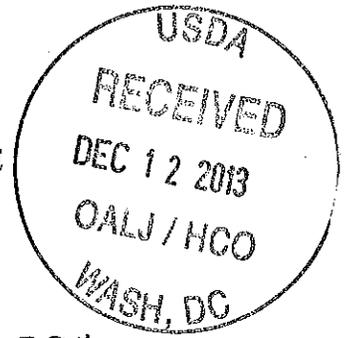


UNITED STATES DEPARTMENT OF AGRICULTURE  
BEFORE THE SECRETARY OF AGRICULTURE



In re: ) P & S Docket No. D-14- 0049  
)  
Gene Schatz, )  
)  
)  
)  
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, therefore, this Complaint is issued alleging the following:

1. Respondent Gene Schatz is an individual with a home mailing address in the State of Wyoming. In order to protect the personal privacy of the individual respondent, his home address is not included in this Complaint, but has been provided to the Hearing Clerk of the United States Department of Agriculture (USDA) for purposes of effectuating service of process.
2. Respondent Gene Schatz, at all times material herein was:
  - a. Engaged in the business of a dealer, buying and selling livestock in commerce for his own account or the account of others;
  - b. Engaged in the business as a market agency, buying livestock in commerce on a commission basis; and
  - c. Registered with the Secretary of Agriculture as a dealer within the meaning of, and subject to the provisions of, the Act.

## II

On February 11, 2011, GIPSA sent Respondent Gene Schatz a Notice of Violation for failure to maintain any copies of purchase and sales invoices, load sheets, scale tickets, and other records depicting the true nature of his business in violation of Section 401 (7 U.S.C. § 221) and 9 C.F.R. § 203.4 (7 C.F.R. 1.130 et seq.) Respondent Gene Schatz received the notice on February 17, 2011. The notice notified Respondent Gene Schatz that he must correct his business practices in order to be considered in compliance. Respondent Gene Schatz was further notified that if he did not correct his business practices, continued violations may result in an administrative complaint filed against him charging him with violations of the Act.

A follow-up investigation was conducted revealing Respondent Gene Schatz continued to fail to keep and maintain accounts, records, and memoranda which fully and correctly disclosed all the transactions involved in his business subject to the Act, including, but not limited to, all purchase and sale invoices, load mark-up sheets, scale tickets, sales invoices and settlement sheets, and other documents of sale, purchase or commission that record a true and accurate account of his business as a dealer and/or market agency, as required by section 401 of the Act (7 U.S.C. § 221), and as more fully specified in section 203.4 of the Statements of General Policy under the Packers and Stockyards Act (9 C.F.R. § 203.4).

## III

By reason of the facts alleged in paragraph II, 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 for the purpose of determining whether Respondent has, in fact, willfully violated the Act, this Complaint shall be served upon

Respondent. 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 shall constitute an admission of all the material allegations of this Complaint and Notice of Hearing unless the parties have agreed to a consent decision pursuant to section 1.138 of the Rules of Practice (7 C.F.R. § 1.138).

Packers and Stockyards Program, GIPSA, requests:

1. That unless Respondent fails to file an answer within the time allowed, or file 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 found to exist, an order requiring Respondent to keep and maintain all accounts, records and memoranda that fully and accurately disclose all transactions involved in his business, as required by section 401 of the Act, and assessing such civil penalties against Respondent as are authorized by the Act and warranted under the circumstances.

Done at Washington, D.C.

this 11<sup>th</sup> day of December, 2013

Susan B. Keith

Susan B. Keith

Deputy Administrator

Packers and Stockyards Program

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