

POSITION PAPER

# An Analysis of the GAO Report on Horse Welfare: Disturbing Omissions and Cover-up

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*by Valerie James-Patton, Laura Allen, John Holland and Vicki Tobin*



*Equine Welfare Alliance is a dues-free 501(c)(4) umbrella organization representing 189 organizations and hundreds of individual members worldwide. The organization focuses its efforts on the welfare of all equines and the preservation of wild equids. [www.equinewelfarealliance.org](http://www.equinewelfarealliance.org)*



*The Animal Law Coalition is a coalition of pet owners and rescuers, advocates, attorneys, law students, veterinarians, shelter workers, decision makers, and other citizens, that advocates for the rights of animals to live and live free of cruelty and neglect. [www.animallawcoalition.com](http://www.animallawcoalition.com)*

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## Introduction

In 2010 the Government Accountability Office (GAO) report, GAO 11-228<sup>1</sup>, was requested by the Senate Appropriations Committee to examine "(1) the effect on the U.S. horse market, if any, since domestic slaughter for food ceased in 2007; (2) the impact, if any, of market changes on horse welfare and on states, local governments, tribes, and animal welfare organizations; and (3) challenges, if any, to USDA's oversight of the transport and welfare of U.S. horses exported for slaughter."

The first concerns about the report's objectivity surfaced when paid horse slaughter lobbyist Charles Stenholm implied at a meeting of slaughter proponents in January of 2011 that the report (still months from delivery) would be good for their position. GAO officials first admitted and then denied that the report had been leaked to slaughter proponents.

In the final report, the GAO makes a principal recommendation: "***Congress may wish to consider instituting an explicit ban on the domestic slaughter of horses and export of U.S. horses intended for slaughter in foreign countries.***"

The GAO also suggests "***that Congress may wish to reconsider restrictions on the use of federal funds to inspect horses for slaughter***". In other words, end slaughter or bring it back to the US. These two recommendations are diametrically opposed. Therefore only one can be a valid course. This illogic is rife throughout the report. In support of the later recommendation, the report is shocking in its admitted reliance on gossip, speculation, and other unsubstantiated and inaccurate information.

Those expecting a report filled with new data and rational conclusions can only be flabbergasted at the document that the team created, yet this has not deterred those determined to bring horse slaughter back to the US from cherry picking statements within the report that support their position. In fact, the report presents some true facts while glaringly omitting others that would run counter to their bias.

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<sup>11</sup> <http://www.gao.gov/new.items/d11228.pdf>

## The economics of horse slaughter

The fully documented history of horse slaughter shows it is a cost to communities, not a benefit. A prime example of cherry picking facts done throughout the report is the statement on p. 8 that the slaughter of nearly “105,000 horses in 2006 – the last year of operations – and export[ of] more than 17,000 metric tons of horsemeat,....was valued about \$65 million at that time.”

The media including the newspapers, Sacramento Bee, Bellingham Herald, Fort Worth Star Telegram, and the South Bend Tribune, then dutifully reported, “Lost are direct exports to Europe totaling 17,000 metric tons of horse meat valued at \$65 million in 2006, when the three U.S. plants operated.”

What GAO report omits is that the U.S. economy *did not* lose \$65 million; no U.S. businesses, individually or together, lost \$65 million as a result of the closing of the horse slaughter plants. The U.S. horse slaughter facilities were all foreign owned. There is no market for horsemeat in the U.S., and the horsemeat from horses slaughtered here was shipped to other countries. The revenue went to foreign owned corporations from sales in Europe, Japan and other countries.

The GAO report entirely omits any mention of the cost of horse slaughter facilities to communities even though Equine Welfare Alliance provided such information to those who authored this report.<sup>2</sup>

As an example, tax returns demonstrated in 2004 Dallas Crown’s U.S. plant paid only \$5 of income tax on \$12 million in sales in foreign markets and in other years typically less than 0.3% or 1/3 of 1% of gross revenues or sales.<sup>3</sup> At the same time the plant’s untreated sewage discharge cost the town so severely that it continually fined the plant (which refused to pay) and eventually ordered the plant closed. *The legal battle that followed nearly bankrupted the town.*

The lengthy history of the town of Kaufman, Texas and its battle against the Dallas Crown slaughter plant is available in **Appendix A**. And Kaufman was not an exceptional case, but the norm.

