

animals and seemed to understand he was operating as a dealer without the required USDA license. After the visit, Dollarhite continued operating as a dealer without a valid license.

We believe the attached ROI substantiates the following alleged violations of the regulations by Dollarhite:

April 3, 2008, through December 21, 2009:

9 C.F.R. § 2.1(a)(1) Licensing. Requirements and application. Respondent sold rabbits and guinea pigs (regulated animals) in commerce without the required, valid USDA license, after APHIS officials notified him of the licensing requirement. During this time, respondent sold 619 animals in commerce in 56 transactions.

On April 19, 2011, IES issued a Settlement Agreement (e.g., monetary stipulation) to Dollarhite for \$90,643.¹ In a response dated May 19, 2011, Dollarhite rejected this offer and requested an administrative hearing.

In response to concerns raised in Dollarhite's correspondence and his purported interest in ceasing to engage in regulated activity, on May 26, 2011, IES issued a revised Settlement Agreement that contained no monetary penalty provided that Dollarhite agreed to, among other things, permanent disqualification from obtaining a license under the AWA. In correspondence dated July 15, 2011, Dollarhite rejected this offer, expressing his belief that doing so would "prohibit him from engaging in future activities that in no way violate the [AWA] or current regulations pursuant to the Act."

APHIS requests that your office seek a civil penalty of \$13,238.²

¹ APHIS calculated the proposed stipulated penalty for Dollarhite by considering the size of his business, his prior history of violations, the gravity and number of violations, and whether he demonstrated good faith. Based on these factors, APHIS calculated a stipulated penalty of \$90,643, which represented

(b)(5)

² APHIS recently revised its guidelines for calculating penalties under the AWA, including its guidelines for calculating penalties for unlicensed animal sales. APHIS has recalculated its recommended penalty for Dollarhite using the revised guidelines. Dollarhite earned at least (b)(4) gross proceeds from the unlicensed sales. Based on these gross proceeds, and taking into account that Dollarhite had no prior history of noncompliance with the AWA, APHIS's recalculated penalty recommendation is \$13,238 (b)(5)

(b)(5)