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UNITED STATES DEPARTMENT OF AGRICULTURE  
BEFORE THE SECRETARY OF AGRICULTURE

In re: ) P&S Docket No 11-0401  
)  
)  
Michael Okragly, Cherry )  
Okragly, and Okragly Cattle )  
Company, Inc., )  
)  
)  
Respondents ) Complaint

There is reason to believe that the Respondents, Michael Okragly and Cherry Okragly, and Okragly Cattle Company, Inc., have willfully violated provisions of the Packers and Stockyards Act, 1921, as amended and supplemented (7 U.S.C. § 181 et seq.) (Act); therefore, this Complaint is issued alleging the following:

I.

(a) Okragly Cattle Company, Inc., (Respondent Company), is a corporation organized and existing under the laws of the State of Montana, with a mailing address of P.O. Box 371, Billings, Montana 59103.

(b) Respondent Company, at all times material to this Complaint, was:

(1) Engaged in the business of buying and selling livestock in commerce as a dealer,

(2) Engaged in the business of a market agency buying livestock on commission, and

(3) Registered with the Secretary of Agriculture as a dealer, and as a market agency to buy livestock in commerce on a commission basis.

(c) Respondent Michael Okragly, at all times material to this Complaint was:

(1) President of Respondent Company;

(2) 51 percent shareholder of Respondent Company;

(3) was responsible for the day-to-day management and operation of Respondent Company;

(4) with his wife, Cherry Okragly, managed, directed, and controlled the operations of Respondent Company;

(5) was at all times relevant to this complaint engaged in the business of buying and selling in commerce livestock for his own account or as an agent of the purchaser.

(d) Cherry Okragly, at all times material to this Complaint was:

(1) Secretary of Respondent Company;

(2) 49 percent shareholder of Respondent Company; and

(3) with her husband, Michael Okragly, managed, directed, and controlled the operations of Respondent Company.

(e) The mailing address of Respondents Michael and Cherry Okragly is a home address located in Montana, and will not be stated in this complaint to protect their privacy, but will be provided to the Hearing Clerk's Office, United States Department of Agriculture, for the purposes of service of this complaint.

II.

(a) On or about the dates and in the transactions set forth below, Respondents purchased livestock with a pencil-shrink allowance of one to two percent, and in invoicing and collecting payment for this livestock, fraudulently failed to pass on the pencil-shrink allowance to their customers:

Purchased From	Purchase Date	Net Purchase Weight (lbs)	Sold to	SaleDate	Net Sales Weight (lbs)	Weight Difference
Haven Marsh Mike Bayles	10/1/2009	62,197 26,410 53,920	Warren Dirksen	10/1/2009	143,155	628
Haven Marsh Mike Bayles	10/1/2009	49,639 21,420 58,230			129,790	501
Big Stone Colony	10/3/2009	187,474	Producers Livestock	10/3/2009	191,300	3,826
		99,519			101,450	1,931
Tom Lowry	10/6/2009	86,563	Producers Livestock	10/6/2009	88,330	1,767
		82,232			83,910	1,678
Kukowski Ranch	10/10/2009	88,817	Gottsch Cattle Co	10/10/2009	90,360	1,543
		86,392			88,155	1,763
Paul Donohoe	10/14/2009	60,123	Gottsch Cattle Co	10/14/2009	60,730	607

		44,698			45,150	452
Kukowski Ranch	10/15/2009	82,854	Gottsch Cattle Co	10/15/2009	84,545	1,691
		84,520			86,245	1,725
Duane Menghini	10/16/2009	102,425	Producers Livestock	10/16/2009	103,385	960
		25,945			26,950	1,005
Key O Ranch	10/16/2009	40,445	Gottsch Cattle Co	10/16/2009	40,857	412
		21,217			21,434	217
Kenneth Herem	10/20/2009	15,870	Gottsch Cattle Co	10/20/2009	15,870	0
Kenneth Herem		16,730			16,730	0
Brett Redman		27,552			27,830	278
Brett Redman		23,958			24,200	242
Keith Martin		1,921			16,145	160
Keith Martin		14,063				
Keith Martin		3,366			12,030	120
Keith Martin		8,544				
Steve Grange	10/21/2009	61,221	Gottsch Cattle Co	10/21/2009	61,845	624
		57,869			58,459	590
Northern Video	10/23/2009	37,818	Producers Livestock	10/23/2009	38,204	386
		51,866			51,866	0
Sterling Ballrach	10/25/2009	62,855	Gottsch Cattle Co	10/25/2009	63,490	635
Wally Papoz	10/26/2009	77,844	Gottsch Cattle Co	10/26/2009	78,630	786
		83,358			84,200	842
Crazy D Ranch	10/28/2009	65,552	Warren Dirksen	10/28/2009	66,890	1,338
Bob Bradbrook	10/29/2009	109,574	Producers Livestock	10/29/2009	111,810	2,236

		81,673			83,340	1,667
Danny Levine	10/31/2009	143,732	Producers Livestock	10/31/2009	146,665	2,933
Jason Phipps	11/2/2009	56,889	Bahnsen Beef	11/2/2009	58,050	1,161
Quarter Circle Cattle Co	11/5/2009	220,206	S&S Feeders	11/5/2009	222,453	2,247
L/A Livestock	11/6/2009	111,328	Rick Kraft	11/6/2009	113,600	2,272
		68,825			70,230	1,405
Shirley Humphreys	11/9/2009	70,424	Rick & Ed Kraft	11/9/2009	70,938	514
		59,499			60,063	564
Totals		2,897,577			2,939,284	41,707

(b) Respondents falsified records documenting the transactions described in paragraph II(a) above, in that they deliberately listed the scale weight of the livestock on invoices to Respondents' customers rather than the weights with the shrink allowance at which Respondents actually purchased the cattle.

### III.

By reason of the facts alleged in paragraph I, Respondent Company is the alter ego of Michael Okragley and Cherry Okragley. In addition, by reason of the facts alleged in paragraph I, Respondents are engaged in the business of a dealer within the meaning of the Act.

By reason of the facts alleged in paragraph II, Respondents willfully violated section 312 of the Act (7 U.S.C. § 213).

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 have twenty (20) days after receipt of this complaint in which to file an answer with the Hearing Clerk, Room 1031-South Building, United States Department of Agriculture, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9200, in accordance with the Rules of Practice Governing Formal Adjudicatory Proceedings Instituted by the Secretary Under Various Statutes (7 C.F.R. § 1.130 et seq.; hereinafter "Rules of Practice"). Allegations not answered shall be deemed admitted for the purpose of this proceeding. Failure to file an answer will constitute an admission of all the material allegations of this complaint.

The Packers and Stockyards Program, Grain Inspection, Packers and Stockyards Administration (GIPSA), requests:

1. That unless Respondents fail to file an answer within the time allowed, or file an answer admitting all the material allegations of this complaint, this proceeding be set for oral hearing in accordance with the Rules of Practice; and
2. That such order or orders be issued, including an order requiring Respondents to cease and desist from the violations of the Act found to exist, suspending Respondents as registrants under the Act, and assessing such civil penalties against Respondents, jointly and severally, as are authorized by the Act and warranted in the circumstances.

Done at Washington, D.C.  
this 14 day of September, 2011



Alan R. Christian  
Deputy Administrator  
Packers and Stockyards Program

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