

UNITED STATES DEPARTMENT OF AGRICULTURE  
BEFORE THE SECRETARY OF AGRICULTURE

In re: ) P&S Docket No. D-21-J-0047  
)  
Lynch Livestock, Inc., )  
)  
)  
)  
Respondent ) Consent Decision and Order

This proceeding was instituted under the Packers and Stockyards Act (the Act), 7 U.S.C. §§ 181 *et seq.*, by a Complaint filed by the Deputy Administrator of the Fair Trade Practices Program's Packers and Stockyards Division, Agricultural Marketing Service, United States Department of Agriculture, alleging that Respondent violated the Act and the regulations promulgated thereunder (9 C.F.R. §§ 201.1 *et seq.*, the regulations). This decision is entered pursuant to the consent decision provision of the rules of practice applicable to this proceeding, 7 C.F.R. § 1.138.

Respondent admits the jurisdictional allegations in paragraph I of the Complaint and specifically admits that the Secretary has jurisdiction in this matter, neither admits nor denies the remaining allegations, waives oral hearing and further procedure; waives all rights to seek judicial review and otherwise challenge or contest the validity of this decision, including waiving challenges to the Administrative Law Judge's authority to enter this Decision and Order under the Administrative Procedure Act and the Constitution of the United States, and waives any action against the United States Department of Agriculture under the Equal Access to Justice Act of 1980 (5 U.S.C. § 504 *et seq.*) for fees and other expenses incurred by Respondent in

connection with this proceeding or any action against any USDA employee in their individual capacity. The parties consent and agree, for the purpose of settling this proceeding, including any claims or complaints asserted or capable of being asserted, whether known or unknown, arising out of or relating in any way to the underlying facts and circumstances of the investigation up to and through the date of entry of this Consent Decision, and for such purpose only, consent and agree to the entry of this Decision.

#### Findings of Fact

- (a) Lynch Livestock, Inc. (Respondent) is a corporation organized and existing under the laws of the State of Iowa. Its business and mailing address is 331 3<sup>rd</sup> Street N.W., Waucoma, Iowa 52171.
- (b) Respondent is, and at all times material herein, was:
  - (1) Engaged in the business of a dealer, as that term is defined and used in the Act and the regulations promulgated thereunder;
  - (2) Registered with the Secretary of Agriculture as a dealer, as that term is defined and used in the Act and the regulations promulgated thereunder.
- (c) Respondent assisted and fully cooperated with the investigation in this case.

#### Conclusions

Respondent, having admitted the jurisdictional facts, and the parties having agreed to the entry of this Consent Decision, this Consent Decision will be entered.

### Order

Respondent and Respondent's agents, employees, successors and assigns, directly or indirectly or through any corporate or other device, in connection with Respondent's activities subject to the Packers and Stockyards Act, shall cease and desist from:

- (1) Falsifying the account of purchase provided to livestock sellers by recording a false weight for hogs delivered to its buying stations;
- (2) Altering the classification of the hogs delivered;
- (3) Engaging in improper weighing practices; and
- (4) Creating false scale tickets.

This Consent Decision and Order is not to be construed as in any way limiting the authority of the Packers and Stockyards Division to investigate and monitor Respondent's activities that are subject to the Act to assure the Respondent's compliance with the Act from and after the date of this Order as authorized by the Act and Regulations.

In accordance with section 312 of the Act, (7 U.S.C. § 213), Respondent is assessed a civil penalty of \$445,626.18, to be made in accordance with the terms of the "Understanding Regarding Consent Decision" entered between the parties. Pursuant to that understanding, the civil penalty will be reduced in the amount paid to livestock sellers affected.

Respondent further shall establish such institutional controls as to assure compliance with the Packers and Stockyards Act and the regulations passed pursuant thereto, including instituting controls and tracking of procedures for weighing livestock, transmitting the weights to producers statements of account, and assuring producers are paid in accordance with the correct weight and classification of the livestock delivered.

This Consent Decision and Order shall have the same force and effect as if entered after full hearing. The provisions of this Order shall become final and effective on the date that it is signed.

Copies of this decision shall be served upon the parties forthwith.

 President  
Gary Lynch, President Lynch Livestock, Inc.  
For Respondent

CHRISTOPHER YOUNG  
Digitally signed by CHRISTOPHER YOUNG  
Date: 2021.07.09 15:23:42 -04'00'

Christopher Young  
Attorney for Complainant

Done at Washington, D.C.

this 13th day of July, 2021

CHANNING STROTHER  
Digitally signed by CHANNING STROTHER  
Date: 2021.07.13 12:03:05 -04'00'

Chief Administrative Law Judge