

**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 67-12

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**GIPSA Alleges Sugarcreek Livestock Auction, Inc. and Leroy H. Baker, Jr.
Violated the Packers and Stockyards Act**

WASHINGTON, Mar. 8, 2012 – The U.S. Department of Agriculture’s Grain Inspection, Packers and Stockyards Administration (GIPSA) has found evidence that Sugarcreek Livestock Auction, Inc., Sugarcreek, Ohio and Leroy H. Baker (the respondents), East Rochester, Ohio:

- failed to maintain and properly use its custodial account for shippers’ proceeds, causing shortages in the account;
- failed to deposit in the custodial account, within the time prescribed, an amount equal to the proceeds receivable for sales of consigned livestock;
- permitted approximately \$7,350 in bank fees to be charged to their custodial account, due in part to the respondent’s use of shippers’ funds in the custodial account;
- Sugarcreek Livestock Auction, Inc. was insolvent (its current liabilities exceeding its current assets);
- failed to keep and maintain records that fully and correctly disclosed all transactions involved in the business; and
- failed to pay, when due, the full purchase price for livestock.

GIPSA filed an amended complaint against the respondents on February 22, 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, the respondents may be ordered to cease and desist from violating the Packers and Stockyards (P&S) Act, suspended, and assessed a civil penalty.

Sugarcreek Livestock Auction, Inc. under the direction, management and control of Leroy H. Baker, Jr., was engaged in the business of conducting and operating Sugarcreek Livestock Auction, Inc., a posted stockyard subject to the P&S Act; a market agency buying and selling livestock on a commission basis in commerce; a dealer buying and selling livestock in commerce; and is registered with the Secretary of Agriculture.

USDA is an equal opportunity provider, employer, and lender. To file a complaint of discrimination, write: USDA, Director, Office of Civil Rights, 1400 Independence Ave., S.W., Washington, D.C. 20250-9410 or call (800) 795-3272(voice), or (202) 720-6382 (TDD).

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Leroy H. Baker, Jr., was president of Sugarcreek Livestock Auction, Inc., owner of 80% of the stock issued by Sugarcreek Livestock Auction, Inc., and responsible for the direction, management and control of Sugarcreek Livestock Auction, Inc.

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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