

GIPSA Alleges Barnesville Livestock, LLC and Darryl Watson Misused Their Custodial Account

WASHINGTON, Jan. 14, 2010 - The U.S. Department of Agriculture's Grain Inspection, Packers and Stockyards Administration (GIPSA) has found evidence that Barnesville Livestock, LLC (Barnesville), Barnesville, Ohio and Darryl Watson (Watson), Norwich, Ohio:

- failed to properly use and maintain its custodial account;
- failed to deposit into the custodial account an amount equal to the proceeds receivable from the sale of consigned livestock, causing in part, the shortages in its custodial account;
- failed to remit, when due, the net proceeds due from the sale price of livestock on a commission basis;
- deposited custodial account funds to the market's general account;
- deposited proceeds from the sale of livestock on a commission basis into an account other than the market's custodial account; and
- issued custodial checks without having sufficient funds to cover checks.

GIPSA filed a [complaint against Barnesville and Watson](#) on December 10, 2009. If the allegations are admitted, or proven in an oral hearing, Barnesville and Watson may be ordered to cease and desist from violating the Packers and Stockyards (P&S) Act, suspended, and assessed a civil penalty.

Barnesville engaged in the business of conducting and operating a posted stockyard; a market agency selling consigned livestock in commerce on a commission basis at the stockyard; and is registered with the Secretary of Agriculture as a market agency to sell livestock in commerce on a commission basis and as a market agency buying livestock on commission.

Watson is the sole owner of Barnesville, is responsible for the day-to-day direction, management and control of Barnesville, and is a market agency subject to the P&S 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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