

From: Paula Bacon, Mayor of Kaufman, TX (2003-2007)

I am 5th generation in Kaufman, TX, a community that spent many difficult years trying to deal with a horse slaughter plant. As a resident, business owner (P.G. Bacon Lumber Co. “Friendly Service Since 1896”), taxpayer, and one who has served 4 terms on the City Council, two as mayor, I believe a horse slaughter plant is among the very least desirable things a community would want. A horse slaughter plant ranks with a lead smelter plant and sexually oriented businesses, the dead opposite of economic development. A horse slaughter plant creates expensive environmental problems for taxpayers, profoundly affected our crime rate and stigmatizes the community as ‘that place where they slaughter horses’—and good development goes elsewhere.

Knowing what such a plant does to a community, people want to do everything they can to keep a horse slaughter plant from moving in. A horse slaughter plant creates long term m&o expenses, dominates what people think of your community and getting rid of them is almost impossible. A horse slaughter plant is a classic example of how a bad decision leads to multiple bad outcomes.

What I describe (and document) is not what might happen, it is what did happen, we lived it. Living with horse slaughter was about their making money and the community being their doormat. What we received was entirely negative, some of which is described below. (Please see also <http://www.forbes.com/sites/vickeryeckhoff/2012/01/10/texas-mayor-paula-bacon-kicks-some-tail/>).

Horse slaughter interests make promises in terms of jobs and prosperity and complying with the laws, but these promises are not borne out. Horse slaughter’s promises are thoroughly refuted by the facts.

Poor pay and dangerous work, all 3 plants operating in the US in 2006 employed no more than 178 in jobs most Americans do not want (p.16). Environmental violations were the same in all 3 communities: they did not comply with the laws.

The horse slaughter plant in DeKalb was out of compliance with its wastewater permit countless times. The attached photograph (p. 17) shows the brand new, state of the art pre-treatment facility tank overflowing with foaming blood and waste. Also attached are documents showing they were in violation of environmental laws every month after they re-opened until they were closed by state law (p. 15).

The third plant in Ft. Worth had numerous, serious OSHA violations as well as environmental violations. They clogged sewer lines causing blood to spill into a nearby creek, allowed wastewater to flow onto adjacent properties and into the creek, and on another occasion the plant was found to have pumped horse blood into the creek. [See [San Antonio Current, June 19, 2003](#)].

In Saskatchewan Canada, when Natural Valley Farms horse slaughter plant went bankrupt and were ordered closed by the Canadian Food Inspection Agency, they abandoned a lagoon of over 30 million gallons of untreated waste, not including blood. After collecting the blood for resale they found there was no market for it and were subsequently caught discharging it into a nearby river.

The plant in Kaufman made repeated reference to being 'good corporate citizens,' but I believe that they were more like corporate thugs as they "neglected to perform within the standards required of them" (from staff report to City Council), thereby tormenting resident taxpayers and threatening expensive infrastructure. At a meeting regarding severe problems with the horse slaughter plant in 2005, the wastewater treatment plant manager informed us then that "everything is running on high, 24/7 and we have no back-up," We are even today continuing to pay for very expensive replacements and repairs to the plant.

Had the horse slaughter plant not closed in 2007, our town would have been required to spend a minimum of \$6 million ("if we are lucky," according to the engineers) to build a new wastewater treatment plant. Within 2 weeks of the horse slaughter plant closing, capacity at the plant increased by 52%. The risk of a mega million dollar watershed cleanup was also, thankfully taken off the table.

In 1986 the mayor at the time and council tried to keep the horse slaughter plant from re-opening. They had been closed down for a year after the State of Texas sued the City and the City sued the plant for continually violating environmental laws. [See Kaufman Herald, January 23, 1986, p. 7].

At that time there was literally blood coming up in people's bathtubs and toilets (difficult to believe but true; please see reference in Kaufman Herald 1986. It is my understanding that the horse slaughter plant had used a pump to force waste down the sewer system, breaking pipes under the streets and one of the causes for the bloody waste in homes). As recently as 2005 the Texas Commission on Environmental Quality investigated complaints about water safety and found that backflow prevention requirements, that prevent things like blood coming into the sinks, tubs and toilets of homes and business, were not in place. Seven months previously the City had directed the horse slaughter plant to comply with the requirements, but very typically the plant had declined to do so. The City received a hefty fine that taxpayers paid and the plant continued operations, business as usual.

The horse slaughter plant operated in continual violation of its wastewater permit. I will gladly provide you with detailed reports from my City Manager, Police Chief, and Public Works Director regarding odor and wastewater effluence violations at the Dallas Crown horse slaughter plant in the City of Kaufman. The reports reference "decaying meat [which] provides a foul odor and is an attraction for vermin and carrion," containers conveyed "uncovered and leaking liquids," there are "significant foul odors during the daily monitoring of the area," and "Dallas Crown continually neglects to perform within the standards required of them."

Reports include descriptive language such as "blood flowing east and west in the ditches from your plant," "It has been over 45 days [it had been 59 days] and no apparent cleanup has occurred," "Your system has not improved and subsequently it has gotten a lot worse," "Words cannot express the seriousness" of recent violations and the "adverse effects on the wastewater treatment plant," and "Please be sure trailers are secured before leaving your premises to prevent spills," noting also "bones and blood laying in front of the facility," problems with bones and parts in neighboring yards and the attraction of "dogs and other animals."

Attached here (pp. 18ff) are a few of the many police summons showing violations related to BOD (bio-oxygen demand), TSS (total suspended solids), chemical spill, and pH. The amounts are very high; for example their permit allowed them a level of 2,000, well above the normal limit of 250. The violation on the summons shows they exceeded by 33,000 the 2,000 limit. TSS permitted was 1,500 which they exceeded by 4,200. The wastewater treatment plant was 'shocked' on more than one occasion by illegal pH levels.

