

UNITED STATES DEPARTMENT OF AGRICULTURE
BEFORE THE SECRETARY OF AGRICULTURE

In re:)
)
Frutera Del Litoral USA, LLC,) PACA Docket No. D-17-0228
)
Respondent)

DECISION AND ORDER WITHOUT HEARING BY REASON OF DEFAULT

Appearances:

Christopher P. Young, Esq., with the Office of the General Counsel, United States Department of Agriculture, 1400 Independence Avenue, SW, Washington, DC 20250, for the Complainant, Agricultural Marketing Service (“AMS”); and

Frutera Del Litoral USA, LLC, pro se Respondent.

Preliminary Statement

This is a disciplinary proceeding brought pursuant to the provisions of the Perishable Agricultural Commodities Act, 1930, as amended (7 U.S.C. §§ 499a *et seq.*) (“PACA”), the regulations promulgated pursuant to the PACA (7 C.F.R. §§ 46.1 through 46.45) (“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 Associate Deputy Administrator of the Specialty Crops Program, PACA Division, Agricultural Marketing Service (“Complainant”), Complainant, initiated this proceeding against Frutera Del Litoral USA, LLC (“Respondent”) by filing a disciplinary complaint on March 17, 2017. The Complaint alleges that, during the period September 2015 through March 2016 (on or about the dates and in the transactions set forth in Appendix A to the Complaint, incorporated herein by reference), Respondent willfully violated section 2(4) of the PACA (7 U.S.C. §

499b(4)) by failing to make full payment promptly to five sellers, in the total amount of \$698,992.30, for thirty-two lots of perishable agricultural commodities that Respondent purchased, received, and accepted in interstate commerce. The Complaint requests that an Administrative Law Judge find that Respondent committed willful, flagrant, and repeated violations of section 2(4) of the PACA (7 U.S.C. § 499b(4)) and order that the facts and circumstances of the violations be published pursuant to section 8(a) of the PACA (7 U.S.C. § 499h(a)).¹

Respondent was served with a copy of the Complaint on August 24, 2017 and did not file an answer within the twenty-day period prescribed by section 1.136 of the Rules of Practice.²

On January 26, 2018, Complainant filed a Motion for Decision Without Hearing by Reason of Default (“Motion for Default”) and proposed Decision Without Hearing by Reason of Default (“Proposed Decision”). As of this date, Respondent has not filed any objections to Complainant’s Motion for Default.³

¹ See *Scamcorp, Inc.*, 57 Agric. Dec. 527, 547-49 (U.S.D.A. 1998).

² A sworn declaration by an employee of the PACA Division indicates that copies of the Complaint were delivered to Respondent’s managing member on August 24, 2017. Respondent had twenty 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 work day. 7 C.F.R. § 1.147(h). In this case, Respondent’s answer was due by September 13, 2017. Respondent did not file an answer on or before that date. 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. 7 C.F.R. § 1.136(c). Other than a consent decision, the Rules of Practice do not provide for exceptions to the regulatory consequences of an untimely filed answer where, as in the present case, no meritorious objections have been filed. 7 C.F.R. § 1.139; see *infra* note 3.

³ The Hearing Clerk’s records reflect that the Motion for Default and Proposed Decision were sent to Respondent’s managing member on January 29, 2018. Respondent had twenty days from the date of service to file objections to Complainant’s motion. 7 C.F.R. § 1.139. Weekends and federal holidays shall not 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 work day. 7 C.F.R. § 1.147(h). In this case, Respondent’s objections were due by February 19, 2018. Respondent has not filed any objections.

As Respondent failed to answer the Complaint, and upon Complainant's motion for the issuance of a decision without hearing by reason of default, the following 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).

Findings of Fact

1. Respondent is or was a limited liability company organized and existing under the laws of the state of Florida.
2. At all times material herein, Respondent was licensed and/or operating subject to the provisions of the PACA. License number 20121332 was issued to Respondent on August 3, 2012. The license terminated on August 3, 2016, pursuant to section 4(a) of the PACA (7 U.S.C. § 499d(a)), when Respondent failed to pay the required annual renewal fee.
3. Respondent, during the period September 2015 through March 2016, on or about the dates and in the transactions set forth in Appendix A to the Complaint, failed to make full payment promptly to five sellers for thirty-two lots of perishable agricultural commodities, which Respondent purchased, received, and accepted in interstate commerce, in the total amount of \$698,992.30.

Conclusions of Law

1. The Secretary has jurisdiction in this matter.
2. Respondent's failure to make full payment promptly with respect to the transactions referenced in Finding of Fact No. 3 above, and set forth in Appendix A to the Complaint, constitutes willful, flagrant, and repeated violations of section 2(4) of the PACA (7 U.S.C. § 499b(4)), for which the below Order is issued.

ORDER

1. A finding is made that Respondent has committed willful, flagrant, and repeated violations of section 2(4) of the PACA (7 U.S.C. § 499b(4)).
2. The facts and circumstances of Respondent's violations shall be published pursuant to section 8(a) of the PACA (7 U.S.C. § 499h(a)).

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 by the Hearing Clerk upon each of the parties, with courtesy copies provided via email where available.

Done at Washington, D.C.,
this 27th day of February, 2018


Channing D. Strother
Acting Chief Administrative Law Judge

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