

# How the GAO Deceived Congress; And opened the way for horse slaughter to return

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GAO report 11-228 is titled HORSE WELFARE Action Needed to Address Unintended Consequences from Cessation of Domestic Slaughter. It was issued in June of 2011.

This document has been the main claim to legitimacy of those who wish to bring horse slaughter back to the United States. It has been quoted by the national press, and referenced in virtually every political debate on the issue. It was even sighted as evidence in *Valley Meats vs. the United States Department of Agriculture*, and countless other documents.

But GAO-11-228 is completely devoid of supporting data and is constructed of fraudulent misrepresentation and hocus-pocus analysis stuck together with the unsubstantiated opinions of anonymous “officials”.

The report has been widely criticized since its release, but only recently has data surfaced to prove it is, in fact, fraudulent and intentionally designed to deceive Congress. The report’s inaccuracies begin with its title, and by the end of the first page the case for its deceit is sealed.

A companion video to this report is available on [youtube](#) under the same title.

## Background

In 2006, Congress passed the agriculture budget with the “Ensign/Byrd” amendment that removed the funding for horse slaughter inspectors. The defunding was delayed by a conference committee until March, 2007, and then by court challenges. By the time the defunding was in place, all the US plants had already been shut down by state laws, but the defunding assured no new plants would open in the US.

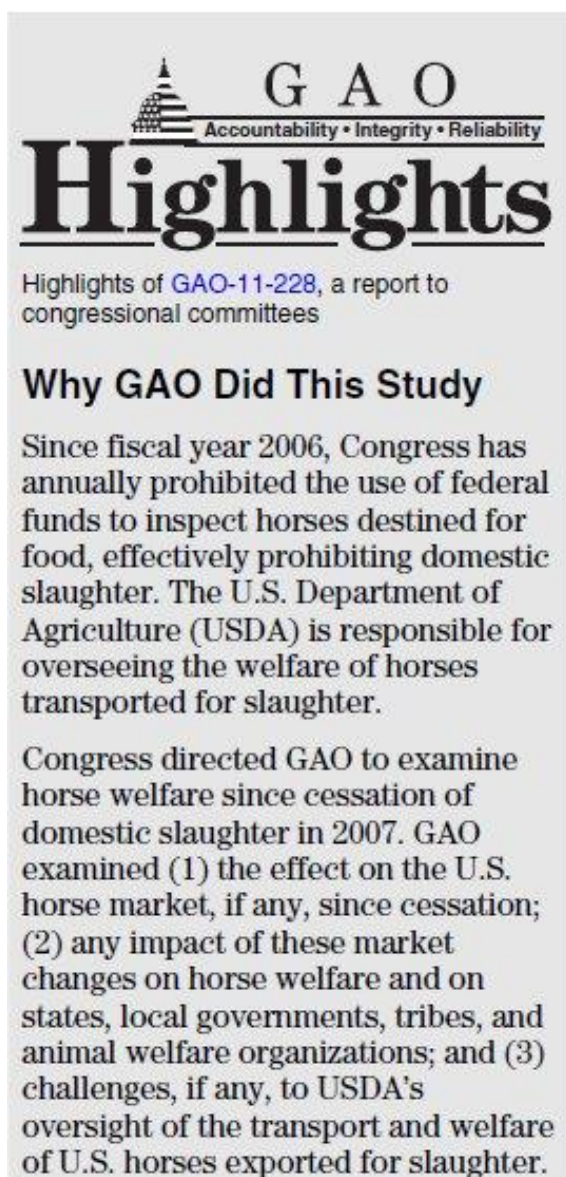
In January of 2011, six months before the report was released, Charles Stenholm of the horse slaughter lobby firm Olsson, Frank and Weeda announced to a pro-slaughter conference in Las Vegas that the report would be favorable to them. This leak was first acknowledged and then refuted by the GAO.

In June, 2011 the report was finally issued and within months it had the desired impact. The Senate did not include the defunding language in its version of the agriculture budget. Since the House did have such language (the Moran Amendment), the matter was decided in conference committee. The vote was 3 to 1 in favor of stripping the language and restoring funding for

inspectors. The three members voting to strip it were Senators Kohl and Blunt, and Representative Kingston<sup>1</sup>. These were the very individuals who had requested the report!

