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UNITED STATES DEPARTMENT OF AGRICULTURE
BEFORE THE SECRETARY OF AGRICULTURE

In re: Alwatania Meat Corp., Respondent.	P&S Docket No. 24-J-0047

DECISION AND ORDER WITHOUT HEARING BY REASON OF DEFAULT[1]

Appearance:

Todd J. Lewellen, Esq., Office of the General Counsel, United States Department of Agriculture, Washington, DC, for the Complainant, Deputy Administrator, Fair Trade Practices Program, Agricultural Marketing Service ("AMS")

This is a proceeding under the Packers and Stockyards Act, 1921, as amended and supplemented (7 U.S.C. §§ 181 *et seq.*) ("Act"); the regulations promulgated thereunder (9 C.F.R. §§ 201.1 *et seq.*) ("Regulations"); and the Rules of Practice Governing Formal Adjudicatory Proceedings Instituted by the Secretary Under Various Statutes (7 C.F.R. §§ 1.130 through 1.151) ("Rules of Practice").

The Deputy Administrator, Fair Trade Practices Program, Agricultural Marketing Service ("AMS"), United States Department of Agriculture ("Complainant"), initiated this proceeding by filing a Complaint and Notice of Hearing ("Complaint")[2] against Alwatania Meat Corp.

[1] I note that on May 2, 2025 I signed and submitted to the USDA Hearing Clerk's Office for filing an order verbatim the same as this one except for this footnote and the date. Because of certain logistical problems involving among other things the unavailability of certified mail services to the Hearing Clerk's Office at that time, service of that order was not accomplished. Therefore, through by order I deem the previous order withdrawn and this order issued, filed, and served in its place for all purposes. We regret any confusion or difficulty caused to any party or person by these circumstances.

[2] *See* 7 C.F.R. 1.132 ("*Complaint* means the formal complaint, order to show cause, or other document by virtue of which a proceeding is instituted.").

("Respondent") on April 2, 2024. The Complaint alleged that Respondent willfully violated the Act and Regulations on numerous occasions by engaging in the business of a packer buying livestock in commerce for slaughter without maintaining an adequate bond or bond equivalent and by failing to pay, when due, the full purchase price of livestock.[3] Complainant requested an order requiring Respondent to cease and desist from violating the Act and "assessing such civil penalties against Respondent as are authorized by the Act and warranted by the facts and circumstances of this case."[4]

Respondent was duly served with a copy of the Complaint and did not file an answer within the 20-day period as prescribed by section 1.136 of the Rules of Practice (7 C.F.R. § 1.136), nor has Respondent filed such an answer since that deadline.[5]

On October 9, 2024, Administrative Law Judge Tierney Carlos issued on my behalf an order directing the parties to show cause ("Show Cause Order"), not later than 20 days after that date, why default should not be entered against Respondent.[6]

On October 30, 2024, Complainant filed a Response to Show Cause Order and Motion

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[3] *See* Complaint at 1-2.

[4] *Id.* at 3.

[5] United States Postal Service records reflect that the Complaint was sent to Respondent via certified mail and returned to the Hearing Clerk's Office as "unclaimed." In accordance with the Rules of Practice, the Hearing Clerk re-mailed (*see* 7 C.F.R. § 1.132) the Complaint to the same address by ordinary mail on May 13, 2024. 7 C.F.R. § 1.147(c)(1). Respondent had 20 days from the date of service to file a response. 7 C.F.R. § 1.136(a). Weekends and federal holidays shall be included in the count; however, if the due date falls on a Saturday, Sunday, or federal holiday, the last day for timely filing shall be the following workday. 7 C.F.R. § 1.147(h). In this case, Respondent's answer was due on or before June 3, 2024. Respondent has not filed an answer.

[6] The Show Cause Order also directed: "Unless the parties have agreed to a consent decision, Complainant's response shall be accompanied by: (1) a proposed decision and order and (2) a motion for adoption of that proposed decision and order in accordance with the provisions of 7 C.F.R. § 1.139." Show Cause Order at 2.

for Decision by Reason of Default ("Motion for Default") and a Proposed Decision and Order Without Hearing by Reason of Default ("Proposed Decision") pursuant to section 1.139 of the Rules of Practice (7 C.F.R. § 1.139). Complainant now requests an order "prohibiting Respondent from operating subject to the Act until Respondent obtains an adequate bond" and requiring Respondent to cease and desist from (1) operating as a packer without an adequate bond and (2) failing to pay, when due, the full purchase price of livestock.[7] I note that Complainant no longer seeks an assessment of civil penalties.[8]

Respondent did not respond to the Show Cause Order and has not filed any objections to Complainant's Motion for Default or Proposed Decision.[9]

Failure to file a timely answer or failure to deny or otherwise respond to allegations in the Complaint shall be deemed, for purposes of this proceeding, an admission of the allegations in the Complaint, unless the parties have agreed to a consent decision.[10] Other than a consent decision, the Rules of Practice do not provide for exceptions to the regulatory consequences of an untimely answer where, as in the present case, no meritorious objections have been filed.[11]

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[7] Motion for Default at 5.

