

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.

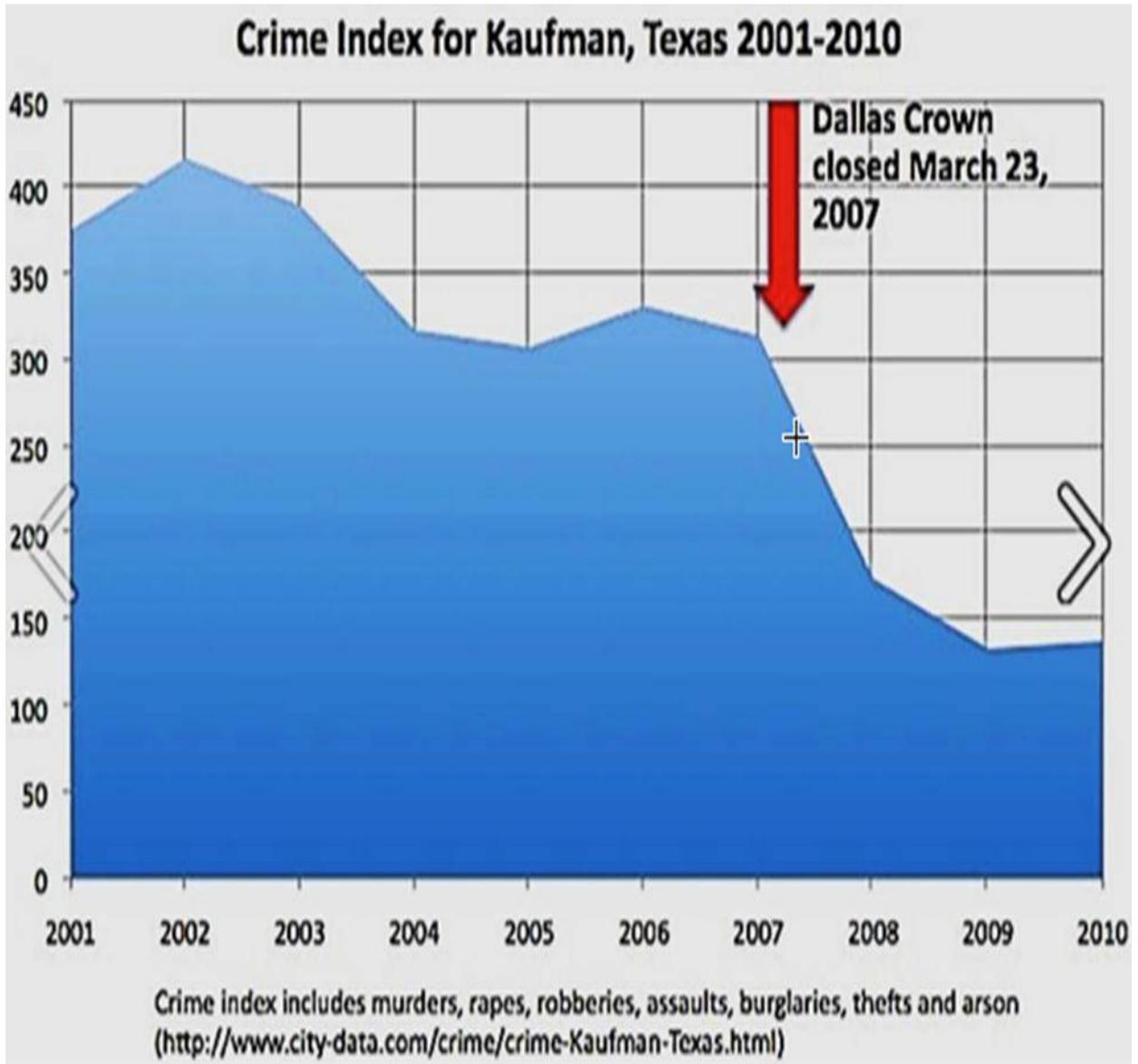
Please contact me if I can be of help.

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

Kaufman
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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

January 23, 1986

CAR-RT SORT ** 42 02

009401000
MRS. RUTH CAVE
1000 W. GROVE
KAUFMAN, TX 75142

01/23/86

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 minimized, 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 Please Turn to Page 2



*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 SULLAGE DR.
KAUFMAN, TX 75142

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

Dallas Crown in Kaufman, TX: 481 wastewater violations occurred over a period of 19 months (in yellow). The plant would ask for separate jury trials. 458 penalties totaling more than \$916,000 were never paid.

