

UNITED STATES DEPARTMENT OF AGRICULTURE
BEFORE THE SECRETARY OF AGRICULTURE

In re:)
)
Ravenna Auction, L.L.C.,)
)
Paul Lettinga,)
)
and)
)
Randy Lettinga,)
)
Respondents)

P & S Docket No. 14- 0126



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 *et seq.*) (Act), and the regulations promulgated thereunder by the Secretary of Agriculture (9 C.F.R. § 201.1 *et seq.*) (regulations), and, therefore, this complaint is issued alleging the following:

I.

a) Ravenna Auction, L.L.C. (Respondent Ravenna) is a limited liability company whose business address is 3265 South Slocum Road, Ravenna, Michigan 49451 and whose mailing address is P.O. Box 608, Lake Odessa, Michigan 49451. The registered agent for Respondent Ravenna is Randy Lettinga, 3265 South Slocum Road, Ravenna, Michigan 49451.

b) Respondent Paul Lettinga is an individual whose home address is in the State of Michigan. In order to protect the personal privacy of Respondent Paul Lettinga his address is not included in this Complaint but has been provided to the Hearing Clerk for purpose of effectuating service of process.

c) Respondent Randy Lettinga is an individual whose home address is in the State of Michigan. In order to protect the personal privacy of Respondent Randy Lettinga his address is not included in this Complaint but has been provided to the Hearing Clerk for purpose of effectuating service of process.

d) Respondent Ravenna, under the direction, management, and control of Respondents Paul Lettinga and Randy Lettinga, at all times material herein, was:

(1) Engaged in the business of a market agency selling livestock in commerce on a commission basis; and

(2) Registered with the Secretary of Agriculture as a market agency to sell livestock in commerce on a commission basis.

e) Respondent Randy Lettinga at all times material herein was:

(1) President and Treasurer of Respondent Ravenna;

(2) Registered agent for Respondent Ravenna;

(3) Engaged in the business of a market agency selling livestock in commerce on a commission basis; and

(4) Responsible, along with Respondent Paul Lettinga, for the direction, management, and control of Respondent Ravenna.

f) Respondent Paul Lettinga at all times material herein was:

- (1) Vice President and Secretary of Respondent Ravenna;
- (2) Engaged in the business of a market agency selling livestock in commerce on a commission basis; and
- (3) Responsible, along with Respondent Randy Lettinga, for the direction, management, and control of Respondent Ravenna.

II.

On August 11, 2011, Respondent Ravenna agreed to a Consent Decision and Order (consent decision) *In re: Ravenna Auction, L.L.C., and LaVerne Lettinga*, P&S Docket No. 10-0459. The consent decision required Respondent Ravenna and La Verne Lettinga, their agents and employees, directly or through any corporate device, to, *inter alia*, cease and desist from failing to keep accounts, records, and memoranda that fully and correctly disclosed all transactions involved in their business, failing to deposit in their Custodial Accounts for Shippers' Proceeds within the times prescribed in section 201.42 of the regulations amounts equal to the outstanding proceeds receivable from the sale of consigned livestock, using funds received from the sale of consigned livestock for any purpose other than payment to consignors of the amount due from the sale of their livestock, and from otherwise failing to maintain their Custodial Account for Shippers' Proceeds in conformity with section 201.42 of the regulations.

III.

Respondent Ravenna, under the direction, management and control of Respondents Paul Lettinga and Randy Lettinga, during the period of May 31, 2012,

through June 29, 2012, failed to maintain properly its custodial account, thereby endangering the faithful and prompt accounting of shippers' proceeds and the payment due the owners or consignors of livestock in that:

a) As of May 31, 2012, Respondent Ravenna had outstanding checks drawn on its custodial account in the amount of approximately \$401,970.22 and had to offset such checks, a balance in the custodial account of \$60,065.43, deposits in transit of \$11,945.65, a Certificate of Deposit of \$200,000 and proceeds receivable of approximately \$49,956.00 resulting in a deficiency of approximately \$80,003.14.

b) As of June 29, 2012, Respondent Ravenna had outstanding checks drawn on its custodial account in the amount of approximately \$489,330.11 and had to offset such checks, a balance in the custodial account of \$160,805.53, a Certificate of Deposit of \$200,000 and proceeds receivable of approximately \$35,888.17 resulting in a deficiency of approximately \$92,636.41.

c) The shortages in Respondent Ravenna's custodial account were due, in part, to Respondent Ravenna's failure to deposit in its custodial account, within the time prescribed by section 201.42 of the regulations (9 C.F.R. § 201.42), an amount equal to the proceeds receivable from the sale of consigned livestock; its deposit of custodial funds into its general accounts; and the deduction of bank charges from the custodial account.