A state of the art pre-treatment system was built in DeKalb, Illinois for the facility owned there by Cavel International, Inc. That horse slaughter operation even had special Industrial Waste Permits that allowed much higher (8 times higher) contamination levels for wastewater leaving the slaughter house. But, the Cavel horse slaughter house was still not in compliance. It was not out of compliance a few times. This facility was in significant non-compliance hundreds of times. Lists for violations from 2005-2006 are available at Downloads, [www.animallawcoalition.com](http://www.animallawcoalition.com). The final year of 2006 is provided in **Appendix C**. This does not include the numerous humane slaughter and safety violations documented by the FSIS. That list is available at:

<http://www.box.net/shared/4fmi92iy70#/shared/4fmi92iy70/1/42753310/802985698/1>.

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<sup>2</sup> See information submitted to GAO at <http://www.box.net/shared/4fmi92iy70#/shared/4fmi92iy70/1/42753310/612698915/1> .

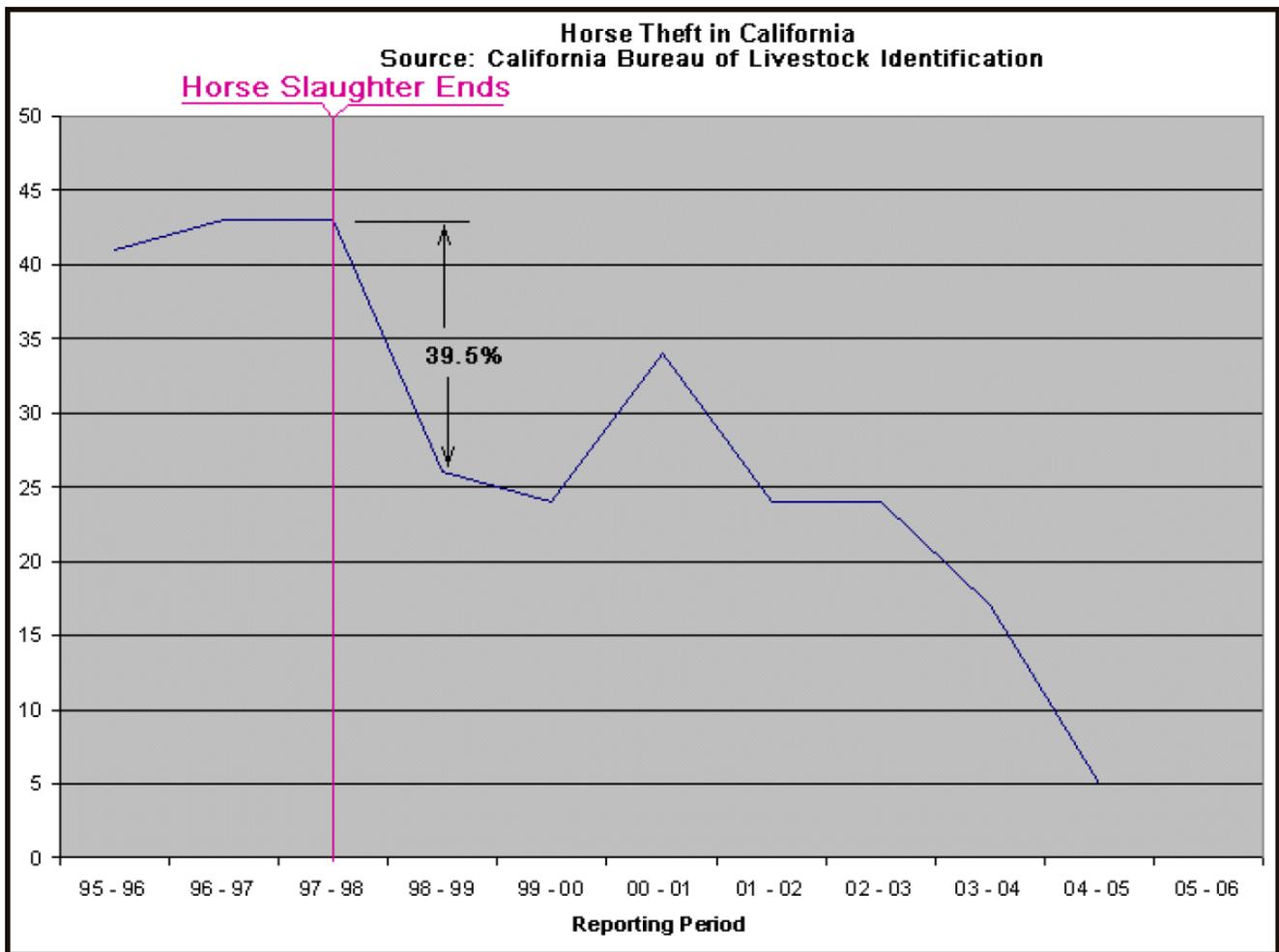
<sup>3</sup> Dallas Crown tax returns available upon request. The cover page for the Form 1140 for 2004 appears in **Appendix B**.

