

GIPSA Alleges Allen County Livestock Auction, LLC, John Adams and Dale Peterson Violated the Packers and Stockyards Act

WASHINGTON, August 13, 2009 - The U.S. Department of Agriculture's Grain Inspection, Packers and Stockyards Administration (GIPSA) has found evidence that Allen County Livestock Auction, LLC (Allen County Livestock), Gas, Kansas; John Adams (Adams), Iola, Kansas; and Dale Peterson (Peterson), Marion, Kansas:

- failed to properly maintain its custodial account for shipper's proceeds resulting in custodial account shortages; and
- failed to deposit into its custodial account, in a timely fashion, an amount equal to the proceeds receivable from the sale of consigned livestock.

GIPSA filed a complaint against Allen County Livestock on July 29, 2009. If the allegations are admitted, or proven in an oral hearing, Allen County Livestock may be ordered to cease and desist from violating the Packers and Stockyards (P&S) Act, suspended and assessed a civil penalty.

Allen County Livestock was engaged in the business of a market agency selling consigned livestock in commerce on a commission basis and was registered with the Secretary of Agriculture to sell livestock in commerce on a commission basis. Allen County Livestock also conducts and operates a posted stockyard.

Adams and Peterson are partners and each 50 percent owners of Allen County Livestock; responsible for the day-to-day direction, management and control of Allen County Livestock; and a market agency subject to the provisions of the P&S Act.

Allen County Livestock is presently operating under new ownership. The new operating entity is registered with the Secretary of Agriculture.

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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