IV.

a) Respondent Ravenna, under the direction, management, and control of Respondents Paul Lettinga and Randy Lettinga, on or about the dates and in the

transactions set forth in Appendix A and incorporated herein by reference, misused its custodial account by transferring custodial account proceeds into its general account and other general and custodial accounts controlled by Respondents.

b) Respondent Ravenna, under the direction, management, and control of Respondents Paul Lettinga and Randy Lettinga, on or about the dates and in the transactions set forth in Appendix B and incorporated herein by reference, misused its custodial account by permitting the withdrawal of bank charges from its custodial account.

V.

a) Respondent Ravenna, under the direction, management, and control of Respondents Paul Lettinga and Randy Lettinga, in connection with its operations subject to the Act, engaged in unfair and deceptive practices in that on June 25, 2012 it misused custodial funds by writing four checks each in the amount of \$15,000.00 on the custodial account in purported payment of the net proceeds from the sale of consigned livestock when in fact no livestock were consigned or sold. Account shortages were due, in part, to this misuse of custodial funds.

b) Respondent Ravenna, under the direction, management, and control of Respondents Paul Lettinga and Randy Lettinga, in connection with its operations subject to the Act, falsified records by generating false invoices and generating and issuing checks in purported payment for livestock purchases that did not occur in order to disguise the payments in paragraph (a) above.

VI.

By reason of the facts alleged in paragraphs III-IV, Respondents willfully violated sections 307 and 312(a) of the Act (7 U.S.C. §§ 208, 213(a)), and section 201.42 of the regulations (9 C.F.R. § 201.42).

By reason of the facts alleged in paragraph V, Respondents willfully violated sections 307, 312(a) and 401 of the Act (7 U.S.C. §§ 208, 213(a), 221), and section 201.42 of the regulations (9 C.F.R. § 201.42).

WHEREFORE, it is hereby ordered that this Complaint shall be served upon Respondents for the purpose of determining whether the 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, 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.*). Allegations not answered shall be deemed admitted for the purpose of this proceeding. Failure to file an answer shall 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 accord with the Rules of Practice governing proceedings under the Act; and

2. That such order or orders be issued, including an order requiring Respondents to cease and desist from violating the Act with respect to the matters alleged herein, and assessing such penalties as are authorized by the Act and warranted under the circumstances.

Done at Washington, D.C.

this 12th day of May, 2014

Susan B. Keith

Susan B. Keith
Deputy Administrator
Packers and Stockyards Program

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US Department of Agriculture

APPENDIX A

**Schedule of Withdrawals from the Custodial
Account
Ravenna Auction, LLC, Paul Lettinga, and Randy
Lettinga**

Date	Account Transferred To	Withdrawal
05/09/12	Account # 250 (Lake Odessa Custodial Account)	\$10,000.00
05/09/12	Account # 250 (Lake Odessa Custodial Account)	\$30,000.00
05/23/12	Account # 250 (Lake Odessa Custodial Account)	\$50,000.00
05/29/12	Account # 250 (Lake Odessa Custodial Account)	\$20,000.00
05/30/12	Account # 250 (Lake Odessa Custodial Account)	\$15,000.00
06/05/12	Account # 200 (Ravenna General Account)	\$3,000.00
06/05/12	Account # 250 (Lake Odessa Custodial Account)	\$21,250.00
06/06/12	Account # 200 (Ravenna General Account)	\$2,000.00
06/06/12	Account # 250 (Lake Odessa Custodial Account)	\$50,000.00
06/11/12	Account # 200 (Ravenna General Account)	\$5,000.00
06/13/12	Account # 250 (Lake Odessa Custodial Account)	\$40,000.00
06/19/12	Account # 200 (Ravenna General Account)	\$2,000.00
06/19/12	Account # 382 (Lake Odessa General Account)	\$2,000.00
	TOTAL	\$250,250.00

US Department of Agriculture

APPENDIX B

**Schedule of Bank Fees Deducted
Ravenna Auction, LLC, Paul Lettinga, and Randy Lettinga**

Date	Reason	Amount
05/31/12	Service Charge	\$89.02
06/06/12	NSF Fee	\$66.00
06/21/12	Returned Item Charge	\$4.00
06/29/12	Service Charge	\$93.47
	Total	\$252.49