1	Date Collected	Account/Sample Collected	Ammonia as Nitrogen	COD	CBOD	BOD	BOD5	TSS	Oil & Grease	sl	Violations	Citation Issued	Citation Paid	Comments	Case Number
2	1/1/04	253/Effluent Composite	81			2000		850		7.1					
3	1/6/04	253/Effluent Composite	92			890		450		6.8					
4	1/6/04	13/DC Plant Discharge Grab Monthly				710		780	8.5	6.6					
5	1/13/04	253/Effluent Composite	79			1800		720		7.2					
6	1/9/04	253/Effluent Composite	47			640		390		6.7					
7	1/20/04	253/Effluent Composite	64			2000		950		7.2					
8	1/23/04	253/Effluent Composite	49			2760		400		7.4	BOD	1	YES (1)	\$ 1,000.00	400-0015-04
9	1/30/04	253/Effluent Composite	55			740		400		7.5					
10	2/3/04	253/Effluent Composite	37			2600		1600		7.3	BOD, TSS	2	YES (1)	\$ 1,000.00	400-0072-04
11	2/3/04	13/DC Plant Discharge Grab Monthly				790		170	19	7.3					
12	2/6/04	253/Effluent Composite	74			2600		890		7.4	BOD	1	YES (1)	\$ 1,000.00	400-0073-04
13	2/10/04	253/Effluent Composite	58			1700		970		7.2					
14	2/13/04	253/Effluent Composite	54			2300		700		7.4	BOD	1	YES (1)	\$ 1,000.00	400-0075-04
15	2/17/04	253/Effluent Composite	62			3100		660		7.4	BOD	1	YES (1)	\$ 1,000.00	00-84-04
16	2/24/04	253/Effluent Composite	79			3000		1300		7.1	BOD	1	YES (1)	\$ 1,000.00	00-85-04
17	2/27/04	253/Effluent Composite	78			2300		1400		6.9	BOD	1	YES (1)	\$ 1,000.00	00-86-04
18	3/2/04	13/DC Plant Discharge Grab Monthly				930		180	26	6.8					
19	3/5/04	253/Effluent Composite	84			1400		580		7.1					
20	3/9/04	253/Effluent Composite	130			3200		1200		7.0	BOD	1	YES (1)	\$ 1,000.00	400-0087-04
21	3/12/04	253/Effluent Composite	48			1300		870		6.7					
22	3/16/04	253/Effluent Composite	61			2600		260		7.0	BOD	1			
23	3/19/04	253/Effluent Composite	120			3000		1000		7.1	BOD	1			
24	3/23/04	253/Effluent Composite	130			1900		310		6.5					
25	3/26/04	253/Effluent Composite	150			3000		1100		7.0	BOD	1			
26	3/30/04	253/Effluent Composite	220			2400		1200		6.9	BOD	1			
27	4/2/04	253/Effluent Composite	66			1500	900	350		7.2					
28	4/6/04	13/DC Plant Discharge Grab Monthly				4000		400	32	6.8	BOD, TSS	2			
29	4/6/04	253/Effluent Composite	140			1500	1300	70		6.8					
30	4/9/04	253/Effluent Composite	110			1700	1200	1000		7.3					
31	4/13/04	253/Effluent Composite	140			3200	1800	3300		6.9	BOD, TSS	2			
32	4/16/04	253/Effluent Composite	88			1200	990	480		7.1					
33	4/20/04	253/Effluent Composite	170			1800	1300	130		6.8					
34	4/23/04	253/Effluent Composite	180			1800	1200	580		7.1					
35	4/27/04	253/Effluent Composite	78			1700	1400	230		7.0					
36	4/27/04	13/Plant Effluent Composite Daily	72	1400				190		1.7	6.9				
37	4/28/04	13/Plant Effluent Composite Daily	150	2000				430		1.6	7.1				
38	4/29/04	13/Plant Effluent Composite Daily	200	1400				120		7.3					
39	4/30/04	253/Effluent Composite	200	2000	1400	1300		200		7.2					