## Why the GAO did the study

The GAO works for Congress as a fact finding organization. It established an exemplary reputation in the past for finding and analyzing data that could assist Congress in its decisions. We will show that reputation is no longer deserved. The first page of report 11-228 contains all the information needed to completely discredit it if the reader has access to the data cited.



The image shows the cover of a report titled "Highlights of GAO-11-228, a report to congressional committees". At the top, the GAO logo features a stylized eagle and the text "G A O" with "Accountability • Integrity • Reliability" below it. The word "Highlights" is written in a large, bold, serif font. Below the title, the text reads: "Highlights of GAO-11-228, a report to congressional committees". The main section is titled "Why GAO Did This Study" in bold. The text below states: "Since fiscal year 2006, Congress has annually prohibited the use of federal funds to inspect horses destined for food, effectively prohibiting domestic slaughter. The U.S. Department of Agriculture (USDA) is responsible for overseeing the welfare of horses transported for slaughter." A second paragraph follows: "Congress directed GAO to examine horse welfare since cessation of domestic slaughter in 2007. GAO examined (1) the effect on the U.S. horse market, if any, since cessation; (2) any impact of these market changes on horse welfare and on states, local governments, tribes, and animal welfare organizations; and (3) challenges, if any, to USDA's oversight of the transport and welfare of U.S. horses exported for slaughter."

There are three sections on the first page of the report: Why GAO Did This Study, What GAO Found, and What GAO Recommends. This is as far as most readers venture. The evidence of the report's deceit can be found in the first two sections, making the third irrelevant.

Notice in the second paragraph of *Why GAO Did This Study* it states "Congress directed GAO to examine *horse welfare* since the cessation of domestic slaughter in 2007." Indeed, the report itself is titled "HORSE WELFARE".

### ***The GAO ignored its mandate***

The very next sentence says GAO examined the effect on the US horse market (i.e. horse prices at auctions) and any impact these changes had on horse welfare.

In other words, GAO ignored its mandate to study welfare and instead studied prices. They then attempt to link the two with the opinions of anonymous veterinarians.

Thus the first half of the title of the report is inaccurate, since it does not study horse welfare.

The reason for this complete disregard for its assigned task will become obvious when we analyze the section *What GAO Found*.

## What the GAO Found

Paragraph 1 of *What the GAO Found* begins by admitting that the number of horses slaughtered did not diminish, but that their slaughter merely shifted to Canada and Mexico:

### What GAO Found

Since domestic horse slaughter ceased in 2007, the slaughter horse market has shifted to Canada and Mexico. From 2006 through 2010, U.S. horse exports for slaughter increased by 148 and 660 percent to Canada and Mexico, respectively. As a result, nearly the same number of U.S. horses was transported to Canada and Mexico for slaughter in 2010—nearly 138,000—as was slaughtered before domestic slaughter ceased. Available data show that horse prices declined since 2007, mainly for the lower-priced horses that are more likely to be bought for slaughter. GAO analysis of horse sale data estimates that closing domestic horse slaughtering facilities significantly and negatively affected lower-to-medium priced horses by 8 to 21 percent; higher-priced horses appear not to have lost value for that reason. Also, GAO estimates the economic downturn reduced prices for all horses by 4 to 5 percent.

At this point the study could have concluded, saying that with no change in slaughter, there could have been no impact. Thus the second half of the title is also inaccurate since there could have been no consequences, intended or not.

Yet the report goes on to make the case that there was a negative impact. In making this case the authors expose their deceit.

### ***The second paragraph contains proof of fraudulent intent***

### What GAO Found (paragraph 2)

Comprehensive, national data are lacking, but state, local government, and animal welfare organizations report a rise in investigations for horse neglect and more abandoned horses since 2007. For example, Colorado data showed that investigations for horse neglect and abuse increased more than 60 percent from 975 in 2005 to 1,588 in 2009. Also, California, Texas, and Florida reported more horses abandoned on private or state land since 2007. These changes have strained resources, according to state data and officials that GAO interviewed. State, local, tribal, and horse industry officials generally attributed these increases in neglect and abandonments to cessation of domestic slaughter and the economic downturn. Others, including representatives from some animal welfare organizations, questioned the relevance of cessation of slaughter to these problems.