Cavel discharged about 13,000 gallons of wastewater each day from the more than 500 horses slaughtered each week. The wastewater contained excessive levels of decomposition and waste from slaughtered horses. In one report A Cavel employee acknowledges “chunks” from slaughtered horses were oozing out of tanks.

The DeKalb Sanitary District levied a total of \$80,500 for violations from 2006 until the facility was finally closed in 2007. At one point Cavel tried to avert discharge from the facility from entering the District’s collection system.

Cavel’s innumerable violations and its cavalier disregard for its contamination of the environment prompted the District to threaten revocation of the horse slaughter plant’s permit. The Humane Society of the United States filed a notice of intent to sue Cavel for repeated violations of the federal Clean Water Act.

Another completely omitted cost to communities is horse theft. When California banned horse slaughter in 1998, in the years that followed, the state noted a nearly 88% decrease in horse theft.



Assuming states take steps to protect citizens from horse theft, it could well mean auctions must be monitored for possible stolen horses. It could mean horses will be held for a period of time to allow owners to reclaim those that are stolen. It could mean an intrusive program such as micro-chipping. This means more regulation, more enforcement costs, all of which must be borne by the equine owners or taxpayers. The report omits these issues completely.

Domestic horse slaughter created very few jobs, typically low wage jobs filled largely by undocumented workers. It also meant substantial violations of waste water permits that citizens in the community experienced as sewer lines that were clogged and overflowing with blood and other waste from the horse slaughter plants; waste water treatment facilities were overrun and required upgrades at substantial taxpayer costs.

The attempt to regulate horse slaughter plants required substantial local government resources. Communities were left with environmental and economic devastation from waste and blood, poor quality housing, health care services that were stretched from accommodating low wage workers and their families, city resources used up in monitoring and trying to enforce wastewater restrictions, and typically tens, if not hundreds of thousands, of dollars in unpaid fines for wastewater permit violations.

This is what pro-horse slaughter politicians and foreign investors – and now the GAO - are trying to sell to the American people as a *benefit*.

*The GAO was provided with all this information. They simply chose to ignore it.*

## **The impact of slaughter on equine abuse, neglect and abandonment**

The GAO does underscore there is no data to support the wild claims of widespread abandonment and abuse or neglect of horses since the “*cessation of domestic slaughter*”. Indeed, the GAO could have mentioned the studies<sup>4</sup> establishing many of these reports are simply untrue, obviously planted in the media to suggest a crisis.

This deliberate disinformation campaign was most pronounced in the year between the closure of the plants in 2007 and the severe economic downturn of 2008. In 2007 researchers began compiling reports later collectively called, *Deleting the Fiction*. The researchers systematically contacted alleged sources, if any, of media reports of abandoned horses.

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<sup>4</sup> Find studies at <http://www.kaufmanzoning.net/DeletingtheFictionShortPaper.pdf> ; <http://www.kaufmanzoning.net/horsemeat/>; <http://commonhorsesense.net/> ; [http://www.animals-angels.com/index.php?pageID=start\\_us&sessionLang=us](http://www.animals-angels.com/index.php?pageID=start_us&sessionLang=us)

The first such case was a story reporting horses abandoned on a Kentucky mining strip; the story was headline news, repeated in several media reports and on and on. As it turned out, the horses were not abandoned. The owners were simply using the mining strip to pasture them temporarily.

There are an endless number of such examples of phony reports of abandoned or neglected or abused horses. One rumor that has persisted is that there are large numbers of abandoned horses in federal or state parks. Yet, there is not one documented instance of horses abandoned in federal or state parks.

Researchers contacted police, sheriffs, federal and state park officials, U.S. Forest Service officials, animal control, animal shelters, livestock boards, and the like and determined most of the articles were false or misleading. Surely, these researchers would have been far better sources for GAO than the 17 state veterinarians who admitted they had no first-hand information regarding abandoned or neglected or abused horses. They offered only anecdotes or hearsay and gossip which GAO accepted as fact. It is unthinkable that the GAO would admit information was unsubstantiated and yet still include it in the report.

The GAO also repeats as true the speculation and gossip of pro-slaughter organizations that the "*cessation of domestic slaughter*" has somehow translated into a rise in incidents of horse abandonment and abuse and neglect.

A typical GAO source for the claim of a substantial rise in incidents of horse abandonment and abuse or neglect is the Colorado Unwanted Horse Alliance, whose executive members are all proponents of horse slaughter. The Colorado Unwanted Horse Alliance submitted information previously gathered from an unscientific survey of primarily pro-slaughter proponents.

