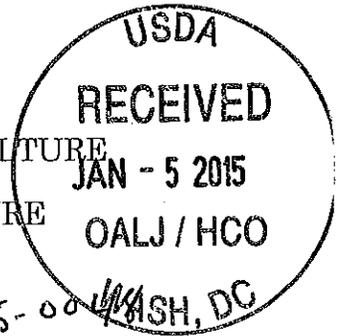


UNITED STATES DEPARTMENT OF AGRICULTURE
BEFORE THE SECRETARY OF AGRICULTURE



In re:) P&S Docket No. 15-00
)
SIG International Iowa, Inc.)
)
)
Respondent) Complaint and
) Notice of Hearing

There is reason to believe that Respondent has willfully violated provisions of the Packers and Stockyards Act, 1921, as amended and supplemented (7 U.S.C. § 181 *et seq.*) (Act) and the regulations promulgated thereunder (9 C.F.R. § 201.1-201.200) (regulations); therefore, this complaint is issued alleging the following:

I.

- a. SIG International Iowa, Inc., (Respondent) is a corporation with its principal place of business at 826 Main St., Boyden, IA 51234.
- b. Respondent is a packer operating in commerce subject to the provisions of the Act, 7 U.S.C. § 181 *et seq.*

II.

- a. From January, 1, 2010 to April 13, 2010, Respondent failed to pay, when due, for \$161,148.27 of livestock, paying for livestock between one and six days late to

sellers of hogs on a negotiated live weight basis. A schedule of transactions is attached as Exhibit A to this Complaint.

- b. For the transactions referenced in paragraph II.a., Respondent failed to pay on the actual live weights, failed to note the actual weights of the livestock in accountings, and paid based on estimated live weights.

III.

- a. For two transactions on April 5, 2010 and April 17, 2010, and as shown in Exhibit B to this Complaint, Respondent failed to pay, when due, for \$15,079.49 of livestock, in that Respondent paid two livestock sellers 1 day late for hogs that Respondent purchased on a contracted basis.
- b. For the transactions listed in paragraph III.a., Respondent's check dates are false, and give the impression of prompt payment
- c. For the transactions listed in paragraph III.a., Respondent entered into credit agreements with sellers of livestock which failed to contain a valid trust waiver.
- d. For the transactions listed in paragraph III.a., Respondent failed to note the hot weight and the adjustments in its payment documents, and paid based on estimated live weights.

IV.

- a. From January 6, 2010 through March 24, 2010, Respondent failed to pay, when due, for \$46,191.91 of livestock, paying for livestock one day late to sellers of

hogs on a contracted basis. A schedule of transactions is attached as Exhibit C to this Complaint.

- b. For the transactions referenced in paragraph IV.a., Respondent entered into credit agreements with sellers of livestock which failed to contain a valid trust waiver.
- c. For the transactions referenced in paragraph IV.a., Respondent failed to note the hot weight and the adjustments in its payment documents, and paid based on estimated live weights.

V.

- a. For three transactions from January 27, 2010 to April 6, 2010, Respondent failed to pay, when due, for \$24,672.99 of livestock, in that Respondent paid two livestock sellers one day late for 144 head of hogs that Respondent purchased on a contracted basis. A schedule of transactions is attached as Exhibit D to this Complaint.

- b. For the transactions referenced in paragraph V.a., Respondent entered into credit agreements with sellers of livestock which failed to contain a valid trust waiver.
- c. For one transaction on April 6, 2010, Respondent's check date was false and gave the impression of prompt payment

VI.

- a. From January 27, 2010 to March 2, 2010, Respondent failed to pay, when due, for \$28,769.72 of livestock, paying for livestock between one and five days late to sellers of hogs on a negotiated live weight basis. A schedule of transactions is attached as Exhibit E to this Complaint.
- b. For one transaction listed in Exhibit E on February 10, 2010, Respondent's check date was false and gave the impression of prompt payment

VII.

- a. From January 6, 2010 through April 28, 2010, Respondent entered into credit agreements with sellers of livestock which failed to contain a valid trust waiver. A schedule of transactions is attached as Exhibit F to this Complaint.
- b. For the transactions referenced in paragraph VII.a., Respondent failed to note the hot weight and the adjustments in its payment documents, and paid based on estimated live weights.