40	4/30/04	13/Plant Effluent Composite Daily	200	2000		1300	200	7.2							
41	5/1/04	13/Plant Effluent Composite Daily	230	2800		2000	21	6.7	BOD, TSS	2	YES (2)	\$ 2,000.00		400-0206-04 TSS 40-0205-04 CBOD	
42	5/4/04	13/DC Plant Discharge Grab Monthly		1100			380	29	6.8						
43	5/4/04	253/Effluent Composite	120			7300	1400	6300		6.8	BOD, TSS	2			
44	5/4/04	13/Plant Effluent Composite Daily	130	7600			7200	20	6.8	CBOD, TSS	2	YES (2)	\$ 2,000.00	400-0207-04 CBOD 400-0208-04 TSS	
45	5/5/04	13/Plant Effluent Composite Daily	58	310			170	12	6.9						
46	5/6/04	13/Plant Effluent Composite Daily	150	970			960	240	7.1						
47	5/7/04	13/Plant Effluent Composite Daily	170	1400			950	9.4	7.2						
48	5/8/04	13/Plant Effluent Composite Daily	170	4900			8700	160	7.0	CBOD, TSS	2	YES (2)	\$ 2,000.00	400-0210-04 TSS 400-0209-04 CBOD	
49	5/11/04	13/Plant Effluent Composite Daily	230	7300			9200	94	6.7	CBOD, TSS	2	YES (2)	\$ 2,000.00	400-0211-04 CBOD 400-0212-04 TSS	
50	5/12/04	13/Plant Effluent Composite Daily	120	1400			970	34	6.9						
51	5/13/04	13/Plant Effluent Composite Daily	79	820			1000	16	7.2						
52															
53															
54	5/14/04	13/Plant Effluent Composite Daily	150			3600		4200	350	7.1	BOD, TSS	2	YES (2)	\$ 2,000.00	400-0213-04 BOD 400-0214-04 TSS
55	5/15/04	13/Plant Effluent Composite Daily	180	1300			380	12	6.8						
56	5/18/04	13/Plant Effluent Composite Daily	230			8000		6800	390	5.9	BOD, TSS	2	YES (2)	\$ 2,000.00	400-0215-04 BOD 400-0216-04 TSS
57	5/19/04	13/Plant Effluent Composite Daily	73	800			94	7.9	6.9						
58	5/20/04	13/Plant Effluent Composite Daily	370			8500		5500	120	7.0	BOD, TSS	2	YES (2)	\$ 2,000.00	400-0217-04 BOD 400-0218-04 TSS
59	5/21/04	13/Plant Effluent Composite Daily	270			7500		230	7.7	6.9	BOD	1	YES (1)	\$ 1,000.00	400-0218-04
60	5/22/04	13/Plant Effluent Composite Daily	270			1600		1100	8.5	7.1					
61	5/25/04	13/Plant Effluent Composite Daily	300			5500		3700	22	6.1	BOD, TSS	2	YES (2)	\$ 2,000.00	400-0219-04 BOD 400-0220-04 TSS
62	5/26/04	13/Plant Effluent Composite Daily	140			580	1000	140	7.0						
63	5/27/04	13/Plant Effluent Composite Daily	71			370		67	160	7.0					
64	5/28/04	13/Plant Effluent Composite Daily	140			1700		330	11	6.8					
65	5/29/04	13/Plant Effluent Composite Daily	170			3000		1800	6.4	6.9	BOD, TSS	2	YES (2)	\$ 2,000.00	400-0281-04 TSS 400-0280-04 BOD
66	6/1/04	13/Plant Effluent Composite Daily	180			2300		1200	81	6.6	BOD	1	YES (1)	\$ 1,000.00	400-0282-04
67	6/1/04	13/DC Plant Discharge Grab Monthly				3900		4200	86	6.6	BOD, TSS	2			
68	6/2/04	13/Plant Effluent Composite Daily	150			1500		570	7.9	7.0					
69	6/3/04	13/Plant Effluent Composite Daily	240			3100		2000	280	6.9	BOD, TSS	2	YES (2)	\$ 2,000.00	400-0306-04 TSS 400-0307-04 BOD
70	6/4/04	13/Plant Effluent Composite Daily	150			3300		570	12	7.0	BOD	1	YES (1)	\$ 1,000.00	400-0308-04