This paragraph alone contains proof of the fraudulent intent of the report's authors. It begins by complaining that national data is lacking but claiming they were told by various organizations that horse neglect and abandonment had been increasing.

The second sentence contains *the only statistic about equine welfare in the entire report* and it is not only demonstrably misleading, but it also shows that the GAO knew full well that there was state data available about abuse and neglect and that they chose to ignore the data and study prices instead.

### ***Hidden in plain sight***

The deceit is hidden in plain sight in the second sentence. It says "For example, Colorado data showed that investigations for horse neglect and abuse increased more than 60% from 975 in 2005 to 1,588 in 2009."

The example of Colorado is supposed to demonstrate the impact of the closings, but the plants closed in 2007, not 2005 and the GAO had access to data through 2010. By fudging the dates, the GAO blamed two years of increasing abuse on something that had not even happened yet and conveniently got rid of one year of declining abuse by omitting 2010!

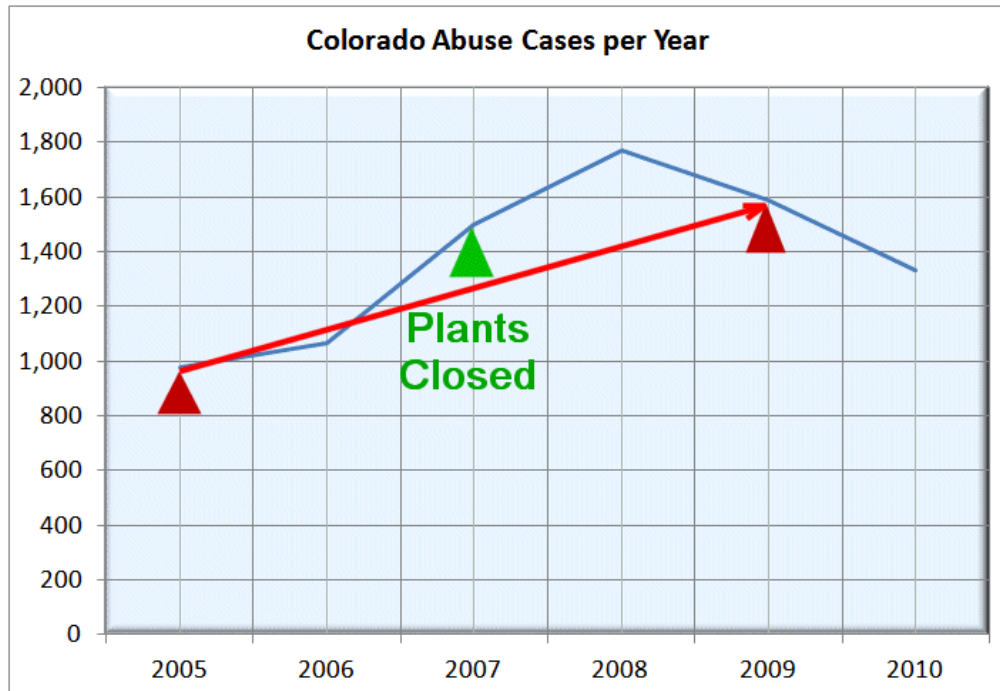
### ***Press falls for the bait and switch***

The intent of this one "example" was clearly to provide the reader an impression of the scale of the supposed increase in abuse and neglect and to offer at least some statistical proof of their claims. In doing so, they counted on nobody having access to the full Colorado data.

The AP's Jeri Clausing (and other reporters) paraphrased the finding:

*"In Colorado, the GAO report states, investigations for abuse and neglect increased more than 60 percent after horse slaughter was banned domestically, from 975 in 2005 to 1,588 in 2009."*

The insertion of the phrase "after horse slaughter was banned domestically" was, of course, not true; but it is exactly what the GAO intended the reader to think the report had said.

