

UNITED STATES DEPARTMENT OF AGRICULTURE
BEFORE THE SECRETARY OF AGRICULTURE



13-0236

In re:) P&S Docket No. D-12
)
)
) Tina Stockyards, LLC,)
) Carl Jacob Auer, and)
) Heather Auer)
)
) Respondents) Complaint

There is reason to believe that the Respondents named herein have willfully violated the Packers and Stockyards Act, 1921, as amended and supplemented (7 U.S.C. §§ 181-229) and the regulations promulgated thereunder by the Secretary of Agriculture (9 C.F.R. § 201.1 *et seq.*), and, therefore, this Complaint is issued alleging the following:

I.

(a) Respondent Tina Stockyards, LLC (Respondent Stockyards) is a member-managed Missouri LLC with a business mailing address of P.O. BOX 40, Tina, MO 64682.

(b) At all times material to this Complaint, Respondent Stockyards was:
1. Engaged in the business of conducting and operating a posted stockyard subject to the provisions of the Act;

2. Engaged in the business of a market agency selling consigned livestock in commerce on a commission basis at the stockyard; and

3. Registered with the Secretary of Agriculture as a market agency to sell livestock in commerce on a commission basis and as a market agency buying and selling livestock on a commission basis.

(c) Respondents Jake Auer and Heather Auer are individuals whose current mailing address is in the State of Missouri. The address will not be stated in this Complaint to protect the privacy of respondents, but will be provided to the Hearing Clerk's Office, United States Department of Agriculture, for the purposes of service of effectuating service of process.

(d) At all times material to the allegations herein, Respondents Jake Auer and Heather Auer were:

1. The owners of Respondent Stockyards;
2. The members of Respondent Stockyards;
3. Engaged in the business of a market agency subject to the provisions of the Act.

II.

Respondent Stockyards, under the direction, management, and control of Respondents Jake Auer and Heather Auer, on or about the dates and in the transactions set forth in Attachment A, generated false sales invoices for

commissioned livestock buyers. The false invoices, which were produced after the livestock had been purchased at Respondents' sale barns, showed purchase prices that were higher than the actual purchase prices. Respondents received selling commissions and yardage on all of the transactions in which false invoices were generated for buyers.

III.

Respondent Stockyards, under the direction, management, and control of Respondents Jake Auer and Heather Auer, on or about the dates and in the transactions set forth in Attachment B, generated false sales invoices for livestock dealers. The false invoices, which were produced after the livestock had been purchased at Respondents' sale barns, showed purchase prices that were higher than the actual purchase prices. Respondents received selling commissions and yardage on all of the transactions in which false invoices were generated for buyers.

IV.

By reason of the facts alleged in paragraph II herein, Respondents have willfully violated sections 307 and 312(a) of the Act (7 U.S.C. §§ 208, 213(a)) and sections 201.43, 201.55, and 201.61 of the regulations (9 C.F.R. §§ 201.43, 201.55, 201.61). By reason of the facts alleged in paragraph III herein, Respondents have willfully violated sections 307 and 312(a) of the Act (7 U.S.C. §§ 208, 213(a)) and

sections 201.43, 201.55, and 201.61 of the regulations (9 C.F.R. §§ 201.43, 201.49, 201.55, 201.56, 201.61).

WHEREFORE, it is hereby ordered that this Complaint shall be served upon Respondents for the purpose of determining whether Respondents have willfully violated the Act. Respondents shall 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 in this Complaint.

Packers and Stockyards Program, Grain Inspection, Packers and Stockyards Administration, requests:

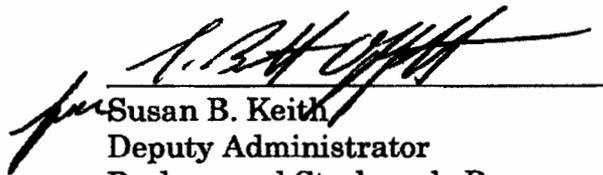
1. That unless Respondents fail to file an answer within the time allowed therefore, or file an answer admitting all the material allegations in this Complaint, this proceeding be set for oral hearing in accordance with the Rules of Practice governing proceedings under the Act; and

2. That such orders be issued, including an order requiring Respondents to cease and desist from the violations of the Act found to exist, and an order requiring Respondents to keep and maintain all accounts, records, and memoranda that fully and accurately disclose all transactions involved in their business, as required by section 401 of the Act, suspending Respondents as registrants under the

Act, and assessing such civil penalties against Respondents as are authorized by the Act and warranted under the circumstances.

