

UNITED STATES DEPARTMENT OF AGRICULTURE  
BEFORE THE SECRETARY OF AGRICULTURE

In re: ) P & S Docket No. D-12- 0133  
Rick Shannon )  
Respondent ) Complaint

There is reason to believe that the Respondent named herein has willfully violated the Packers and Stockyards Act, 1921, as amended and supplemented (7 U.S.C. § 181 et seq.) (Act) and the regulations promulgated thereunder by the Secretary of Agriculture (9 C.F.R. § 201.1 et seq.) (Regulations), and, therefore, this complaint is issued alleging the following:

I.

(a) Rick Shannon (Respondent) is an individual whose current mailing address is PO Box 34, Blocker, Oklahoma 74529.

(b) At all times material herein, Respondent was:

- (1) Engaged in the business of a market agency buying livestock in commerce on a commission basis or engaged in the business of a dealer buying livestock in commerce for the account of others;
- (2) Not registered with the Secretary of Agriculture as a market agency to buy livestock in commerce on a commission basis or a dealer; and
- (3) Operating subject to the Act and the Regulations within the jurisdiction of the Secretary.

II.

(a) In a Notice of Default letter dated July 8, 2010, and personally served on Respondent by a representative of the Packers and Stockyards (P&S) Program on July 17, 2010,

Respondent was informed that the Packers and Stockyards Program had information indicating that Respondent was buying and selling livestock in commerce. Respondent was further informed that because his operations were in commerce, he was subject to the Act and the Regulations. Along with the Notice of Default letter, Respondent was served with copies of the registration, bond, and bond equivalent forms along with the instructions, and was directed in the Notice to Default letter to complete the registration form and the applicable bond or bond equivalent forms and return them to the Western Regional Office. Respondent was further instructed that the amount of bond coverage he must obtain was based on the average amount of livestock he purchased during a period equivalent to two business days, but in no case was to be less than Ten Thousand Dollars (\$10,000.00). Respondent was also informed that if he continued to operate subject to the Act and the Regulations without registering and without obtaining a bond or bond equivalent that a civil or administrative complaint may be filed against him and that he may be subject to civil penalties.

(b) Notwithstanding the notice referenced above, Respondent engaged in the business of a market agency buying livestock in commerce on a commission basis or a dealer buying livestock in commerce for the account of others without filing and maintaining an adequate bond or bond equivalent as required by the Act and the Regulations.

### III.

(a) Respondent, commencing on or about August 28, 2010, and continuing through December 11, 2010, in 15 transactions on 10 separate days, engaged in the business of a market agency or a dealer, by purchasing 495 head of livestock totaling approximately \$248,717.90, without filing and maintaining an adequate bond or bond equivalent. Respondent purchased the livestock from MCCS Livestock Inc., d/b/a Leflore County Livestock Auction, Wister

Oklahoma, a posted stockyard. Respondent received buyer commission/hauling checks totaling approximately \$4,989.55 for these purchases from the market.

(b) In a sworn affidavit signed by Respondent on March 15, 2011, Respondent admitted that a Packers and Stockyards Program representative found him purchasing livestock for other individuals at Leflore County Livestock Auction and Stilwel Livestock Auction. Respondent further admitted in the affidavit that he places all the fees for the services that he provides under "hauling" on the invoices and that he collects a check from the market for these fees. Respondent also admitted in the affidavit that the individuals he buys cattle for pay the market for the cattle and the hauling fee. A copy of the affidavit is attached hereto and incorporated by reference as Appendix A.

#### IV.

(a) Respondent, in connection with his operations subject to the Act, failed to keep and maintain records which fully and correctly disclosed all the transactions involved in his business subject to the Act as required by section 401 of the Act (7 U.S.C. § 221). Specifically, Respondent failed to keep and maintain purchase invoices and copies of his buyer commission/hauling checks from the markets.

(b) In the sworn affidavit signed by Respondent on March 15, 2011, Respondent admitted that he "do[es] not keep complete records pertaining to [his] buying activities." See Appendix A.

#### V.

By reason of the facts alleged in paragraphs II and III, Respondent has willfully violated section 312(a) of the Act (7 U.S.C. § 213(a)), and sections 201.29 and 201.30 of the Regulations (9 C.F.R. §§ 201.29, 201.30).

By reason of the facts alleged in paragraph IV, Respondent has willfully violated section 401 of the Act (7 U.S.C. § 221), by failing to keep and maintain records that fully and correctly disclosed all transactions involved in his business.

WHEREFORE, it is hereby ordered that this complaint shall be served upon Respondent for the purpose of determining whether Respondent has willfully violated the Act and the Regulations. Respondent shall have twenty (20) days after receipt of this complaint in which to file an answer with the Hearing Clerk, United States Department of Agriculture, Washington, DC 20250, in accordance with the Rules of Practice Governing Formal Adjudicatory Proceedings Instituted by the Secretary Under Various Statutes (7 C.F.R. § 1.130 et seq.) (Rules of Practice). Allegations not answered shall be deemed admitted for the purpose of this proceeding. Failure to file an answer will constitute an admission of all the material allegations of this complaint.

The Packers and Stockyards Program, Grain Inspection, Packers and Stockyards Administration (GIPSA), requests:

1. That unless Respondent fails to file an answer within the time allowed, or files an answer admitting all the material allegations of this complaint, this proceeding be set for oral hearing in accordance with the Rules of Practice; and
2. That such order or orders be issued, including an order requiring Respondent to cease and desist from the violations of the Act and the Regulations found to exist, and assessing

such civil penalties against Respondent as are authorized by the Act and warranted in the circumstances.

Done at Washington, D.C.

this 21 day of December, 2011



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Packers and Stockyards Program

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