The horse slaughter plant also denied access to the plant for environmental testing for 9 months, despite requirements by ordinance, letter agreement and court order. There was no testing done at all initially. City staff, the City Manager, the City Council and the City Attorney all communicated to the plant manager the necessity of access to protect the wastewater treatment plant and the creek system. After 2 months the horse slaughter plant began doing their own testing with no chain of custody in place. After being in violation 2 of the first 4 samples they pulled for themselves and took to a company they paid directly for the testing, they were not in violation anymore--which had virtually never before happened in their 20+year history (see beginning December 2004 on the spreadsheet, p. 10).

During the last few years of operation, the horse slaughter plant quit paying fines, and instead requested individual jury trials for each citation issued for their violations, a cost prohibitive to the City and our legal budget. During one 19 month period the plant had \$916,000 in potential fines and demanded separate jury trials on citations for violations [see spreadsheet]. These were never resolved and the City was left 'holding the bag.'

Residents complained to the Texas Department of Health regarding blood and other matter leaking onto the streets. Containers of offal and hides leaked blood during transport on our streets and highways.

"Quite frankly, we don't want you here," the mayor at the time announced as the council meeting began in 1986. "That plant has never made a dime for this city and they never will," he said. The city administrator added the horse slaughter plant has been "a lousy part of the community." [Please see attached articles from Kaufman Herald, pp. 7ff].

This was no less true when I became mayor. The horse slaughter plant kept us ensnared in the courts with endless appeals and injunctions. They had plenty of money to keep us endlessly in court; the City's pockets were not near so deep.

And no wonder. During nuisance hearings, the horse slaughter plant was required to produce tax returns, their most recent return revealing they had paid \$5 in federal income tax on \$12 million dollars in sales. In the preceding 5 years Dallas Crown's federal income tax was .3% or 1/3 of 1% of sales. [Please see attached 2004 tax return, p. 13] A copy of the forensic analysis of the horse slaughter plant's returns [please see John S. Rainey letter, p. 14] determined that the plant sold to itself at a loss so that the profits only surfaced overseas (this involved 3 corporations, each having identical ownership).

There was no sales tax since they sold to themselves overseas and property tax revenue to the City was generally less than \$2,000 per year. We did not benefit from having a horse slaughter plant; we paid.

In August of 2005, our City Council voted unanimously to send the issue to the Board of Adjustments for termination of their non-conforming use status. In March of 2006, the Board of Adjustments voted unanimously to order Dallas Crown closed, but the plant was able to tie up enforcement in the courts until they were finally closed under state law in February of 2007. It was the 1949 state law banning horse slaughter for human consumption that was finally enforced and forced the closure of the plant.

Someone recently said to me that horse slaughter interests are arrogant and not accustomed to challenge. They think just saying something somehow makes it true and that laws and communities can be ignored. Then he added -- But they are wrong.

I hope he is right. It didn't ruin us but darn near. We are recovering despite the economy. Good development is occurring and our crime rate has dropped like a rock, from a rate of over 400 to 135 [See city-data.com, p. 6].

Were there any positives to having a horse slaughter plant? No, there were not. The horse slaughter plant did buy an oversized American flag for the nearby American Legion. But the flag, like horse slaughter itself, made a mockery of our community and values. It did not cover or make up for the multitude of sins horse slaughter provided.

As one neighbor said recently, "We can breathe again. Life is much better." And we buy our own flag.

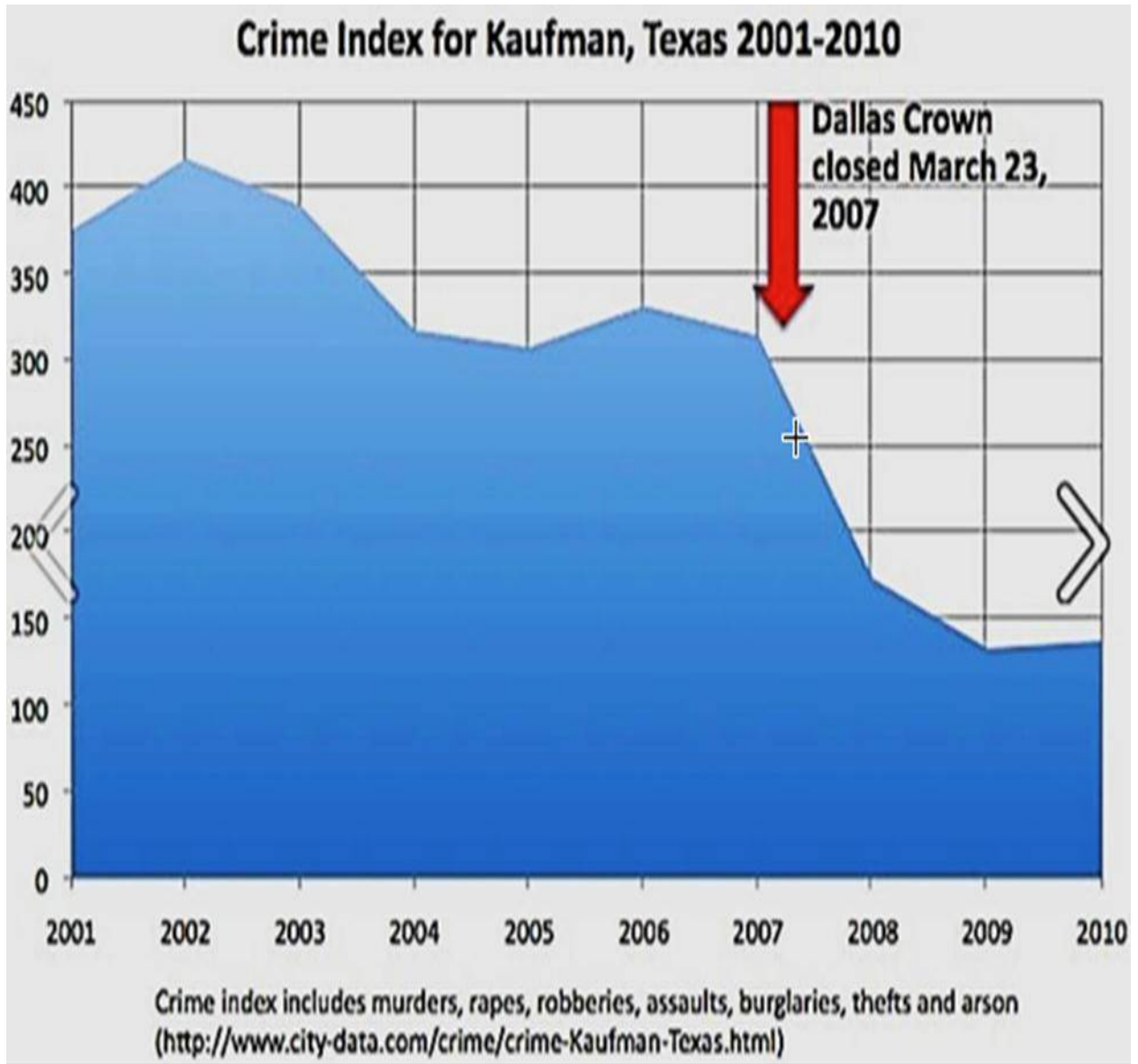
Please contact me if I can be of help.