71	6/5/04	13/Plant Effluent Composite Daily	120			1600		880	52	7.2					
72	6/6/04	13/Plant Effluent Composite Daily	230			1400		970	31	7.2					
73	6/9/04	13/Plant Effluent Composite Daily	200			8448		680	25	6.9	BOD	1	YES (1)		400-0343-04
74	6/10/04	13/Plant Effluent Composite Daily	700			1300		400	54	6.9					
75	6/11/04	13/Plant Effluent Composite Daily	170			2600		230	20	7.0	BOD	1	YES (1)	\$ 1,000.00	400-0310-04
76	6/12/04	13/Plant Effluent Composite Daily	120			940		1900	110	7.3	TSS	1	YES (1)	\$ 1,000.00	400-0311-04
77	6/15/04	13/Plant Effluent Composite Daily	35			880		240	25	7.6					
78	6/16/04	13/Plant Effluent Composite Daily	170			18000		1800	31	7.4	BOD, TSS	2	YES (2)		400-0341-04 BOD 400-0342-04 TSS
79	6/17/04	13/Plant Effluent Composite Daily	150			9700		720	160	6.5	BOD	1	YES (1)		400-0345-04
80	6/18/04	13/Plant Effluent Composite Daily	250			13000		2500	150	7.7	BOD, TSS	2	YES (2)		400-0350-04 BOD 400-0351-04 TSS
81	6/19/04	13/Plant Effluent Composite Daily	150			2000		1800	11	7.8					
82	6/22/04	13/Plant Effluent Composite Daily	200			9600		1200	97	7.4	BOD	1	YES (1)		400-0332-04
83	6/23/04	13/Plant Effluent Composite Daily	230			35000		1400	38	7.8	BOD	1	YES (1)		400-0336-04
84	6/24/04	13/Plant Effluent Composite Daily	290			33000		1100	87	7.3	BOD	1	YES (1)		400-0333-04
85	6/25/04	13/Plant Effluent Composite Daily	270			2800		2800	55	7.5	BOD, TSS	2	YES (2)		400-0337-04
86	6/26/04	13/Plant Effluent Composite Daily	700			670		710	25	7.1					
87	6/29/04	13/Plant Effluent Composite Daily	700			1800		490	48	7.0					
88	6/30/04	13/Plant Effluent Composite Daily	120			18000		2200	79	7.1	BOD, TSS	2	YES (2)		400-0334-04 BOD 400-0335-04 TSS
89	7/1/04	13/Plant Effluent Composite Daily	180			5400		1800	48	6.8	TSS	1	YES (1)		400-0338-04
90	7/2/04	13/Plant Effluent Composite Daily	120			8500		870	<5.6	6.8	BOD	1	YES (1)		04-0009736
91	7/3/04	13/Plant Effluent Composite Daily	98			430		470	16	7.8					
92	7/6/04	13/Plant Effluent Composite Daily	180			940		480	<5.9	7.3					
93	7/6/04	13/DC Plant Discharge Grab Monthly				1000		84	<5.9	7.2					
94	7/7/04	13/Plant Effluent Composite Daily	700			3500		1400	61	6.8	BOD	1	YES (1)		04-000834
95	7/9/04	13/Plant Effluent Composite Daily	150			8200		270	<5.7	7.1	BOD	1	YES (1)		04-000940
96	7/9/04	13/Plant Effluent Composite Daily	130			1200		270	98	5.9					
97	7/10/04	13/Plant Effluent Composite Daily	110			4000		400	83	7.4	BOD	1	YES (1)		04-000948
98	7/13/04	13/Plant Effluent Composite Daily	180			1800		150	92	6.3					
99	7/14/04	13/Plant Effluent Composite Daily	170			2600		1700	33	7.2	BOD, TSS	2	YES (1)		04-0009706
100	7/15/04	13/Plant Effluent Composite Daily	20			7400		570	3.8	7.8	BOD	1	YES (1)		04-0009777
101	7/16/04	13/Plant Effluent Composite Daily	38			1200		340	34	6.9					
102	7/17/04	13/Plant Effluent Composite Daily	22			1900		240	<5.6						