VIII.

By reason of the facts alleged in paragraphs II.a., III.a., III.c., IV.a.-b., V.a.-b., and VI.a. Respondent willfully violated sections 202(a) and 409 of the Act (7 U.S.C. §§ 192(a) and 228b) and section 201.43 of the regulations (9 C.F.R. § 201.43).

By reason of the facts alleged in paragraphs II.b., III.c., III.d., IV.c., V.c., VI.b. and VII.b., Respondent willfully violated section 202(a) of the Act (7 U.S.C. §§ 192(a)) and sections 201.49, 201.55 and 201.99 of the regulations (9 C.F.R. §§ 201.49, 201.55, 201.99).

By reason of the facts alleged in paragraphs II.b., III.c., III.d., IV.c., V.c., VI.b. and VII.b., Respondent violated section 401 of the Act (7 U.S.C. § 221).

WHEREFORE, it is hereby ordered that for the purpose of determining whether the Respondent has in fact willfully violated the Act, this Complaint and Notice of Hearing shall be served upon Respondent. Respondent shall have twenty (20) days following receipt of this Complaint and Notice of Hearing in which to file an answer with the Hearing Clerk, United States Department of Agriculture, Washington, D.C. 20250, in accordance with the Rules of Practice governing proceedings under the Act (7 C.F.R. § 1.130 et seq.). Failure to file an answer shall constitute an admission of all the material allegations of this Complaint and Notice of Hearing.

Respondent is hereby notified that unless hearing is waived, either expressly or by failure to answer and request a hearing, a hearing will be held in accordance with the Rules of Practice, at a place and time to be designated later. At the hearing, Respondent will have the right to appear and show cause why an appropriate order should not be issued in accordance with the provisions of the Act requiring Respondent to cease and desist from violating the Act with respect to the matters alleged herein and assessing such civil penalties as are authorized by the Act and warranted under the circumstances.

Done at Washington, D.C.

this 5th day of January, 2015

Susan B. Keith
Susan B. Keith
Deputy Administrator
Packers & Stockyards Program

Jonathan Gordy
Attorney for Complainant
United States Department of Agriculture
Office of the General Counsel—Marketing, Regulatory, and Food Safety
Programs Division
Room 2319 South Building
1400 Independence Avenue, S.W.
Washington, D.C. 20250
202-720-5065

Exhibit A

Schedule of FTPWD and Falsification of Weights

Sale Date	Name of Seller	No. of Head	Sale Price Based on Estimated Live Weight	Due Date	Accounting Date – Payment Date	Date on Check	Days Late
1/5/2010	Lynn Steuer	29	\$4,100.85	1/6/2010	1/7/2010	1/7/2010	1
1/5/2010	Travis Dunekacke	5	\$777.78	1/6/2010	1/8/2010	1/8/2010	2
1/6/2010	Dean Dekkers	32	\$3,785.69	1/7/2010	1/11/2010	1/11/2010	4
1/26/2010	ISU	20	\$3,008.36	1/27/2010	1/29/2010	1/29/2010	2
1/27/2010	BKH	17	\$1,800.41	1/28/2010	1/29/2010	1/29/2010	1
1/27/2010	Cory Diekevers	45	\$5,878.29	1/28/2010	1/29/2010	1/29/2010	1
2/2/2010	Bert Fell	48	\$7,382.53	2/3/2010	2/5/2010	2/5/2010	2
2/17/2010	BKH	43	\$5,297.72	2/18/2010	2/19/2010	2/19/2010	1
2/17/2010	Charlie Dickman	20	\$2,349.33	2/18/2010	2/19/2010	2/19/2010	1
2/17/2010	Daryl & Luke Wielenga	10	\$1,006.63	2/18/2010	2/19/2010	2/19/2010	1
2/21/2010	Doug Geerdes	54	\$7,097.62	2/22/2010	2/23/2010	2/23/2010	1
3/2/2010	Lynn Steuer	44	\$7,425.65	3/3/2010	3/9/2010	3/9/2010	6
3/3/2010	Doug Geerdes	51	\$7,115.82	3/4/2010	3/5/2010	3/5/2010	1
3/11/2010	Bill Street	21	\$2,856.90	3/12/2010	3/15/2010	3/15/2010	3
3/19/2010	Van Regermorter Lanl	32	\$4,152.76	3/22/2010	3/23/2010	3/23/2010	1
3/22/2010	Bill Heynen	31	\$4,075.86	3/23/2010	3/24/2010	3/24/2010	1