Yours truly,

A handwritten signature in black ink that reads "P. Bacon". The signature is written in a cursive, flowing style.

Paula Bacon
Mayor 2003-07, Kaufman, Texas
617-335-9550

Crime immediately fell in Kaufman after January news that the plant would close in March.



Kaufman Herald, January 23, 1986: "Quite frankly, we don't want you here!" says Mayor Harry Holcomb... "That plant has never made the city a dime and never will."

Residents protest packin

January 23, 1986

By MARTHA ANDERSON

"Quite frankly, we don't want you here!" This was the reaction of Mayor Harry Holcomb and the sentiment of the Kaufman City Council to the request by the owners of Dallas Crown Packing Company to re-open the Kaufman meat packing plant. Owners Henry Serruys and Jack Kemp faced opposition from the council, City Coordinator Norman Smith and several neighbors of the plant at the Kaufman City Council meeting last Tuesday night.

"That plant has never made the

city a dime and never will. I think if you polled the council all would say they wished the plant would be in another town, but we can't prohibit them from opening; we can just close them down if they don't comply with ordinances and regulations," said Mayor Holcomb.

During a sometimes heated discussion about the reopening of the plant, Serruys and Kemp offered reassurance that they would attempt to meet pre-treatment and waste disposal regulations set by the city and state.

"We have agreed all along to meet the requirements of the city. We want to be good members of the community," said Kemp.

"That plant has been a lousy part of the community in the past and we want to be sure that doesn't happen again," said City Coordinator Norman Smith.

Residents living near the meat packing plant voiced opposition to the reopening, citing examples from past plant operations when residential sewer systems and street were filled with blood and other discharge

from the plant. pressed about the noise from the p

"How would you in front of your smell of manure around?", said near the plant.

"We live in that neighborhood, we were kicked and the condition of sewer, no street homes and want way. When that

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Kaufman Herald, January 23, 1986 (cntd.): "That plant has been a lousy part of the community," agrees the City Coordinator. Residents voice opposition citing blood and other discharge filled residential sewer systems and streets. Additional concerns were about smell, insects, blood running down the streets and having to walk thru it, and 75 children living in the area. But a consultant said they wouldn't be putting blood in the sewer because they can sell it and every pint of blood they pour down the sewer is lost money." He also said that if they violate the law, "We can close them down."

Best packing plan

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MRS. RUTH CAVE
1000 W. GROVE
KAUFMAN, TX 75142

have agreed all along to meet requirements of the city. We to be good members of the unity," said Kemp. t plant has been a lousy part community in the past and we be sure that doesn't happen ' said City Coordinator North. lents living near the meat g plant voiced opposition to pening, citing examples from ant operations when residen- ver systems and street were ith blood and other discharge

from the plant. Concern was also expressed about the smell, insects, and noise from the plant. "How would you like to have blood in front of your house, and have the smell of manure and see flies all around?", said Ed Cave, a resident near the plant. "We live in the new part of the neighborhood, and for years we were kicked and dogged because of the condition of our houses with no sewer, no streets. Now we have nice homes and want them to stay that way. When that plant was open in

the past the blood would run down the streets and we had to walk through it. With 75 children living in that area, if they get sick from an epidemic of something, the whole town will get it from our kids at school," said one area resident. City waste water analyst Tag Coolidge told the council and audience that if pre-treatment requirements are met, conditions won't be as bad as in the past. "If they meet the requirements, it won't be like before. The amount of odor created by wastewater should

be minimalized, and they shouldn't be putting blood into the sewer because they can sell it, and every pint of blood they pour down the sewer is lost money," said Coolidge. "If they violate the waste-water ordinances of the city, they can be forced to come into compliance or be closed. City officials stressed the point that the plant must be allowed to open. "We have been told by the city attorney that the site is correctly zoned for an active plant. Serruys
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★City _____



and Kemp have taken possession of the plant as owners, and we are not allowed by law to deprive the men of the right to conduct a business. However, they cannot open until they meet our pretreatment and other requirements, and once open, if they violate ordinances, we can close them down," said Smith.

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Kaufman Herald articles: None of the wastewater agreements made by Dallas Crown before it reopened in 1986 would be honored. See violations next page.

MARY SULLAGE DR.
303 VILLAGE TX 75142
KAUFMAN

LHerald

THURSDAY, January 16, 1986

Meat packer to open Owner says plant will meet requirements

By MARTHA ANDERSON
Work is expected to begin this week on preparations for reopening the former Kaufman Meat Packers plant off Hwy 175 in Kaufman, said plant manager Henry Serruys. Scheduled for opening in early March, the plant will be operating under the name Dallas Crown Packing Company for the slaughter of horses for shipment to foreign markets.