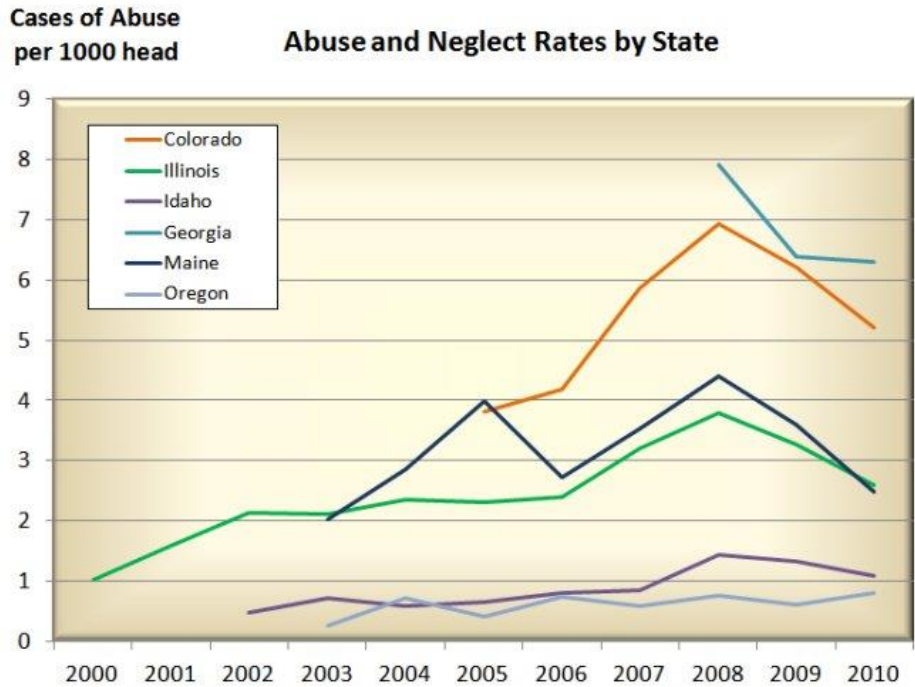


**Figure 1 - Colorado Dept of Agriculture data**

By using only two data points, the GAO made it sound like abuse and neglect had continued to increase after the closings and hid what was really happening in Colorado and many other states. Abuse and neglect had been increasing between 2005 and 2008, when it peaked and began a decline. And we know the GAO study included data from 2010 since they said so in their discussion of the number of horses that were slaughtered.

***Report claims abuse increasing when it was decreasing***

This paragraph proves that the GAO knew that at least some states kept records of the number of cases of abuse and neglect. At the minimum, they knew Colorado had the numbers, and they acknowledged to EWA that they had looked at data from Illinois on the EWA website. Data was also available from at least four more states, and all of it disagreed with the claim “state, local government and animal welfare organizations report a rise in investigations for horse neglect...”



**Figure 2 - Data from Agriculture departments of 6 states**

So by misrepresenting the Colorado data, the report’s authors exposed the fact that they knew abuse was in decline in the very state they used as an example of its increasing!

***GAO switched to studying prices because the abuse data did not fit “findings”***

The claim that “*Comprehensive, national data are lacking*” cannot be used to excuse the switch from studying real abuse and neglect data to studying horse prices because real abuse data was available from at least six states and their subsequent study of horse prices included only three auctions. So clearly the GAO switched to studying prices because the abuse data did not fit their desired findings.