Date Collected	Account/Sample Collected	Ammonia as Nitrogen	COD	CBOD	BOD	BOD5	TSS	Oil & Grease	pH	Violations	Citation Issued	Citation Paid	Comments	Case Number
107														
108	7/2/04	13/Plant Effluent Composite Daily	32		520		94	<6.2	7.3					
109	7/22/04	13/Plant Effluent Composite Daily	38		1400		120	40	6.7					
110	7/23/04	13/Plant Effluent Composite Daily	78		920		530	<6.2	7.4					
111	7/24/04	13/Plant Effluent Composite Daily	26		150		49	<5.9	7.7					
112	7/27/04	13/Plant Effluent Composite Daily	86		19000		470	22	7.5	BOD	1	YES (1)		04-0009777
113	7/28/04	13/Plant Effluent Composite Daily	26		21000		180	<6.0	7.9	BOD	1	YES (1)		04-0009851
114	7/29/04	13/Plant Effluent Composite Daily	36		830		430	11	6.4					
115	7/30/04	13/Plant Effluent Composite Daily	18		360		270		6.5					
116	7/31/04	13/Plant Effluent Composite Daily	14		260		180	<5.5	7.2					
117	8/3/04	13/Plant Effluent Composite Daily	40		150		92	100	6.5					
118	8/3/04	13/OC Plant Discharge Grab Monthly			5400		1200	90	6.7	BOD	1	YES (1)		04-0010146
119	8/4/04	13/Plant Effluent Composite Daily	160		8000		1200	<6.1	7.0	BOD	1	YES (1)		04-0010196
120	8/5/04	13/Plant Effluent Composite Daily	190		6800		930	22	6.6	BOD	1	YES (1)		04-0010254
121	8/6/04	13/Plant Effluent Composite Daily	230		20000		2300	110	6.8	BOD, TSS	2	YES (1)		04-0010236 BOD/TSS?
122	8/7/04	13/Plant Effluent Composite Daily	240		950		440	120	7.6					
123	8/14/04	13/Plant Effluent Composite Daily	61		990		160	14	6.9					
124	8/17/04	13/Plant Effluent Composite Daily	110		20000		120	16	6.8	BOD	1	YES (1)		04-0010778
125	8/18/04	13/Plant Effluent Composite Daily	30		2000		83	52	6.7					
126	8/19/04	13/Plant Effluent Composite Daily	93		2600		340	270	6.2	BOD	1	YES (1)		04-0010917
127	8/20/04	13/Plant Effluent Composite Daily	62		990		690	22	6.3					
128	9/8/04	13/Plant Effluent Composite Daily	26000		16000		240			BOD	1			
129	9/9/04	13/Plant Effluent Composite Daily	2100		1400		140							
130	9/10/04	13/Plant Effluent Composite Daily	1800		4000		140			BOD	1			
131	9/11/04	13/Plant Effluent Composite Daily	1700		940		110							
132	9/12/04	13/Plant Effluent Composite Daily	2000		1100		110							
133	9/14/04	13/Plant Effluent Composite Daily	2400		1400		430							
134	9/15/04	13/Plant Effluent Composite Daily	1300		790		160							
135	9/16/04	13/Plant Effluent Composite Daily	2800		2000		930							
136	9/17/04	13/Plant Effluent Composite Daily	3400		2300		1400			BOD	1			
137	9/18/04	13/Plant Effluent Composite Daily	1100		550		170							
138	9/19/04	13/Plant Effluent Composite Daily	820		1200		170							
139	9/21/04	13/Plant Effluent Composite Daily	2000		2000		240							
140	9/22/04	13/Plant Effluent Composite Daily	2000		1300		470							
141	9/23/04	13/Plant Effluent Composite Daily	610		440		87							
142	9/24/04	13/Plant Effluent Composite Daily	1400		1200		100							
143	9/25/04	13/Plant Effluent Composite Daily	950		600		74							
144	9/26/04	13/Plant Effluent Composite Daily	390		270		32							
145	9/28/04	13/Plant Effluent Composite Daily	1500		*		82							
146	9/28/04	13/Plant Effluent Composite Daily			930									
147	9/29/04	13/Plant Effluent Composite Daily	910		660		330							
148	9/30/04	13/Plant Effluent Composite Daily	870		640		34							
149	10/1/04	13/Plant Effluent Composite Daily	2000		1100		120							
150	11/18/04												Letter to begin Daily Testing.	
151	11/23/04	No test submitted								BOD, TSS, Ph	3		2nd letter OC	
152	11/24/04	No test submitted								BOD, TSS, Ph	3			
