



Grain Inspection,
Packers and
Stockyards Administration

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Lynch Livestock, Inc. Settles False Weight Case with GIPSA. Will Pay Restitution to Livestock Sellers.

WASHINGTON, Oct. 30, 2017 – On Oct. 11, 2017, Lynch Livestock, Inc. (Lynch) of Waucoma, Iowa, a registered dealer under the Packers and Stockyards (P&S) Act, agreed to cease and desist from falsifying the accounts of purchase provided to livestock sellers, pay a \$15,000 civil penalty, and make restitution to livestock sellers who were under paid.

The settlement, in the form of a Consent Decision, was entered concurrently with a complaint filed on Oct. 6, 2017, by the U.S. Department of Agriculture’s Grain Inspection, Packers and Stockyards Administration (GIPSA). The complaint alleged that between May 2016 and March 2017, Lynch falsified the account of purchase provided to livestock producers by arbitrarily recording a false and lower weight for hogs delivered to its buying stations. Lynch created false scale tickets to support the altered weights, which improperly reduced the amount paid for hogs. To resolve the matter, Lynch agreed to make restitution to under paid sellers, pay a \$15,000 civil penalty, and cease and desist from “falsifying the account of purchase provided to livestock sellers by recording false weight for hogs delivered to its buying stations, altering the classification of the hogs delivered, and creating false scale tickets.”

Lynch also agreed to establish institutional controls to assure compliance with the P&S Act, including instituting controls and tracking 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. The Consent Decision became final and effective on Oct. 23, 2017.

Randall Jones, Acting GIPSA Administrator noted, “accurate scales and honest weighing protect the seller’s right to fair value.” Regarding Lynch, Jones said, “Lynch Livestock fully cooperated with GIPSA in the investigation. They were eager to make things right with their customers and improve their processes so that this doesn’t happen again.” GIPSA opened its investigation after Lynch reported some questionable practices by a few of its employees.

The P&S Act is a fair trade practice and payment protection law that promotes fair and competitive marketing environments for the livestock, meat, and poultry industries.

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