## GAO misses the fact that horses eat hay

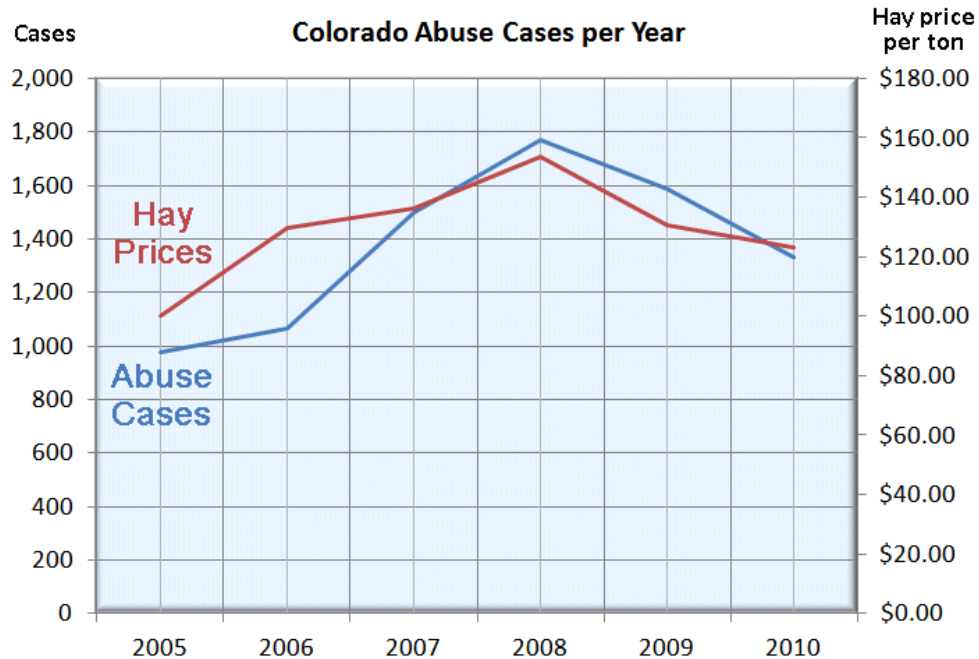
Even in the analysis of horse prices, the GAO got it wrong. EWA has published a study<sup>ii</sup> that correlated various possible causes to the rates of abuse and neglect on a state by state basis. These included; unemployment, the rate of slaughter and the local price of hay. The correlations conclusively showed that the price of hay is always the dominant cause in determining the rate of abuse and neglect. If, as the GAO claims, horse prices are a barometer of neglect, then the price of hay should have at least been considered.

Report 11-228 quotes anonymous “officials” 86 times and anonymous veterinarians 33 times and not one mention is made of the price or availability of hay. Drought and “the cost of feeding” are mentioned only once in passing:

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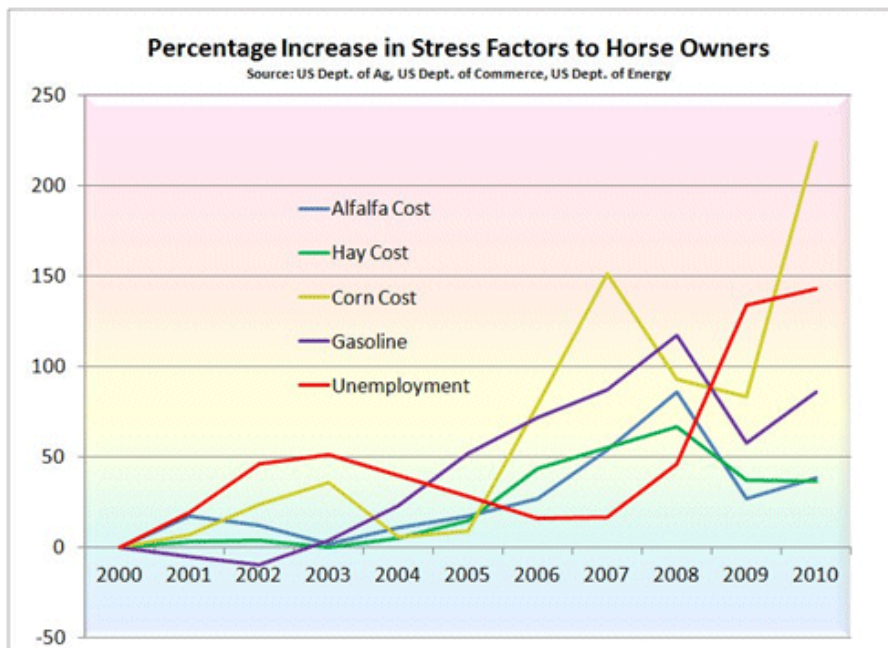
We also asked the 17 State Veterinarians whether horse welfare, in general, had improved, declined, or remained about the same in their states over the last 5 years. Without exception, these officials reported that horse welfare had generally declined, as evidenced by a reported increase in cases of horse abandonment and neglect. They most frequently cited two factors that contributed to the decline in horse welfare—the cessation of domestic slaughter in 2007 and the economic downturn—although they generally were careful not to pin the decline on any single factor. Other factors that they generally cited include poor weather conditions (e.g., drought in western states); the cost of horse disposal methods (e.g., veterinarian-assisted euthanasia); the increasing costs of feeding and caring for horses; and the lack of auction markets to sell horses.