3/22/2010	BKH	180	\$24,038.89	3/23/2010	3/24/2010	3/24/2010	1
3/22/2010	Ferdsons Corp	12	\$1,789.56	3/23/2010	3/24/2010	3/24/2010	1
3/24/2010	Nelson Eylander	73	\$12,254.27	3/25/2010	3/26/2010	3/26/2010	1
3/29/2010	Daryl & Luke Wielenga	22	\$2,910.22	3/30/2010	3/31/2010	3/31/2010	1
4/5/2010	BKH	124	\$18,424.98	4/6/2010	4/7/2010	4/7/2010	1
4/5/2010	Daryl & Luke Wielenga	28	\$4,074.19	4/6/2010	4/7/2010	4/7/2010	1
4/5/2010	Doug Geerdes	53	\$7,814.16	4/6/2010	4/7/2010	4/7/2010	1
4/5/2010	R&J Hog Farm	30	\$4,201.98	4/6/2010	4/7/2010	4/7/2010	1
4/6/2010	Doug Geerdes	55	\$8,321.07	4/7/2010	4/9/2010	4/9/2010	2
4/13/2010	BKH	63	\$9,206.75	4/14/2010	4/15/2010	4/15/2010	1
Totals		1142	\$161,148.27				

Exhibit B

Schedule of FTPWD and Falsification of Records

Sale Date	Name of Seller	No. of Head	Sale Price Based on Estimated Live Weight	Due Date	Accounting Date – Payment Date	Date on Check	Days Late
4/5/2010	Dan Zeutenhorst	36	\$6,537.91	4/6/2010	4/7/2010	4/5/2010	1
4/17/2010	Kevin Johansen	51	\$8,541.58	4/19/2010	4/20/2010	4/17/2010	1
Totals		87	\$15,079.49				

Exhibit C

Schedule of FTPWD and Falsification of Records

Sale Date	Name of Seller	No. of Head	Sale Price Based on Estimated Live Weight	Due Date	Accounting Date -- Payment Date	Date on Check	Days Late
1/27/2010	Clarke Burns	17	\$2,377.80	1/28/2010	1/29/2010	1/29/2010	1
1/27/2010	Kenneth Whitham	23	\$3,438.35	1/28/2010	1/29/2010	1/29/2010	1
1/27/2010	KVNLT, Inc.	72	\$10,863.32	1/28/2010	1/29/2010	1/29/2010	1
1/6/2010	Jim Schultejeans	34	\$5,253.39	1/7/2010	1/8/2010	1/8/2010	1
2/3/2010	KVNLT, Inc.	62	\$9,756.19	2/4/2010	2/5/2010	2/5/2010	1
3/24/2010	Clarke Burns	26	\$3,209.31	3/25/2010	3/26/2010	3/26/2010	1
3/24/2010	KVNLT, Inc.	72	\$11,293.55	3/25/2010	3/26/2010	3/26/2010	1
Totals		306	\$46,191.91				

Exhibit D

Schedule of FTPWD and Falsification of Records

Sale Date	Name of Seller	No. of Head	Sale Price	Due Date	Accounting Date – Payment Date	Date on Check	Days Late
1/27/2010	Dan Zeutenhorst	41	\$6,537.91	1/28/2010	1/29/2010	1/29/2010	1
3/24/2010	Kevin Johansen	51	\$8,541.58	3/25/2010	3/26/2010	3/26/2010	1
4/6/2010	Kevin Johansen	52	\$9,593.50	4/7/2010	4/8/2010	4/7/2010	1