Done at Washington, D.C.

this 15th day of May 2013


Susan B. Keith
Deputy Administrator
Packers and Stockyards Program

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Attachment A
Falsified Commission Buyer Invoices

| Name of Commission Agent | Purchase Date | No. of Head | Original Price | Principal's Name | Falsified Price |
|---------------------------------|----------------------|--------------------|-----------------------|-------------------------|------------------------|
| Chris Arnaman | 3/1/2010 | 13 | \$4,809.18 | Lance Strong | \$5,168.93 |
| Chris Arnaman | 3/8/2010 | 2 | \$853.05 | Owens Land and Cattle | \$883.30 |
| Chris Arnaman | 3/8/2010 | 2 | \$760.35 | John Owens | \$810.30 |
| Chris Arnaman | 3/8/2010 | 1 | \$290.25 | Saunders Cattle Co. | \$317.13 |
| Chris Arnaman | 3/8/2010 | 1 | \$383.40 | John Owens | \$399.60 |
| Chad Duncan | 3/22/2010 | 80 | \$56,709.41 | T&C Cattle | \$57,837.15 |
| Chris Arnaman | 4/12/2010 | 1 | \$446.00 | John Owens | \$452.00 |
| Chris Arnaman | 4/12/2010 | 17 | \$6,274.05 | Clarence Saunders | \$6,919.21 |
| Chris Arnaman | 4/12/2010 | 8 | \$3,338.85 | Saunders Cattle Co. | \$3,391.97 |
| Chad Duncan | 6/7/2010 | 33 | \$19,236.76 | Cross Roads Cattle Co. | \$20,116.74 |
| Chad Duncan | 6/21/2010 | 18 | \$10,157.05 | Cross Roads Cattle Co. | \$10,394.28 |
| Chad Duncan | 8/2/2010 | 15 | \$8,261.72 | Mark Monaghan | \$8,676.11 |
| Chad Duncan | 8/9/2010 | 15 | \$7,685.33 | Mark Monaghan | \$8,291.36 |
| Totals | | 206 | \$119,205.40 | | \$123,658.08 |

**Attachment B
Invoices Falsified for Dealers**

| Commission Livestock Buyer | Purchase Date | No. of Livestock | Total Purchase Amount | Total Falsified Amount |
|-----------------------------------|----------------------|-------------------------|------------------------------|-------------------------------|
| T&M Cattle | 1/18/2010 | 44 | \$21,859.27 | \$22,198.17 |
| T&M Cattle | 2/1/2010 | 28 | \$12,855.28 | \$13,410.79 |
| T&M Cattle | 2/8/2010 | 20 | \$10,200.58 | \$10,969.59 |
| T&M Cattle | 2/15/2010 | 22 | \$10,598.76 | \$11,350.02 |
| T&M Cattle | 3/1/2010 | 26 | \$12,953.27 | \$13,776.48 |
| T&M Cattle | 3/29/2010 | 24 | \$15,535.92 | \$15,859.72 |
| T&M Cattle | 4/5/2010 | 58 | \$31,751.78 | \$32,683.68 |
| T&M Cattle | 4/12/2010 | 107 | \$62,927.52 | \$64,502.52 |
| Chris Arnaman | 4/12/2010 | 5 | \$2,859.60 | \$3,020.00 |
| T&M Cattle | 9/13/2010 | 78 | \$41,658.98 | \$42,566.08 |
| Totals: | | 382 | \$223,200.96 | \$230,337.05 |