153	11/25/04	No test submitted								BOD, TSS, Ph	3			
154	11/26/04	No test submitted								BOD, TSS, Ph	3			
155	11/29/04	No test submitted								BOD, TSS, Ph	3			
156										Note: Total violations this sheet =	15			
157										Subtotal violations =	79			
Date Collected	Account/Sample Collected	Ammonia as Nitrogen	COD	CBOD	BOD	BOD5	TSS	Oil & Grease	pH	Violations	Citation Issued	Citation Paid	Comments	Case Number
158														
159														
160	11/30/04	No test submitted								BOD, TSS, Ph	3			
161	12/1/04	No test submitted								BOD, TSS, Ph	3			
162	12/2/04	No test submitted								BOD, TSS, Ph	3			
163	12/3/04	Ceres Plant Effluent	1580		727		400			Ph, Takem Lab	2			
164	12/6/04	No test submitted								BOD, TSS, Ph	3			
165	12/7/04	Ceres Plant Effluent	4280		1550		2170			Ph, Takem Lab	3		TSS violation plus	
166	12/8/04	No test submitted								BOD, TSS, Ph	3			
167	12/9/04	No test submitted								BOD, TSS, Ph	3			
168	12/10/04	Ceres Plant Effluent	6250		3300		2620			Ph, Takem Lab	4		BOD and TSS violations plus	
169	12/13/04	No test submitted								BOD, TSS, Ph	3			
170	12/14/04	Ceres Plant Effluent	4270		1220		1660			Ph, Takem Lab	2			
171	12/15/04	No test submitted								BOD, TSS, Ph	3			
172	12/16/04	No test submitted								BOD, TSS, Ph	3			
173	12/17/04	Ceres Plant Effluent	3370		1570		1040			Ph, Takem Lab	2			
174	12/20/04	No test submitted								BOD, TSS, Ph	3			
175	12/21/04	Ceres Plant Effluent	3060		1130		630			Ph, Takem Lab	2			
176	12/22/04	No test submitted								BOD, TSS, Ph	3			
177	12/23/04	Ceres Plant Effluent	928		421		218			Ph, Takem Lab	2			
178	12/24/04	No test submitted								BOD, TSS, Ph	3			
179	12/27/04	No test submitted								BOD, TSS, Ph	3			
180	12/28/04	Ceres Plant Effluent	633		215		208			Ph, Takem Lab	2			
181	12/29/04	No test submitted								BOD, TSS, Ph	3			
182	12/30/04	Ceres Plant Effluent	940		430		144			Ph, Takem Lab	2			
183	12/31/04	No test submitted								BOD, TSS, Ph	3			
184	1/3/05	No test submitted								BOD, TSS, Ph	3			
185	1/4/05	Ceres Plant Effluent	649		234		100			Ph, Takem Lab	2			
186	1/5/05	No test submitted								BOD, TSS, Ph	3			
187	1/6/05	No test submitted								BOD, TSS, Ph	3			
188	1/7/05	Ceres Plant Effluent	693		270		150			Ph, Takem Lab	2			
189	1/10/05	No test submitted								BOD, TSS, Ph	3			
190	1/11/05	Ceres Plant Effluent	1300		504		420			Ph, Takem Lab	2			
191	1/12/05	No test submitted								BOD, TSS, Ph	3			
192	1/13/05	No test submitted								BOD, TSS, Ph	3			
193	1/14/05	Ceres Plant Effluent	683		270		44			Ph, Takem Lab	2			
194	1/17/05	No test submitted								BOD, TSS, Ph	3			
195	1/18/05	Ceres Plant Effluent	1280		502		508			Ph, Takem Lab	2			
196	1/19/05	No test submitted								BOD, TSS, Ph	3			
197	1/20/05	No test submitted								BOD, TSS, Ph	3			
198	1/21/05	Ceres Plant Effluent	928		435		46			Ph, Takem Lab	2			
199	1/24/05	No test submitted								BOD, TSS, Ph	3			
200	1/25/05	Ceres Plant Effluent	1110		341		220			Ph, Takem Lab	2			
201	1/26/05	No test submitted								BOD, TSS, Ph	3			
202	1/27/05	No test submitted								BOD, TSS, Ph	3			
203	1/28/05	Ceres Plant Effluent	590		274		44			Ph, Takem Lab	2			
204	1/31/05	No test submitted								BOD, TSS, Ph	3			
205	2/1/05	Ceres Plant Effluent	555		180		30			Ph, Takem Lab	2			
206	2/2/05	No test submitted								BOD, TSS, Ph	3			
207										Note: Total violations this sheet =	126			
208										Subtotal violations =	202			

