

## **Portales and Hereford Livestock Auctions Stop Operating Until In Compliance with Packers and Stockyards Act**

Washington, DC, April 15 - The USDA Grain Inspection, Packers and Stockyards Administration today announced that Portales Livestock Auction, Inc., Portales, New Mexico, and Hereford Livestock Auction, Inc., Hereford, Texas, have consented to a preliminary injunction under which the auctions must cease operation due to serious violations of the Packers and Stockyards Act. The auctions cannot resume operations until specific conditions are met.

A GIPSA investigation found that Portales Livestock Auction, Inc., Hereford Livestock Auction, Inc., doing business as Livestock Exchange, Ltd., and Randy Bouldin failed to maintain required bonds and livestock trust and custodial accounts, and did not pay a livestock consignor.

"Failing to properly maintain livestock trust accounts poses a serious and immediate risk of non-payment to livestock sellers and consignors," the consent order reads. Without adequate bonds, it adds, "there is an additional threat that livestock sellers and consignors supplying livestock to the auctions will go unpaid."

Attorneys from the United States Attorney's Office, District of New Mexico, working in conjunction with counsel from the Department of Agriculture, sought injunctive relief in Federal Court to stop the respondents from failing to meet their fiduciary responsibility to manage custodial accounts as required by the Act and failure to remit net proceeds to a livestock consignor. In negotiations with counsel for Mr. Bouldin, an agreement was reached in the form of a consent order submitted for approval to a Federal Judge in New Mexico.

Under the consent order issued by the United States District Court for the District of New Mexico, Portales and Hereford can only resume operations when the auction markets pay all unpaid sellers and consignors, acquire livestock bonds or bond equivalents, and correct the shortages in their custodial accounts. Fulfillment of these conditions will be determined by GIPSA.

Further, Portales and Hereford livestock auctions may resume operations only when the above conditions are met, if they remain in compliance with the Act, and if they provide weekly analyses of their custodial accounts to GIPSA until the Agency's two outstanding administrative complaints filed against the markets are resolved.

GIPSA protects the financial interests of producers through the vigorous enforcement of the Packers and Stockyards Act. 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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