Exhibit E

Schedule of FTPWD and Falsification of Records

Sale Date	Name of Seller	No. of Head	Sale Price	Due Date	Accounting Date – Payment Date	Date on Check	Days Late
1/27/2010	Dan Honkomp	13	\$1,602.94	1/28/2010	1/29/2010	1/29/2010	1
1/27/2010	Darin Honkomp	4	\$498.84	1/28/2010	1/29/2010	1/29/2010	1
1/6/2010	Cory Diekevers	72	\$9,830.72	1/7/2010	1/8/2010	1/8/2010	1
1/4/2010	Vans Farm	35	\$4,284.86	1/5/2010	1/6/2010	1/6/2010	1
2/24/2010	Nelson Eylander	30	\$3,968.05	2/25/2010	2/26/2010	2/26/2010	1
2/10/2010	ISU	21	\$3,234.49	2/11/2010	2/16/2010	2/12/2010	5
3/29/2010	John Honkomp	5	\$615.74	3/30/2010	3/31/2010	3/31/2010	1
3/22/2010	Larry Klein	13	\$1,631.23	3/23/2010	3/24/2010	3/24/2010	1
3/22/2010	Myron Klein	3	\$357.21	3/23/2010	3/24/2010	3/24/2010	1
3/11/2010	Darwin Gerkin	8	\$1,067.76	3/12/2010	3/15/2010	3/15/2010	3
3/2/2010	Oak Hill	10	\$1,677.88	3/3/2010	3/5/2010	3/5/2010	2
Totals		214	\$28,769.72				

Exhibit F

Schedule of Falsification of Records

Sale Date	Name of Seller	No. of Head	Sale Price
1/6/2010	KVNLT, Inc.	73	\$11,267.61
1/15/2010	Dan Zeutenhorst	21	\$3,350.52
1/22/2010	Jim Lehe	120	\$20,653.99
1/22/2010	Mark Flora	28	\$4,906.26
1/29/2010	Kevin Johansen	51	\$8,239.23
2/3/2010	Larry Thomsen	10	\$1,384.52
2/3/2010	Kevin Johansen	51	\$7,829.06
2/10/2010	KVNLT, Inc	71	\$11,287.97
2/12/2010	Kevin Johansen	50	\$8,174.50
2/12/2010	Kevin Johansen	50	\$8,174.50
2/15/2010	Kenneth Whitham	10	\$1,516.27
2/15/2010	Scott Whitham	11	\$1,615.19
2/15/2010	Scott Whitham	11	\$1,615.19
2/15/2010	Kenneth Whitham	10	\$1,516.27
2/17/2010	Wayne Niehues	5	\$723.53

2/17/2010	Jim Schultejeans	7	\$1,039.08
2/17/2010	KVNLT, Inc	71	\$11,183.30
2/19/2010	Clarke Burns	44	\$5,187.61
2/19/2010	Clarke Burns	44	\$5,187.61
2/24/2010	Scott Whitham	25	\$3,981.65
2/24/2010	KVNLT, Inc	42	\$6,355.80
2/26/2010	Jim Lehe	135	\$23,122.83
3/3/2010	Kevin Johansen	50	\$8,185.81
3/23/2010	Gerald Droog	21	\$3,225.78
3/26/2010	Scott Whitham	28	\$4,303.31
3/29/2010	Jim Lehe	109	\$17,890.67
4/7/2010	Scott Whitham	20	\$3,568.41
4/7/2010	KVNLT, Inc	64	\$11,002.70
4/7/2010	Wayne Niehues	8	\$1,261.34
4/9/2010	Kevin Johansen	51	\$9,349.39
4/14/2010	Kenneth Whitham	18	\$3,015.67
4/14/2010	KVNLT, Inc.	51	\$8,623.96
4/16/2010	Jim Lehe	109	\$19,906.93

4/21/2010	Wayne Niehues	6	\$1,039.94
4/21/2010	Clarke Burns	20	\$3,098.60
4/21/2010	Jim Schultejans	24	\$4,280.26
4/21/2010	Kenneth Whitham	24	\$4,097.85
4/21/2010	Kevin Johansen	51	\$9,485.92
4/28/2010	KVNLT, Inc	73	\$12,973.27
4/28/2010	Kevin Johansen	51	\$9,274.36
Totals		1718	\$282,896.66