

# Livestock transaction crimes cost millions

KANSAS CITY, Mo. — Livestock Marketing Association (LMA) has announced a three-front drive to substantially reduce the incidence of crime in livestock transactions.

Recent increases in fraudulent schemes, embezzlement and marketing thefts are parallel to an increase in white collar crime, according to officials of the marketing sector trade group, based here. Estimates of losses in excess of \$3000 million are attributed by LMA directly to criminal activities in 1978.

"We have established an industry alert system, an anti-fraud investigative unit and we seek uniform state and federal criminal laws with strict penalties, to combat the growing incidents of direct losses due to fraud and embezzlement in livestock transactions," according to C. T. 'Tad' Sanders, general manager.

"Several leading agriculture magazines have recently featured articles highlighting isolated transactions which, by distorting the amount of criminal activity in livestock transactions, tend to condemn the entire marketing sector," according to Sanders.

"With an estimated \$40 billion dollars in livestock marketing transactions in the United States and Canada last year, any one theft or fraudulent scheme doesn't stand up as very large. Our estimate of \$300 million in losses through criminal activities is only 3/4 of one per cent of the total.

"But, regardless of the percentages involved, these losses are a brutal blow to those who are victimized, and can and must be reduced," he said.

Sanders emphasized that his estimates of losses in fraudulent transactions are separate from losses incurred in business failures and bankruptcies.

"Given the size and geographical scope of the marketing sector, the daily risk exposure is tremendous, and the relatively small ratio of losses to the total annual volume of transactions reflects favorably on the industry's overall integrity," he noted.

Through the industry alert, any livestock owner can report suspicious circumstances involving the

purchase or sale of livestock. By contacting any of LMA's 1300 livestock market, dealer and stockyard company subscribers in the U.S. and Canada, the information will be fed by the subscriber into a special anti-fraud unit in LMA's offices here.

The unit will be conducted by Livestock Board of Trade, Inc. (LBT), a special LMA service company well-experienced in payment,

credit and exchange information throughout the marketing sector. LBT will privately carry out investigations of all suspicious transactions, and report its findings to appropriate government authorities for criminal prosecution.

Present LMA livestock laws reform activities will be stepped up and pinpointed toward enactment of tougher state and federal laws defining criminal ac-

tivities in livestock transactions. Appropriate penalties, including fines and imprisonment will be sought, along with better administration and stricter enforcement.

Sanders noted that the Freedom in Livestock Marketing Act, introduced in the Senate in 1977 and the basis for last year's marketing tariff deregulation, included these tough provisions. LMA is

also seeking passage of a Model Livestock Marketing Act in the Montana Legislature and hopes to have it introduced in other states, he said.

The greater volume of livestock commerce, coupled with higher prices, have attracted "the unscrupulous and the criminal element to our industry to the degree that this positive action became necessary," Sanders said.

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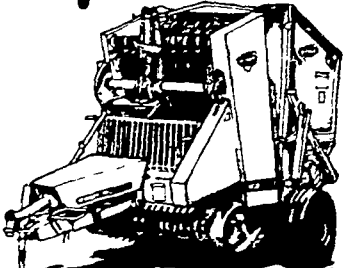
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