And yet, the hard data was again ignored in favor of relying on anonymous (and easily manipulated) opinions. For example, the peak in abuse and neglect in Colorado is closely matched with a spike in hay prices as shown in Figure 1. Seldom does one see such tight relationships, yet the GAO completely missed or ignored this.



**Figure 3 - USDA hay prices vs CDA abuse and neglect cases**

There were other stress factors as well. In a peer reviewed study in *The Journal of Equine, Agricultural and Natural Resources Law*<sup>iii</sup>, stress factors on horse owners were studied for the period surrounding the GAO analysis as seen in Figure 4.



**Figure 4 - Stress factors affecting horse owners (national)**



Recalling the peak in abuse in virtually every state that occurred in 2008 (Figure 2), it should be noted that the cost of hay, alfalfa, and gasoline all peaked that same year. Again, the GAO completely missed these factors or decided to ignore them in favor of their theory that the longer trips for horse kill buyers were the cause of lower horse prices.

All the data on stress factors was readily available on government web sites. Moreover, the claim made later in the report that the kill buyers were paying lower prices for horses at auction because they had higher expenses is completely nonsensical.

A buyer does not get something cheaper at auction because he has higher operating expenses; he gets it cheaper because the other bidder has higher expenses.

The obvious reason for lower horse prices was that recreational horse owners had dropped out of the bidding because of the huge escalation of the cost of horse ownership. This was also the reason horse neglect spiked in 2008 as proven by our correlation study.

## Word Games

Finally, the report plays word games designed to disparage those who disagree with its findings. For example in paragraph 2 (above) the report states “State, local, tribal, and horse industry officials generally attributed these increases in neglect and abandonments to cessation of domestic slaughter and the economic downturn.”

It then states “Others, including representatives from some animal welfare organizations, questioned the relevance of cessation of slaughter to these problems.”

Notice that those who agree with the report’s findings are “officials”, while those who disagree are merely “representatives”. And notice that “cessation of domestic slaughter” becomes just “cessation of slaughter”, something that never happened.

## GAO Stonewalls

Shortly after the release of the report, EWA submitted a FOIA for the pricing data and calculations. The FOIA was denied on the basis that the GAO did the report for Congress, and Congress is not covered by the Freedom of Information Act.

The EWA followed up with a complaint to the GAO Inspector General. The GAO ignored the complaint and did not respond.

### ***The GAO insists “Vetting process infallible”***

At the request of a helpful Congressman, the GAO did participate in a conference call over these concerns on July 18<sup>th</sup>, 2013. The response to each complaint was “thank you for voicing your concern”, and a reiteration of the assurance that the report had gone through a thorough vetting process before it was issued, virtually assuring its accuracy.

These same arguments were repeated for the infamous example of the Colorado data. Thus we are left with two possibilities: Either GAO’s reporting *and* quality control systems have both been compromised, or 2007 did in fact occur before 2005.

## **Conclusions**

Were it not for the misrepresentation of the Colorado data, the report might be deemed simply incompetent. However, given that we know the report’s authors knew of at least some of the ample data that proved abuse and neglect was declining and misrepresented that very data as indicating abuse was increasing; there was a clear intent to deceive. We therefore charge the report to be not just inaccurate, but in fact fraudulent.

