

UNITED STATES DEPARTMENT OF AGRICULTURE
BEFORE THE SECRETARY OF AGRICULTURE

Docket No. 13-0146

In re: Riverside Cattle Co., LLC,

Respondent

Default Decision and Order

Preliminary Statement

This disciplinary proceeding was instituted under the Packers and Stockyards Act, 1921, as amended and supplemented (the “Act”, 7 U.S.C. § 181 *et seq.*), by a Complaint filed on January 8, 2013, by the Deputy Administrator, Packers and Stockyards Program, Grain Inspection, Packers and Stockyards Administration (GIPSA), United States Department of Agriculture, alleging that Respondent willfully violated the Act and the regulations promulgated thereunder (9 C.F.R. § 201.1 *et seq.*).

The Complaint and a copy of the Rules of Practice Governing Formal Adjudicatory Administrative Proceedings Instituted by the Secretary Under Various Statutes (7 C.F.R. § 1.130) (Rules of Practice) was served upon Respondents by certified mail on November 26, 2012. Respondent was informed in the complaint and the accompanying letter of service that an Answer should be filed pursuant to the rules of practice and that failure to answer would constitute an admission of all the material allegations contained in the complaint and a waiver of hearing.

As Respondent failed to file an Answer clearly denying the allegations contained in the Complaint as required by 7 C.F.R. § 1.136(b), the following Findings of Fact, Conclusions of

Law and Order will be entered pursuant to section 1.139 of the rules of practice applicable to this proceeding (7 C.F.R. § 1.139).

Findings of Fact

1. Respondent Riverside Cattle Co., LLC is a business organized and existing under the laws of the State of Nebraska with its principal place of business located in Falls City, Nebraska.
2. Respondent was, and at all times material herein:
 - (a) Engaged in the business of a dealer buying and selling livestock in commerce; and
 - (b) Engaged in the business of a market agency buying and selling livestock in commerce on a commission basis;
 - (c) A dealer within the meaning of and subject to the Act;
 - (d) Registered with the Secretary of Agriculture as a dealer to buy and sell livestock in commerce; and
 - (e) Registered with the Secretary of Agriculture as a market agency to buy and sell livestock in commerce on a commission basis.
3. On approximately 4 dates during the period from January 6, 2011, through May 5, 2011, in transactions involving 693 head of livestock, Riverside Cattle Co., LLC requested a stockyard entity to generate false invoices listing purchase prices for livestock that were higher than the actual purchase prices.
4. During the period from January 18, 2010, through April 4, 2011, in transactions involving 1,671 head of livestock, Riverside Cattle Co., LLC requested Gallatin Livestock Auction, a posted stockyard to generate false invoices listing purchase prices for livestock that were higher than the actual purchase prices.

5. Riverside Cattle Co., LLC subsequently provided the false invoices to its customers to whom it later transferred and sold the livestock.

Conclusions of Law

1. The Secretary has jurisdiction in this matter.
2. Respondent willfully violated sections 307, 312(a) and 401 of the Act (7 U.S.C. §§ 208, 213(a) and 221) and sections 201.53 and 201.56(d) of the regulations (9 C.F.R. § 201.53 and 201.56(d)).

Order

1. Respondent shall cease and desist from:
 - (a) Failing to keep and maintain accounts, records and memoranda as fully and correctly disclose all transactions involved in its business, including, but not limited to purchase and sales invoices, bank statements, canceled checks, and deposit slips;
 - (b) Creating false auction market invoices;
 - (c) Providing false auction market invoices to customers;
 - (d) Failing to, when it purchases consigned livestock or sell consigned livestock to any owner, officer, agency, employee, or any business in which such market agency, owner, officer, agency, or employee has an ownership or financial interest, disclose on the account of sale the name of the buyer and the nature of the relationship existing between the market agency and the buyer; and

(e) Knowingly making, issuing, or circulating any false or misleading reports, records, or representations concerning market conditions or the prices or sale of any livestock, meat, or live poultry.

2. Respondent is hereby assessed a civil penalty in the amount of fourteen thousand dollars (\$58,000.00). Respondent shall send a certified check or money order for fifty-eight thousand dollars (\$58,000.00), payable to the U.S. Department of Agriculture, to USDA GIPSA, P. O. Box 790335, St. Louis, Missouri 63179-0335 within thirty (30) days from the effective date of this order. Respondent shall indicate on the certified check or money order that payment is in reference to P&S Docket No. 13-0148.

3. This decision shall become final and effective without further proceedings 35 days after the date of service upon respondents, unless it is appealed to the Judicial Officer by a party to the proceeding within 30 days pursuant to Section 1.145 of the rules of practice (7 C.F.R § 1.145).

Copies of this Decision and Order shall be served upon the parties.

July 16, 2013

Peter M. Davenport

Peter M. Davenport
Chief Administrative Law Judge