Date Collected	Assess/Facility Collected	Ammonia as Nitrogen	COD	CDD	BOD	BOD5	TSS	Oil & Grease	pH	Violations	Citation Issued	Citation Paid	Comments	Case Number
209														
210		No test submitted								900, TSS, Ph	3			
211		Carles Plant Effluent	820		334		545			Ph, TSS, Lap	2			
212		No test submitted								900, TSS, Ph	3			
213		Carles Plant Effluent	855		321		84			Ph, TSS, Lap	2			
214		No test submitted								900, TSS, Ph	3			
215		No test submitted								900, TSS, Ph	3			
216		Carles Plant Effluent	575		288		40			Ph, TSS, Lap	2			
217		No test submitted								900, TSS, Ph	3			
218		Carles Plant Effluent	631		302		48			Ph, TSS, Lap	2			
219		No test submitted								900, TSS, Ph	3			
220		No test submitted								900, TSS, Ph	3			
221		Carles Plant Effluent	882		203		82			Ph, TSS, Lap	2			
222		No test submitted								900, TSS, Ph	3			
223		No test submitted								900, TSS, Ph	3			
224		No test submitted								900, TSS, Ph	3			
225		No test submitted								900, TSS, Ph	3			
226		Carles Plant Effluent	985		708		588			Ph, TSS, Lap	2			
227		No test submitted								900, TSS, Ph	3			
228		Carles Plant Effluent	794		287		48			Ph, TSS, Lap	2			
229		No test submitted								900, TSS, Ph	3			
230		No test submitted								900, TSS, Ph	3			
231		Carles Plant Effluent	933		387		544			Ph, TSS, Lap	2			
232		No test submitted								900, TSS, Ph	3			
233		Carles Plant Effluent	637		310		48			Ph, TSS, Lap	2			
234		No test submitted								900, TSS, Ph	3			
235		No test submitted								900, TSS, Ph	3			
236		Carles Plant Effluent	601		254		174			Ph, TSS, Lap	2			
237		No test submitted								900, TSS, Ph	3			
238		No test submitted								900, TSS, Ph	3			
239		No test submitted								900, TSS, Ph	3			
240		No test submitted								900, TSS, Ph	3			
241		No test submitted								900, TSS, Ph	3			
242		No test submitted								900, TSS, Ph	3			
243		Carles Plant Effluent	1180		388		328			Ph, TSS, Lap	2			
244		No test submitted								900, TSS, Ph	3			
245		No test submitted								900, TSS, Ph	3			
246		Carles Plant Effluent	748		318		94			Ph, TSS, Lap	2			
247		No test submitted								900, TSS, Ph	3			
248		No test submitted								900, TSS, Ph	3			
249		No test submitted								900, TSS, Ph	3			
250		No test submitted								900, TSS, Ph	3			
251		Carles Plant Effluent	5480		888		830			900, TSS, Ph	3			
252		No test submitted								900, TSS, Ph	3			
253		Carles Plant Effluent	828		383		172			900, TSS, Ph	3			
254		No test submitted								900, TSS, Ph	3			
255		No test submitted								900, TSS, Ph	3			
256		No test submitted								900, TSS, Ph	3			
257		No test submitted								900, TSS, Ph	3			
258		No test submitted								900, TSS, Ph	3			
259		No test submitted								900, TSS, Ph	3			
260										Note: Total violations this sheet =	132			
261										Subtotal violations =	353			
Date Collected	Assess/Facility Collected	Ammonia as Nitrogen	COD	CDD	BOD	BOD5	TSS	Oil & Grease	pH	Violations	Citation Issued	Citation Paid	Comments	Case Number
262														
263		No test submitted								900, TSS, Ph	3			
264		Carles Plant Effluent	5320		302		280			900, TSS, Ph	3			
265		No test submitted								900, TSS, Ph	3			
266		Carles Plant Effluent	858		285		95			900, TSS, Ph	3			
267		No test submitted								900, TSS, Ph	3			
268		No test submitted								900, TSS, Ph	3			
269		Carles Plant Effluent	720		347		501			900, TSS, Ph	3			
270		No test submitted								900, TSS, Ph	3			
271		No test submitted								900, TSS, Ph	3			
272		No test submitted								900, TSS, Ph	3			
273		No test submitted								900, TSS, Ph	3			
274		No test submitted								900, TSS, Ph	3			
275		No test submitted								900, TSS, Ph	3			
276		Carles Plant Effluent	838		513		88			900, TSS, Ph	3			
277		No test submitted								900, TSS, Ph	3			
278		No test submitted								900, TSS, Ph	3			
279		Carles Plant Effluent	848		345		533			900, TSS, Ph	3			
280		No test submitted								900, TSS, Ph	3			
281		Carles Plant Effluent	5280		684		578			900, TSS, Ph	3			
282		No test submitted								900, TSS, Ph	3			
283		No test submitted								900, TSS, Ph	3			
284		Carles Plant Effluent	908		303		88			900, TSS, Ph	3			
285		No test submitted								900, TSS, Ph	3			
286		Carles Plant Effluent	817		434		523			900, TSS, Ph	3			
287		No test submitted								900, TSS, Ph	3			
288		No test submitted								900, TSS, Ph	3			
289		Carles Plant Effluent	995		391		522			900, TSS, Ph	3			
290		No test submitted								900, TSS, Ph	3			
291		Carles Plant Effluent	5200		674		504			900, TSS, Ph	3			
292		No test submitted								900, TSS, Ph	3			
293		No test submitted								900, TSS, Ph	3			
294		Carles Plant Effluent	925		483		540			900, TSS, Ph	3			
295		No test submitted								900, TSS, Ph	3			
296		No test submitted								900, TSS, Ph	3			
297		No test submitted								900, TSS, Ph	3			
298		No test submitted								900, TSS, Ph	3			
299		No test submitted								900, TSS, Ph	3			
300		No test submitted								900, TSS, Ph	3			
301		Carles Plant Effluent	888		288		590			900, TSS, Ph	3			
302		Carles Plant Effluent	1110		484		540							
303		Carles Plant Effluent	5370		515		40							
304		Carles Plant Effluent	5370		540		520						OC Letter Issuing	
305		Carles Plant Effluent	2000		674		290		4.8	Ph	1			
306		Carles Plant Effluent	5280		700		33		4.9	Ph	1			
307		Carles Plant Effluent	5870		780		578		4.0	Ph	1			
308		Carles Plant Effluent	5280		588		580		3.7	Ph	1			
309		Issm	5800		69		810		4.8	Ph	1	YB.B.11)		150332
310		Issm	990		820		540		4.8	Ph	1	YB.B.11)		150434
311										Note: Total violations this sheet =	122			
312										Subtotal violations =	693			