Serruys said work will begin this week on preparing the plant to meet pre-treatment requirements required by the city and state. "We will operate in accordance with pre-treatment requirements of the state and city for disposal of waste

through a separate 1500 foot sewer line," said Serruys.

Co-owners of the new company, Central Texas Packing Company and Donar of Belgium purchased the property from former owner A.H. Hammer in late December, said Serruys. Upon opening, the plant expects to slaughter approximately 300 horses per week for shipment to foreign markets, primarily Belgium and Japan.

Horses slaughtered at the plant will be shipped in mostly from out of state, said Serruys. "We don't go on the market to buy 'good' horses. We get surplus horses—those that would go to the glue factory or others

not fit for other use," said Serruys.

The animals are slaughtered through the use of a "stun gun", a gun-shaped instrument with a bolt-like object which shoots out, killing the animal in a fraction of a second, said Serruys. A USDA inspector will be on site each day to insure that the plant operates under government regulations and the plant will work under the guidance of the humane society, said Serruys.

Serruys said there are approximately 15 "horse operations" operating in the United States, including plants in Palestine, Fort Worth, and Morton, Texas.

City issues strict guidelines for packing plant waste

By MARTHA ANDERSON
In an effort to avoid past problems which have plagued the local sewer system due to waste discharge from former packing plants, the City of Kaufman is seeking stricter pre-treatment requirements prior to the opening of the Dallas Crown Packing plant, said City Coordinator Norman Smith.

"In the past the plant was already in operation at the time of the problem, and the city could only work towards obtaining a satisfactory pre-treatment level. This time, the plant is not yet open, and we won't allow them to open unless they meet the requirements beforehand," said Smith.

The city has informed plant management of several requirements

which must be met before the plant may open. "The plant must construct an individual sewer line running from the plant to a manhole on Grove and Shannon St. The waste will then enter the main sewer line without going near residential lines, preventing the possibility of waste entering the residential sewer system," said Smith.

A pre-treatment facility capable of treating waste to pass waste discharge requirements must also be built by the plant before a permit can be obtained to discharge. "They have been told they must attain pre-treatment quality in accordance with industrial waste requirements before they can commence business," said Smith.

Monitoring of the Ph level and oil

and grease levels will be required, as well as tests for the oxygen level in waste.

"No substance which would impair the normal treatment procedure, such as flesh, hair or entrails will be allowed in the system," said Smith.

In addition, the city has required the plant to enter into a letter of agreement to set up a mutually agreed amount of money in an escrow account at the city depository at the best interest rate possible for use in clearing any forthcoming debts to the city, for use in keeping in alignment with city requirements, and in the event of bankruptcy or foreclosure on the business, said Smith.

we. The 20 X 38 foot high pole, 100 feet away.

...the other ... by Crown ... incident

Date Collected	Assess/Element Collected	Ammonia as Nitrogen	COD	CDD	BOD	BOD5	TSS	Oil & Grease	pH	Violations	Citation Issued	Citation Paid	Comments	Case Number
209														
210										905 TSS Ph	3			
211			820		334		545			Ph. Tsem Lap	2			
212										905 TSS Ph	3			
213			855		321		84			Ph. Tsem Lap	2			
214										905 TSS Ph	3			
215										905 TSS Ph	3			
216			376		288		40			Ph. Tsem Lap	2			
217										905 TSS Ph	3			
218			631		302		48			Ph. Tsem Lap	2			
219										905 TSS Ph	3			
220										905 TSS Ph	3			
221			882		203		82			Ph. Tsem Lap	2			
222										905 TSS Ph	3			
223										905 TSS Ph	3			
224										905 TSS Ph	3			
225										905 TSS Ph	3			
226			985		708		588			Ph. Tsem Lap	2			
227										905 TSS Ph	3			
228			794		287		48			Ph. Tsem Lap	2			
229										905 TSS Ph	3			
230										905 TSS Ph	3			
231			933		387		544			Ph. Tsem Lap	2			
232										905 TSS Ph	3			
233			637		310		48			Ph. Tsem Lap	2			
234										905 TSS Ph	3			
235										905 TSS Ph	3			
236			601		254		174			Ph. Tsem Lap	2			
237										905 TSS Ph	3			
238										905 TSS Ph	3			
239										905 TSS Ph	3			
240										905 TSS Ph	3			
241										905 TSS Ph	3			
242										905 TSS Ph	3			
243										905 TSS Ph	3			
244			1180		380		328			Ph. Tsem Lap	2			
245										905 TSS Ph	3			
246			748		318		94			Ph. Tsem Lap	2			
247										905 TSS Ph	3			
248										905 TSS Ph	3			
249										905 TSS Ph	3			
250										905 TSS Ph	3			
251			5480		688		830			905 TSS Ph	3			
252										905 TSS Ph	3			
253			828		383		172			905 TSS Ph	3			
254										905 TSS Ph	3			
255										905 TSS Ph	3			
256										905 TSS Ph	3			
257										905 TSS Ph	3			
258										905 TSS Ph	3			
259										905 TSS Ph	3			
260										Note: Total violations this sheet =	532			
261										Subtotal violations =	353			
262														
263														
264			5320		399		280			905 TSS Ph	3			
265										905 TSS Ph	3			
266			858		285		95			905 TSS Ph	3			
267										905 TSS Ph	3			
268										905 TSS Ph	3			
269			720		347		501			905 TSS Ph	3			
270										905 TSS Ph	3			
271										905 TSS Ph	3			
272										905 TSS Ph	3			
273										905 TSS Ph	3			
274										905 TSS Ph	3			
275										905 TSS Ph	3			
276			838		513		86			905 TSS Ph	3			
277										905 TSS Ph	3			
278										905 TSS Ph	3			
279			848		345		533			905 TSS Ph	3			
280										905 TSS Ph	3			
281			5280		684		578			905 TSS Ph	3			
282										905 TSS Ph	3			
283										905 TSS Ph	3			
284			908		303		86			905 TSS Ph	3			
285										905 TSS Ph	3			
286			817		434		523			905 TSS Ph	3			
287										905 TSS Ph	3			
288										905 TSS Ph	3			
289			995		391		522			905 TSS Ph	3			
290										905 TSS Ph	3			
291			5200		674		504			905 TSS Ph	3			
292										905 TSS Ph	3			
293										905 TSS Ph	3			
294			925		483		540			905 TSS Ph	3			
295										905 TSS Ph	3			
296										905 TSS Ph	3			
297										905 TSS Ph	3			
298										905 TSS Ph	3			
299										905 TSS Ph	3			
300										905 TSS Ph	3			
301			888		288		590			905 TSS Ph	3			
302			1110		484		540							
303			5370		515		40							
304			5370		540		520						OC Letter Baringang	
305			2000		674		290			4.8 Ph	1			
306			5280		709		33			4.9 Ph	1			
307			5270		760		578			4.0 Ph	1			
308			5280		588		580			3.7 Ph	1			
309			5900		69		810			4.8 Ph	1	YB.B.11)		18032
310			990		820		540			4.8 Ph	1	YB.B.11)		18034
311										Note: Total violations this sheet =	522			
312										Subtotal violations =	695			

