

**GIPSA
Press
Release**

United States
Department of
Agriculture

Grain Inspection,
Packers and
Stockyards
Administration

STOP 3601
1400 Independence Ave., SW
Washington, D.C.
20250-3601

GIPSA Release 245-12

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**GIPSA Alleges Daniel F. Froman, dba R&L Real Estate, Inc.
Violated the Packers and Stockyards Act**

WASHINGTON, Sept. 6, 2012 – The U.S. Department of Agriculture’s Grain Inspection, Packers and Stockyards Administration (GIPSA) has found evidence that Daniel F. Froman (Froman), doing business as R&K Real Estate, Inc., Gallatin, Mo.:

- failed to maintain and properly use his custodial account for shipper’s proceeds;
- had outstanding checks drawn on his custodial account, and had, to offset these checks resulting in custodial account shortages;
- had custodial account shortages in that he failed to deposit into the custodial account, within the time prescribed by the regulations, an amount equal to the proceeds receivable for sales of consigned livestock;
- transferred money from his custodial account into other noncustodial accounts;
- failed to keep and maintain accounts, records, and memoranda that fully and correctly disclosed all transaction involved in his business;
- issued checks for livestock purchases without having sufficient funds to pay the checks when presented for payment by livestock sellers.
- purchased livestock and failed to pay, when due, for livestock purchased; and
- purchased livestock and failed to pay for livestock purchases.

GIPSA filed a complaint against Froman on July 23, 2012. The complaint can be found on the GIPSA website: <http://www.gipsa.usda.gov/psp/enforcement.html>. If the allegations are admitted, or proven in an oral hearing, Froman may be ordered to cease and desist from violating the Packers and Stockyards (P&S) Act, suspended, and assessed a civil penalty.

Froman doing business as R&K Real Estate, Inc., was engaged in the business of conducting and operating the Gallatin Livestock Auction, a posted stockyard subject to the provisions of the P&S Act; engaged in the business of a market agency selling livestock in commerce on a commission basis; engaged in the business of a dealer buying and selling livestock in commerce; and is registered with the Secretary of Agriculture.

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Daniel F. Froman
d/b/a R&K Real Estate, Inc.
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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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