

GIPSA Settles Cases Resulting in \$18,850 in Civil Penalties

WASHINGTON, Dec. 9, 2010 - The U.S. Department of Agriculture's Grain Inspection, Packers and Stockyards Administration's (GIPSA) enforcement rules provide a mechanism to quickly resolve violations of the Packers and Stockyards (P&S) Act. GIPSA may offer an alleged violator the option of waiving their right to a hearing and entering into a stipulation agreement to quickly resolve alleged violations.

GIPSA recently settled cases resulting in \$18,850 in civil penalties.

Leo Lidgett, doing business as Central Iowa Hog Marketing, Bronson, Iowa, waived his right to a hearing, entered into a stipulation agreement, and paid a penalty of \$1,600 after GIPSA found that he was operating as an unregistered entity selling on commission. Also, he was collecting selling on commission and buying on commission checks on the same transactions - a deceptive practice.

Murphy Brown, LLC, Warsaw, North Carolina, waived his right to a hearing, entered into a stipulation agreement, and paid a penalty of \$2,250 after GIPSA found that he failed to fully comply with contract language mandated in Sections 208 and 209 of the P&S Act.

E.G. & Perry Huffman, doing business as Huffman Bros. or Huffman Livestock, also known as E.G. Huffman and P.J. Huffman, doing business as Huffman Brothers and Huffman Livestock, Lexington, Virginia, waived their right to a hearing, entered into a stipulation agreement, and paid a penalty of \$7,500 after GIPSA found that they failed to pay, when due, for livestock.

Farmland Foods, Inc., Kansas City, Missouri, waived their right to a hearing, entered into a stipulation agreement, and paid a penalty of \$3,000 after GIPSA found that they failed to include proper choice of law and venue in contract and failed to disclose and provide an option to decline arbitration in contract.

Newkirk Farmers-Ranchers Livestock Auction, LLC, Newkirk, Oklahoma, waived their right to a hearing, entered into a stipulation agreement, and paid a penalty of \$2,500 after GIPSA found that they had a custodial account shortage.

4C Livestock, Inc., doing business as Coryell County Commission Co., Gatesville, Texas, waived their right to a hearing, entered into a stipulation agreement, and paid a penalty of \$2,000 after GIPSA found that they had shortages in their custodial account for shippers' proceeds; and misused custodial funds on 11 sale dates by failing to properly reimburse the custodial account for livestock purchases by the market and its owners, officers, and their dependent children.

The Packers and Stockyards 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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