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:

Income		Deductions (See instructions for limitations on deductions)		Tax and Payments	
1a	Gross receipts or sales	12007611		31	5
2	Cost of goods sold (Schedule A, line 8)			32a	
3	Gross profit. Subtract line 2 from line 1a	4227430		32b	80000
4	Dividends (Schedule C, line 19)			32c	
5	Interest			32d	80000
6	Gross rents			32e	
7	Gross royalties			32f	
8	Capital gain net income (attach Schedule D (Form 1128))			32g	
9	Net gain or (loss) from Form 4797, Part II, line 15 (attach Form 4797)			32h	
10	Other income (see page 9 of instructions; attach schedule)			32i	
11	Total income. Add lines 3 through 10	4279973		32j	
12	Compensation of officers (Schedule E, line 4)	104530		32k	
13	Salaries and wages (less employment credits)	1877264		32l	
14	Repairs and maintenance	321347		32m	
15	Bad debts			32n	
16	Rents	72510		32o	
17	Taxes and licenses	8577		32p	
18	Interest	4784		32q	
19	Charitable contributions (see page 11 of instructions for 10% limitation)	3		32r	
20	Depreciation (attach Form 4562)	87239		32s	
21	Less depreciation claimed on Schedule A and elsewhere on return	87239		32t	
22	Depletion			32u	
23	Advertising	4937		32v	
24	Pension, profit-sharing, etc., plans			32w	
25	Employee benefit programs			32x	
26	Other deductions (attach schedule)	1798637		32y	
27	Total deductions. Add lines 12 through 26	4279942		32z	
28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11	31		33	
29	Less: a Net operating loss (NOL) deduction (see page 13 of instructions)			34	
	b Special deductions (Schedule C, line 20)			35	
30	Taxable income. Subtract line 29c from line 28	31		36	
31	Total tax (Schedule J, line 11)			37	79995
32	Payments: a 2004 overpayment credited to 2004			38	79995
	b 2004 estimated tax payments	80000		39	
	c Less 2004 refund applied for on Form 4466			40	
	d Tax deposited with Form 7004			41	
	e Credit for tax paid on undistributed capital gains (attach Form 2439)			42	
	f Credit for Federal tax on fuels (attach Form 4136). See instructions			43	
33	Estimated tax penalty (see page 14 of instructions). Check if Form 2220 is attached			44	
34	Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed			45	
35	Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid			46	
36	Enter amount of line 35 you want credited to 2005 estimated tax			47	

Signature of officer: **Maurice B. Clark**, Date: **09/15/05**, Title: **Sec/TREAS**

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

Firm's name (if yours is not a sole proprietorship): **MAURICE B. CLARK CPA PC**, Address: **808 W MAIN STREET GUN BARREL CITY TX 75060**, 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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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