### ***What hope will we have of hearing the truth?***

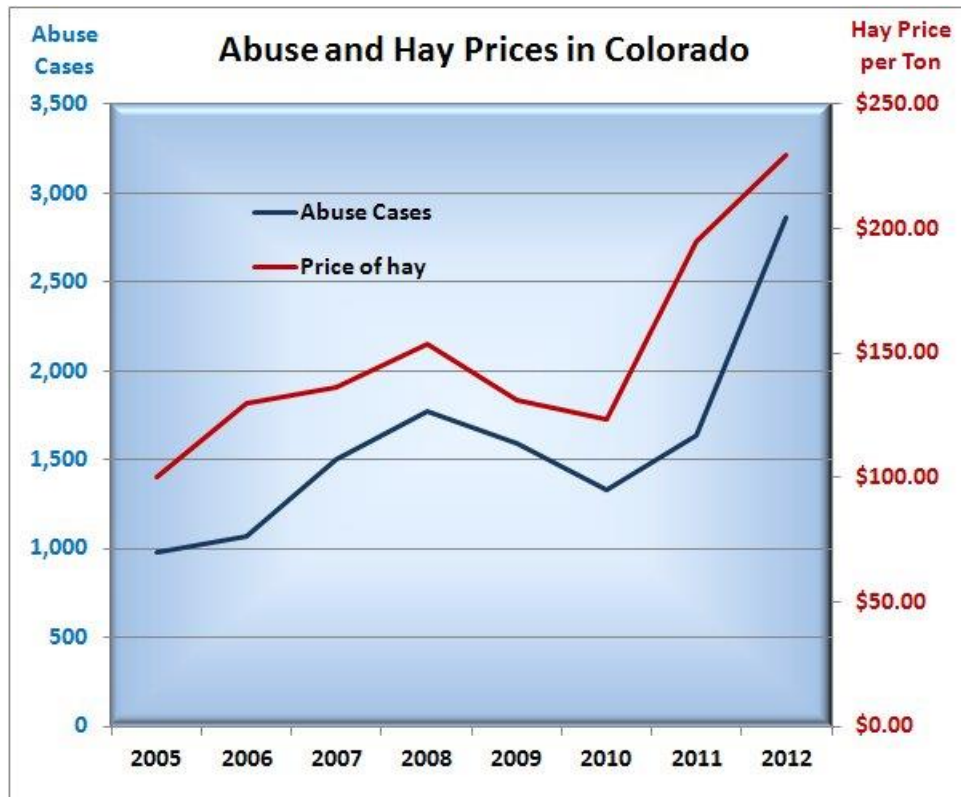
The implications of this fraud go far beyond the issue of horse slaughter. If special interests as reviled and marginal as the horse slaughter lobby have been able to subvert the GAO to their ends, what hope will we have of hearing the truth when Congress asks the GAO about issues concerning more powerful special interests?

## **Postscript**

This report has dealt only with events that occurred prior to the release of GAO 11-228. To have mixed in data from after that time would have been irrelevant to determining the accuracy of the GAO report. However, it is interesting to look at what happened in 2011 and 2012.

Of the six states studied, all but two continued to show flat or declining rates of abuse and neglect. The exceptions were Colorado and Idaho.

Those who wish to discredit this analysis will undoubtedly seize on the resurgence of abuse and neglect in Colorado to claim the GAO had been right all along. Nothing, however, could be further from the truth.



**Figure 5 - Hay and Abuse in Colorado after GAO Study Period**

Figure 5 shows what happened between 2010 through 2012, when drought again gripped Colorado. Hay prices soared, pastures turned to dust and abuse and neglect skyrocketed.

The Colorado data once again shows that the GAO missed the linkage between neglect and the price and availability of hay, and instead presented a ridiculous case for abuse being caused by longer trips for the kill buyers.

<sup>i</sup> Blunt and Kingston are probably best known for their so called “Monsanto Protection Act”, a highly controversial rider on a continuing spending resolution in March of 2013 which effectively granted Monsanto immunity to legal challenges that may result from their Genetically Modified Organisms.

<sup>ii</sup> [The History and Causes of Equine Abuse and Neglect: A Statistical Analysis](#), Holland

<sup>iii</sup> An Analysis of Factors Responsible for the Decline of the U.S. Horse Industry; Why slaughter is not the answer, Vol. 5, No. 2, Laura Allen and John Holland

YouTube video report: <http://www.youtube.com/watch?v=BSxUPNgzgn4&feature=youtu.be>