Date Collected	Account/Sample Collected	Ammonia as Nitrogen	COD	CBOD	BOD	BOD5	TSS	Oil & Grease	pH	Violations	Citation Issued	Citation Paid	Comments	Case Number
313														
314	7/8/05	Taxim	2100		130		470		3.3	Ph	1	YES (1)		150359
315	7/12/05	Taxim	1500		1100		900		6.0					
316	7/12/05	Ceres Plant Effluent	2080		1220		590		5.4	Ph	1			
317	7/13/05	Taxim	1700		900		100		4.6	Ph	1	YES (1)		
318	7/14/05	Taxim	720		240		62		5.1	Ph	1	YES (1)		
319	7/15/05	Ceres Plant Effluent	1500		542		280		5.3					
320	7/15/05	Taxim	1400		420		240		6.0					
321	7/19/05	Taxim	1400		630		200		7.8					
322	7/19/05	Ceres Plant Effluent	1220		774		100		7.5					
323	7/20/05	Taxim	1300		930		700		6.9					
324	7/21/05	Taxim	1800		960		80		6.9					
325	7/22/05	Taxim	1600		240		260		5.3	Ph	1	YES (1)		
326	7/22/05	Ceres Plant Effluent	1530		708		290		4.9					
327	7/26/05	Taxim	1900		*		1000		6.5					
328	7/28/05	Ceres Plant Effluent	3000		1630		1170		6.1					
329	7/27/05	Taxim	2700		3200		1900		6.5	BOD, TSS	2	YES (1)		
330	7/28/05	Taxim	2300		1500		100		5.9					
331	7/28/05	Ceres Plant Effluent	1450		835		112		6.4					
332	7/29/05	Taxim	1600		710		110		6.4					
333	7/29/05	Ceres Plant Effluent	1480		835		112		6.4					
334	8/2/05	Taxim	1700		1600		390		6.6					
335	8/2/05	Ceres Plant Effluent	1650		1220		530		6.5					
336	8/3/05	Taxim	2700		170		120		7.9					
337	8/4/05	Taxim	2300		1000		770		6.2					
338	8/5/05	Taxim	2700		1200		190		7.0					
339	8/5/05	Ceres Plant Effluent	2750		1620		390		7.0					
340	8/9/05	Taxim	1400		580		160		7.1					
341	8/9/05	Ceres Plant Effluent	1540		748		200		6.7					
342	8/10/05	Taxim	1200		900		180		6.9					
343	8/11/05	Taxim	2400		1100		1200		6.8					
344	8/12/05	Taxim	1300		570		52		6.8					
345	8/12/05	Ceres Plant Effluent	1220		788		60		6.4					
346	8/15/05	Taxim (No Flow)												
347	8/16/05	Taxim	1600		880		500		4.1	Ph	1	YES (1)		
348	8/17/05	Taxim	2100		940		150		4.2	Ph	1	YES (1)		
349	8/18/05	Taxim	2400		1000		120		5.8					
350	8/19/05	Taxim	1300		520		180		6.6					
351	8/20/05	Taxim	2000		900		1200		6.9					
352	8/22/05	Taxim (No Flow)												
353	8/23/05	Taxim	1500		770		290		6.4					
354	8/24/05	Taxim	2300		940		480		6.0					
355	8/25/05	Taxim	2700		1600		440		5.8					
356	8/26/05	Taxim	1800		890		500		5.8					
357	8/26/05	Ceres Plant Effluent	1610		1110		690		5.7					
358	8/27/05	Taxim	2200		1000		190		5.1	Ph	1	YES (1)		
359	8/30/05	Taxim	1600		600		620		6.3					
360										Note: Total violations this sheet =	10			
361										Subtotal violations =	475			
362														
363	8/30/05	Ceres Plant Effluent	1720		770		640		6.4					
364	8/31/05	Taxim	2200		1100		730		5.2	Ph	1	YES (1)		
365	9/1/05	Taxim							4.8					
366	9/2/05	Ceres Plant Effluent	2620		1680		1240		3.9					
367	9/2/05	Taxim	2600		960		1100		4.1	Ph	1	YES (1)		
368	9/3/05	Taxim	3200		3700		3400		6.6	BOD, TSS	2	YES (1)		
369	9/6/05	Taxim (No Flow)												
370	9/7/05	Taxim	3800		1700		2400		5.8	TSS	1	YES (1)		
371	9/8/05	Taxim	2800		1300		230		6.5					
372	9/9/05	Taxim	2500		1600		610		6.9					
373	9/10/05	Taxim	3100		140		540		6.7					
374	9/14/05	Taxim	3200		1400		1000		6.1					
375	9/15/05	Taxim	2100		850		380		6.8					
376	9/16/05	Taxim	1700		1700		2000		6.1	TSS	1	YES (1)		
377														
378	NOTE: All Dallas Crown violations are shaded.										Note: Total violations this sheet =	6		
379	BOD parameters are 2000 maximum										Subtotal violations =	481		
380	TSS parameters are 1500 maximum													
381	Ph parameters are 5.5 to 9.5										Total violations =	481		

In 2004, Dallas Crown paid \$5 in federal income taxes on \$12 million+ in income. Over a 5 year period, their tax "bracket" was 1/3 of 1%.