[8] *See id.* at 3-4; Proposed Decision at 9.

[9] United States Postal Service records reflect that the Motion for Default and Proposed Decision were sent to Respondent via certified mail and returned to the Hearing Clerk's Office as "unclaimed." In accordance with the Rules of Practice, the Hearing Clerk re-mailed (*see* 7 C.F.R. § 1.132) the Motion for Default and Proposed Decision to the same address by ordinary mail on March 11, 2025. 7 C.F.R. § 1.147(c)(1). Respondent had 20 days from the date of service to file objections thereto. 7 C.F.R. § 1.139. Weekends and federal holidays shall be included in the count; however, if the due date falls on a Saturday, Sunday, or federal holiday, the last day for timely filing shall be the following workday. 7 C.F.R. § 1.147(h). In this case, Respondent's objections were due on or before March 31, 2025. Respondent has not filed any objections.

[10] 7 C.F.R. § 1.136(c); *see* Complaint at 3.

[11] *See supra* note 8 and accompanying text.

Sanctions

As previously stated, Complainant requests an order (1) prohibiting Respondent from operating under the Act until it receives an adequate bond and (2) directing Respondent to cease and desist from operating as a packer without an adequate bond and from failing to pay, when due, the full purchase price of livestock.[12] The Act provides for both of these sanctions: 7 U.S.C. § 204 authorizes the Secretary to require a reasonable bond from every packer "to secure the performance of [its] obligations" under the statute,[13] and 7 U.S.C. § 193(b) authorizes the Secretary to issue an order requiring a packer to cease and desist from violating the Act.[14]

With regard to sanction determinations, the Judicial Officer has explained:

> [T]he sanction in each case will be determined by examining the nature of the violations in relation to the remedial purposes of the regulatory statute involved, along with all relevant circumstances, always giving appropriate weight to the recommendation of the administrative officials charged with the responsibility for achieving the congressional purpose.

S.S. Farms Linn Cnty., Inc., 50 Agric. Dec. 476, 497 (U.S.D.A. 1991) (Decision as to James Joseph Hickey & Shannon Hansen), *aff'd*, 991 F.2d 803 (9th Cir. 1993) (not to be cited as precedent under the 9th Circuit Rule 36-3). The purpose of imposing sanctions "is to accomplish the remedial purposes of the Packers and Stockyards Act by deterring future violations of the Packers and Stockyards Act by the violator and others."[15] Complainant states that it "considered these factors in formulating the recommended sanctions in this case."[16]

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[12] *See supra* note 6 and accompanying text.

[13] 7 U.S.C. § 204.

[14] 7 U.S.C. § 193(b).

[15] *Syverson*, 69 Agric. Dec. 1500, 1509 (U.S.D.A. 2010) (Decision and Order on Remand), *aff'd sub nom. Syverson v. U.S. Dep't of Agric.*, 666 F.3d 1137 (8th Cir. 2012).

[16] Motion for Default at 6.

Complainant submits that by operating as a packer without a bond and failing to pay the full purchase price of livestock when due, Respondent committed "serious" violations of the Act and Regulations.[17] Complainant states that "[t]he Packers and Stockyards Division considers the bonding provisions of the Act to be vital to the effective enforcement of the statute and for the protection of livestock producers."[18] Packers, market agencies, and dealers, are required to maintain bonds "to afford special protection against any failures of payment to livestock producers."[19] Complainant explains: "When regulated entities fail to pay, or when the businesses fail, livestock farmers and producers may suffer large financial loss as a result, unless the protection of the required bond, in an appropriate amount to cover those losses, is in place."[20] In this case, Respondent purchased a total of 1,863 head of livestock in 28 transactions, for a total purchase price of $526,748.14, without maintaining a bond or bond equivalent.[21] Throughout all of these transactions, Respondent knew or should have known it was required to obtain a bond and failed to do so.[22] Considering the number of transactions, significant quantity of livestock, and substantial amount of money that was at stake, I find these violations to be particularly grave.

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[17] *Id.*

[18] *Id.*

[19] *Id.* (citing H.R. Rep. No. 94-1043, at 5 (1976); S. Rep. No. 94-932, at 5-6 (1976)); *see* 7 U.S.C. § 204.

[20] Motion for Default at 6.

[21] Complaint at 2.

[22] *See* Complaint at 1-2; Proposed Decision at 5 ("The Packers and Stockyards Division sent Respondent" two notices "informing it of its obligation to secure a bond if it wished to engage in the business of a packer buying livestock in commerce for slaughter. . . . Notwithstanding these notices, Respondent continued to engage in the business of a packer without maintaining an adequate bond and also failed to pay promptly for livestock, as required by the Act and regulations.").

