having sufficient funds to cover checks; and
- failing to pay sellers for the sale of their livestock within the time period required by the regulations.

Central and Frederick doing business as Atlas Cattle Company were suspended as registrants for a period of 5 years under the Packers and Stockyards (P&S) Act.

The decision resolves charges that were filed on January 18, 2007, in which GIPSA alleged that Central and Frederick:

- endangered payment to livestock sellers by not reimbursing the account used for seller payment in a timely fashion;
- failed to deposit in their custodial account beyond the time allowed by the regulations;
- had custodial account shortages which endangered payment to livestock sellers;
- used their custodial account for purposes other than those allowed by the regulations;
- issued checks without having sufficient funds to cover checks;

- failed to pay sellers of livestock in a timely fashion; and
- as of the date of this complaint, \$45,672.82 was owed to livestock sellers.

Also, Frederick, doing business as Atlas Cattle Company:

- issued checks without having sufficient funds to cover checks;
- failed to pay sellers for the sale of their livestock within the time period required by the regulations; and
- owed \$44,328.70 as of the date of issuance of the complaint.

Central held its last sale on February 7, 2006. The market is currently operating under new ownership and is not affected by this action.

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 #26-07  
Catherine M. Grasso 202-720-7201