Analysis showed they sell to themselves at a loss so profits only surface overseas.

U.S. Corporation Income Tax Return

For calendar year 2004 or tax year beginning 07/01, 2004, ending 06/30/05

OMB No. 1545-0128
2004

Form **1120**
Department of the Treasury
Internal Revenue Service

Use Name: **DALLAS CROWN, INC.**
Employer identification number: [REDACTED]

Address: **2000 W. FAIR STREET**
City or town, state, and ZIP code: **KAUFMAN, TX 75142-1858**

Date incorporated: **09/13/1994**

Initial return: (1) Final return: (2) Name change: (4) Address change:

E Check if:		(1) Initial return	(2) Final return	(3) Name change	(4) Address change	Balance
1a	Gross receipts or sales	12007611				12007611
2	Cost of goods sold (Schedule A, line 8)					7783181
3	Gross profit. Subtract line 2 from line 1a					4227430
4	Dividends (Schedule C, line 19)					
5	Interest					2
6	Gross rents					
7	Gross royalties					
8	Capital gain net income (attach Schedule D (Form 1128))					
9	Net gain or (loss) from Form 4797, Part II, line 15 (attach Form 4797)					
10	Other income (see page 9 of instructions; attach schedule)					52541
11	Total income. Add lines 3 through 10					4279973
12	Compensation of officers (Schedule E, line 4)					104530
13	Salaries and wages (less employment credits)					1877264
14	Repairs and maintenance					321347
15	Bad debts					
16	Rents					72510
17	Taxes and licenses					8577
18	Interest					4784
19	Charitable contributions (see page 11 of instructions for 10% limitation)					3
20	Depreciation (attach Form 4562)		87239			
21	Less depreciation claimed on Schedule A and elsewhere on return					87239
22	Depletion					
23	Advertising					4937
24	Pension, profit-sharing, etc., plans					
25	Employee benefit programs					
26	Other deductions (attach schedule)					1798637
27	Total deductions. Add lines 12 through 26					4279942
28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11					31
29	Less: a Net operating loss (NOL) deduction (see page 13 of instructions)					
	b Special deductions (Schedule C, line 20)					
30	Taxable income. Subtract line 29c from line 28					31
31	Total tax (Schedule J, line 1f)					5
32	Payments: a 2004 overpayment credited to 2004					
	b 2004 estimated tax payments	80000				
c	Less 2004 refund applied for on Form 4466					
d	Tax deposited with Form 7004					
e	Credit for tax paid on undistributed capital gains (attach Form 2439)					
f	Credit for Federal tax on fuels (attach Form 4136). See instructions					
g	Estimated tax penalty (see page 14 of instructions). Check if Form 2220 is attached					80000
33	Estimated tax penalty (see page 14 of instructions). Check if Form 2220 is attached					
34	Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed					
35	Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid					79995
36	Enter amount of line 35 you want credited to 2005 estimated tax					79995

Signature of officer: **Maurice B. Clark**, Date: **07-21-05**, Title: **Sec/TREAS**

Preparer's signature: **Maurice B. Clark**, Date: **09/15/05**, Preparer's SSN or PTIN: [REDACTED]

Firm's name (if yours is not prepared): **MAURICE B. CLARK CPA PC**, Address: **808 W MAIN STREET GUN BARREL CITY TX 75150**, Phone no.: **(903) 887-7777**

Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Crown 0050 Form 1120 (2004)

Forensic Accountant Income and Analysis for Dallas Crown: “it seems to us that this foreign owned US operation is reaping the benefits of the privilege of operating in this country and receiving our numerous governmental services without paying their fair share of taxes. In other words, the American taxpayer is subsidizing this horse slaughter operation. From 2000 through 2004, Dallas Crown, Inc. paid a total of \$149,888 in federal income taxes on \$48,621,155 in gross sales, or .3% of their gross sales.”

JOHN S. RAINEY

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 ANDERSON, SC 29621
 (864) 222-0804
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 EMAIL: raggedspec@aol.com
 PAGER: 1-800-587-9844

MEMO TO: Christopher J. Heyde, Deputy Legislative Director, Society for Animal Protective Legislation
 FROM: John S. Rainey
 SUBJECT: Kaufman, Texas Horse Slaughter House's Lack of Profitability
 DATE: July 14, 2006

We have compiled a spreadsheet detailing federal income tax, income and deductions for Dallas Crown, Inc., a foreign owned horse slaughter house located in Kaufman, Texas, for the tax years 2000 through 2004. The federal income tax returns from which the information on this spreadsheet was obtained were supplied to us by you. For the five year period, the slaughter house had a total net income before tax of \$497,847 on gross sales over the period of \$48,621,155, or an average annual return of 1% net income before tax to gross sales.

It is our understanding that the annual cost to the USDA for the inspection of the three foreign owned horse slaughter houses in the United States is approximately \$5 million. In order to circumvent a temporary ban enacted by Congress in 2005, these slaughter houses offered to pay the cost of inspection so that they could continue to operate. In that case, assuming the correctness of our numbers, we can reasonably project that Dallas Crown, Inc. would be operating at a tremendous deficit in 2006 after payment of their 1/3 share of this cost, or any appreciable amount of the cost allocated to them. We wonder why a company would bother to conduct business for the dismal return this company has shown in years past, and for the significant loss it will surely incur in 2006.