The failure to make full and prompt payment for livestock is also a serious violation. Delay in payment is considered an "unfair practice" in violation of the Act.[23] As Complainant observes:

> The prompt payment provisions of the Act recognize that "[t]imely payment in a livestock purchase prevents the seller from being forced, in effect, to finance the transaction." *Van Wyk v. Bergland*, 570 F.2d 701, 704 (8th Cir. 1978). "By insuring that the seller will receive the fair market value of his livestock, undiminished by the cost of financing the sale, the requirement that a purchaser make timely payment fulfills the purpose of the Act." *Id.*

Motion for Default at 7. Here, there were six prompt-payment violations: six transactions wherein Respondent purchased a total of 264 head of livestock, for a total purchase price of $72,357.74, and did not pay fully when due.[24] Respondent knew, or should have known, its obligations under the Act yet continued failing to make full and timely payment for livestock.[25]

Having considered the nature of Respondent's violations and the remedial purposes of the Act, I find Complainant's sanction recommendations to be reasonable and appropriate under the facts and circumstances of this case.

As Respondent failed to file an answer to the Complaint, and upon Complainant's motion for the issuance of a decision without hearing, this Decision and Order is issued without further procedure or hearing pursuant to section 1.139 of the Rules of Practice (7 C.F.R. § 1.139).

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[23] *See* 7 U.S.C. § 228b(c); *see also* 7 U.S.C. § 192(a) (prohibiting a packer from engaging in "any unfair, unjustly discriminatory, or deceptive practice or device"); *Hutto Stockyard, Inc.*, 49 Agric. Dec. 1027, 1040-42 (U.S.D.A. 1990).

[24] Complaint at 2.

[25] *See supra* note 21.

Findings of Fact

1. Respondent Alwatania Meat Corp. is a corporation organized and existing under the laws of the State of New York. Respondent's mailing address is 2543 70th Street, Suite #2, East Elmhurst, New York 11370.
2. Respondent is, and at all times material herein, was:
    a. Engaged in the business of buying livestock in commerce for purposes of slaughter; and
    b. A packer within the meaning of and subject to the provisions of the Packers and Stockyards Act.
3. On May 24, 2021, the Packers and Stockyards Division sent Respondent a notice informing it of its obligation to secure a bond if it wished to engage in the business of a packer buying livestock in commerce for slaughter. Specifically, Respondent was informed that it was required to obtain a $15,000 clause 4 bond.
4. On or about August 2, 2021, the Packers and Stockyards Division sent Respondent a follow-up notice regarding its obligations under the Act and requesting a meeting on August 25, 2021, at 10:00 a.m. The assigned Packers and Stockyards Division agent arrived at the location of the meeting, but no representative for Respondent appeared.
5. Notwithstanding these notices, Respondent continued to engage in the business of a packer buying livestock in commerce for slaughter without maintaining an adequate bond or bond equivalent as required by the Act and Regulations.
6. During the period from April 26, 2021, through August 3, 2021, Respondent purchased a total of 1,863 head of livestock in 28 transactions involving New Holland Sales Stables, Inc., for a total purchase price of $526,748.14. In each of these transactions, Respondent engaged

in the business of a packer buying livestock in commerce for purposes of slaughter without maintaining an adequate bond or bond equivalent.

7. During the period from July 19, 2021, through August 3, 2021, in six transactions involving New Holland Sales Stables, Inc., Respondent purchased a total of 264 head of livestock for a total purchase price of $72,357.74 but failed to pay, when due, the full purchase price of the livestock.

Conclusions of Law

1. The Secretary of Agriculture has jurisdiction in this matter.
2. Respondent Alwatania Meat Corp. willfully violated sections 202(a) and 409 of the Packers and Stockyards Act (7 U.S.C. §§ 192(a), 228b); section 204 of Title 7 of the United States Code (7 U.S.C. § 204); and sections 201.29 and 201.30 of the Regulations (9 C.F.R. §§ 201.29, 201.30) by operating as a packer without obtaining an adequate bond and by failing to pay, when due, the full purchase price of livestock.

ORDER

1. Complainant's Motion for Default is GRANTED.
2. Respondent Alwatania Meat Corp. and its agents, employees, successors, and assigns, directly or indirectly through any corporate or other device, shall cease and desist from:
    a. Operating as a packer subject to the Packers and Stockyards Act without obtaining an adequate bond; and
    b. Failing to pay, when due, the full purchase price of livestock.
3. Respondent is prohibited from operating subject to the Packers and Stockyards Act until Respondent obtains an adequate bond.

This Decision and Order shall be final and effective without further proceedings thirty-

five (35) days after service, unless an appeal to the Judicial Officer is filed with the Hearing Clerk within thirty (30) days after service as provided in sections 1.139 and 1.145 of the Rules of Practice (7 C.F.R. §§ 1.139 and 1.145).

Copies of this Decision and Order shall be served upon the parties and counsel by the Hearing Clerk.

Done at Washington, D.C.,
this 1st day of August 2025,

CHANNING STROTHER
Digitally signed by CHANNING STROTHER
Date: 2025.08.01 12:46:19 -04'00'

Channing D. Strother
Chief Administrative Law Judge

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