We have produced an estimate of the financial results if this company had made payment of the annual cost of inspection in the years for which we have tax information (2000 – 2004), rather than such inspection costs being subsidized by the American taxpayer. The total estimated net loss for the five year period would have exceeded \$7,800,000.

Although it is a common and appropriate practice to allocate income and expenses among members of controlled groups of corporations, foreign and domestic, it seems to us that this foreign owned US operation is reaping the benefits of the privilege of operating in this country and receiving our numerous governmental services without paying their fair share of taxes. In other words, the American taxpayer is subsidizing this horse slaughter operation. From 2000 through 2004, Dallas Crown, Inc. paid a total of \$149,888 in federal income taxes on \$48,621,155 in gross sales, or .3% of their gross sales.

Allocation of income and expenses among controlled groups of corporations, foreign and domestic, must reflect economic reality and be based upon arms length transactions in order to be deemed appropriate under the United States Internal Revenue Code. We are not in a position to make any determination as to whether this horse slaughter enterprise has been operated on that basis. However, for some reason or reasons, perhaps totally unrelated to allocation of income and expenses, this Texas horse slaughter house is substantially and consistently unprofitable.

2006 Cavell International, Wastewater Violations Record shows Cavell in violation in every measure (also violated every month of operation 2004 & 2005)

Cavell International, Inc. 108 Harvestore Dr. DeKalb, IL 60115

2006 compliance/performance sampling results

*N.D.D.
RESAUBE*

Permit Limits:	BOD mg/l	TSS mg/l	NH3 mg/l	pH S.U.
Daily Maximum	2000	2000	24	5.5-9.5
Monthly Average	500	400	24	

Daily Violations = 47
 Monthly Violations = 21
 Total = 68

Sample (grab) Date	Time(am)	BOD	TSS	NH3	pH
1/4/06	8:20	0	30	14.1	7.06
1/11/06	8:05	1200	280	52.5	7.26
1/18/06	8:20	1710	560	29.7	7.37
1/25/06	8:15	570	340	89.7	6.78
Mo. Ave.		870	302.5	46.5	
2/2/06	8:15	0	110	25.1	6.68
2/8/06	8:00	1230	250	6.24	4.14
2/15/06	8:20	810	340	43.7	6.48
2/22/06	8:15	1020	120	4.84	7.52
Mo. Ave.		765	205	20	
3/1/06	8:10	1500	540	9.27	8.06
3/8/06	8:00	1650	230	7.23	3.24
3/15/06	8:20	990	210	62.8	9.4
3/22/06	8:15	930	230	36.9	8.93
3/29/06	8:30	960	90	68.4	9.3
Mo. Ave.		1206	260	36.9	
4/5/06	8:40	1050	50	23.7	9.13
4/12/06	8:50	570	160	36.4	11.78
4/19/06	8:45	120	88	29.9	7.31
4/26/06	8:00	810	130	86	8.53
Mo. Ave.		637.5	107	44	
5/3/06	8:20	1110	150	28	9.4
5/10/06	8:20	1320	130	74.3	9.5
5/17/06	8:45	903	330	19.6	5.65
5/24/06	8:40	390	140	28.3	9.9
5/31/06	8:45	0	150	30.9	7.62
Mo. Ave.		744.6	180	36.2	
6/7/06	8:15	1920	730	98.4	6.1
6/14/06	8:25	1290	108	40.1	7.4
6/21/06	8:20	1080	110	63.2	7.53
6/28/06	8:30	2340	250	16.1	7.97
Mo. Ave.		1658	299.5	54.5	

Sample (grab) Date	Time(am)	BOD	TSS	NH3	pH
7/5/06	8:30	421.5	120	108	6.33
7/12/06	8:20	273	140	32	4.68
7/19/06	8:30	871	210	49	8.21
7/26/06	8:45	30	70	24	8.21
Mo. Ave.		398.875	135	53.25	
8/2/06	8:20	30	140	36	8.59
8/9/06	8:30	840	90	25	8.12
8/16/06	8:15	0	110	23	8.65
8/23/06	8:50	0	150	89	7.13
8/30/06	8:25	60	260	27	7.3
Mo. Ave.		186	150	40	
9/6/06	8:50	60	220	16.4	6.92
9/13/06	8:30	810	400	40.1	3.61
9/20/06	8:20	750	200	40.2	9.96
9/27/06	8:15	390	200	50.5	7.05
Mo. Ave.		502.5	255	36.8	
10/4/06	8:15	90	210	66	7.27
10/11/06	8:20	2220	440	78.4	9.42
10/18/06	8:40	1290	320	86.8	7.16
10/25/06	8:20	270	110	30	7.71
Mo. Ave.		967.5	270	65.3	
11/1/06	8:30	1080	280	106	5.58
11/8/06	8:50	900	284	58.7	7.15
11/15/06	8:10	1680	210	27.6	7.57
11/22/06	8:10	390	340	20	7.35
11/29/06	8:45	1230	250	14.8	7.63
Mo. Ave.		1056	272.8	45.42	
12/5/06	8:15	210	156	16.9	5.5
12/13/06	8:30	1200	110	34.8	7.29
12/20/06	9:50	1200	90	32.2	7.26
12/27/06	8:10	600	180	31	6.96
Mo. Ave.		802.5	134	28.78	

List of Dallas Crown employees supports what Olivier Kemseke, owner of Dallas Crown's parent company, Chevideco, told townspeople in 2012 when proposing a plant in Mountain Grove, MO. Chevideco officials stated bluntly that they hired almost exclusively Hispanic immigrants, saying "they are the only people who will do the job."

Accardo, Charles Ferris, TX 75125 9/14/05	Davis-Semon, Nancy Amar, TX 75409 11/8/04	Martinez, Jr., Raid Kaufman, TX 75142 5/20/03	Rodriguez, Miguel Athens, TX 75751 5/13/03	Vega-Aleman, Demetrio Kaufman, TX 75142 1/27/04
Aguilar, Francisco Terrell, TX 75160 4/4/00	Garcia, Jose Kaufman, TX 75142 7/14/05	Ortiz, Juan Kaufman, TX 75142 1/2/02	Rondon, Guadalupe Kaufman, TX 75142 10/3/94	Villegas, David Athens, TX 75751 2/7/97
Bardson, Dorothy Tool, TX 75143 10/3/94	Garcia, Luke Terrell, TX 75160 1/22/01	Perez, Francisco Terrell, TX 75100 3/9/05	Rondon, Maria Kaufman, TX 75142 3/12/04	
Barrios, Martin Athens, TX 75751 4/4/00	Garcia, Pablo Athens, TX 75751 4/10/98	Perez, Jose Terrell, TX 75160 10/2/00	Rondon, Ramona Kaufman, TX 75142 2/21/04	
Bateman, Danny Kaufman, TX 75142 5/20/03	Garcia, Rolando Athens, TX 75751 6/2/03	Ramirez, Antonio Dallas, TX 75227 4/8/99	Ruiz, Jesus Red Oak, TX 75154 9/2/95	
Cabrera, Jose Kaufman, TX 75142 10/8/05	Guzman, Artemio Terrell, TX 75160 5/21/03	Ramirez, Javier Dallas, TX 75227 10/6/05	Ruiz, Ramiro Kaufman, TX 75142 10/3/94	
Carpenter, Shelly Mansfield, TX 76083 4/19/04	Guzman, Esteban Terrell, TX 75160 1/10/01	Ramos, Ramiro Kaufman, TX 75142 2/28/04	Ruiz, Raymundo Kaufman, TX 75142 8/28/03	
Carter III, Richard Oak Ridge, TX 75160 11/10/05	Hernandez, Jose Kaufman, TX 75142 8/24/05	Rivas, Antonio Terrell, TX 75160 9/17/01	Ruiz, Roberto Red Oak, TX 75154 10/3/94	
Castillo, Genaro Athens, TX 75751 5/20/04	Hinojosa, Jesus Kaufman, TX 75142 8/4/03	Rivera, Daniel Terrell, TX 75160 8/15/00	Soenen, Christophe 11/18/03	
Castillo, Manuel Terrell, TX 75160 4/11/01	Lopez, Andres Kaufman, TX 75142 7/10/03	Robertson, Tommy Mabank, TX 75147 10/3/04	Valenzuela, Francisco Terrell, TX 75160 10/3/94	
Cordero, J. Jesus Kaufman, TX 75142 3/26/04	Madera, Nancy Terrell, TX 75160 2/21/04	Rodriguez, David Kaufman, TX 75142 8/5/05	Vaughn, Denny Kaufman, TX 75142 6/18/01	

DEPOSITION
EXHIBIT
5
11/22/05

In Dekalb, IL, Cavel International's waste treatment tank was rebuilt to "state-of-the-art" standards in 2004 after a fire but was never in compliance on its discharge during the entire period (see violations on next page). Its treatment holding tank was photographed a few months before Cavel was closed in 2007, showing foaming blood and grease overflowing/leaking/frozen.



Police summons on wastewater compliance violations for Dallas Crown (see next three pages).

Kaufman Police Department
Offense/Arrest Report Information
For Summons to Municipal Court

REPORT/CITATION #: 400-0073-04

1. OFFENSE: City Ordinance Violation Sec. 106-105(a)(6)

2. DATE OF OFFENSE: 2-6-04

3. COMPLAINANT: KPD- Code Enforcement

4. ADDRESS: 105 E. Chestnut PHONE #: 932-3094

5. SUSPECT/ACTOR: Dallas Crown Paving
90 Christophe Soenen

6. ADDRESS: 2000 W. Fair PHONE #: _____

7. WITNESS NAMES / ADDRESSES / HOME & WORK PHONE NUMBER
Mike Herritt

(IF RURAL INCLUDE DIRECTIONS TO RESIDENCE)
INCLUDE SHORT SUMMARY ON REVERSE SIDE OF WHAT EACH WITNESS
CAN TESTIFY TO.

Chemical discharge

Kaufman Police Department
Offense/Arrest Report Information
For Summons to Municipal Court

REPORT/CITATION #: 400-0250-04

1. OFFENSE: City Ordinance Violation Sec. 106-105(5)

2. DATE OF OFFENSE: 5-25-04

3. COMPLAINANT: KPD - Code Enforcement

4. ADDRESS: 1052 Chestnut PHONE #: 932-3094

5. SUSPECT/ACTOR: Dallis Crown

6. ADDRESS: 2000 W. Fair PHONE #: _____

7. WITNESS NAMES / ADDRESSES / HOME & WORK PHONE NUMBER

TSS Max over by 4200 mg/l

(IF RURAL INCLUDE DIRECTIONS TO RESIDENCE)
INCLUDE SHORT SUMMARY ON REVERSE SIDE OF WHAT EACH WITNESS
CAN TESTIFY TO.

Kaufman Police Department
Offense/Arrest Report Information
For Summons to Municipal Court

REPORT/CITATION # 400-0339-04

- 1. OFFENSE: CITY ORDINANCE VIOLATION SECTION 106-105(G)
- 2. DATE OF OFFENSE: 6-23-2004
- 3. COMPLAINANT: MIKE MERRITT - CITY OF KAUFMAN WWTP
- 4. ADDRESS: 209 S. WASHINGTON PHONE #: 972-962-0694
- 5. SUSPECT/ACTOR: DALLAS CROWN INC.
- 6. ADDRESS: 2000W FAIR
- 7. WITNESS NAMES/ ADDRESSES/ HOME & WORK PHONE NUMBERS
BOD over by 33000 mg/lh
lab ID# 04-0008194

(IF RURAL INCLUDE DIRECTIONS TO RESIDENCE)
Include short summary on reverse side of what each witness can testify to