The Unwanted Horse Coalition, a pro-slaughter sub-group of the American Horse Council, decided from the national numbers in the unscientific survey results which of those would be representative of Colorado. The GAO failed to report the numbers offered were not actual data from Colorado. The calculations and methods used to determine the numbers in the report from Colorado can be found on the organization's website.

The GAO points to another unsubstantiated report, this time from the National Tribal Horse Coalition that 30,000 abandoned horses roamed their land, degrading the range. No evidence is offered for this report, and the GAO fails to point out the NTHC was recently honored for its support of horse slaughter. The honor was bestowed by none other than Sue Wallis, a founder of United Organization of the Horse, a rabidly pro-horse slaughter proponent, whose mission is to resurrect horse slaughter to the U.S.<sup>5</sup>

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<sup>5</sup> Note this Facebook comment posted on Aug. 22, 2011 by Sue Wallis on the United Horsemen group page: [Sue Wallis](#) The National Tribal Horse Coalition is one of our strongest allies and staunchest supporters. They stand shoulder to shoulder with us in Washington D.C. every day, and they are working hard to make things better for us all, which is more than any of the breed registries or sport groups are doing. ...16 hours ago · [3 people like this](#)

The GAO failed to do the hard work of contacting local animal control, sheriffs, police, or other officials who would actually know the numbers of abandoned horses in each community. Indeed, it was telling when in 2009 while then Montana state Rep. Ed Butcher stood on the floor of the legislature, insisting the state was overrun with abandoned horses, a team of researchers systematically contacted each county and found, in fact, few horses had been astray, no more than usual, and not one county contacted considered the issue significant.<sup>6</sup>

As GAO notes, not one person has claimed a reward from the Animal Welfare Institute Abandoned Horse Reward Fund first offered in March, 2009. If the U.S. is overrun with abandoned horses, why has no one claimed a reward for finding even one abandoned horse?

## Abandoned horses on public lands

The GAO teamed up with another federal agency, Bureau of Land Management (BLM), to try to shore up support for the belief in numbers of horses abandoned everywhere: *“BLM officials said that annual adoptions had fallen from about 8,000 in 2005 to about 3,000 in 2010. In an October 2010 Web message, the BLM Director estimated that the number of horses and burros on lands the agency manages exceeds by about 12,000 the number that would allow these lands to remain sustainable for other uses and species. The increase in unwanted domesticated horses available for sale or being abandoned on public lands is affecting the federal government’s ability to manage wild horse and burro populations. ... BLM officials state in addition to natural reproduction in wild horse and burro herds, the increasing number of domesticated horses being abandoned on public lands has contributed to the overpopulation problem.”*

But the BLM has absolutely no data to support these wild assertions that large numbers of horses are abandoned on public lands, and the GAO repeating them does not make them fact. Not a single instance is described as to location, number of horses, date, disposition - nothing. And, GAO’s own report states that adoptions of wild horses and burros began to decline in 2005; the *“cessation of domestic slaughter”* in 2007 could *not* have been the cause of dwindling adoptions.

The GAO report seems to intimate the stepped up roundups of wild horses and burros has something to do with allegations of increased incidents of horse abandonment on public lands. Nothing could be further from the truth. BLM stepped up roundups beginning in 2009, according to its own planning documents, as a result of decisions years earlier or to make way for cattle grazing, mining, development and other land uses. *In none of the environmental assessments or decision records justifying removals of wild horses and burros from public lands is increased abandonment of domestic horses given as a reason.*

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<sup>6</sup> A copy of the findings of the Montana researchers is available at Downloads, [www.animallawcoalition.com](http://www.animallawcoalition.com)

## The impact on equine rescues

The GAO again uses unsubstantiated numbers from the pro-slaughter Unwanted Horse Coalition, to decide horse rescues are overrun because of the “*cessation of domestic slaughter*”. The reasons given for over-full rescues have nothing to do with “cessation of domestic slaughter” and everything to do with the current economic recession - loss of revenues, jobs, and homes. There is no data offered at all even to suggest, let alone prove opening domestic horse slaughter plants is a viable solution to economic problems of rescuers.

The Equine Welfare Alliance has almost two hundred member organizations, most of them being equine rescues. Yet not one single equine rescue in the EWA is in favor of horse slaughter.

## The impact of unemployment

It is true that horse prices are currently low and many owners are in financial trouble, but what is disturbing is that with no supporting data, the GAO reports as true the claims of widespread horse abandonment or abuse and neglect when, in fact, the GAO was presented with proof to the contrary.

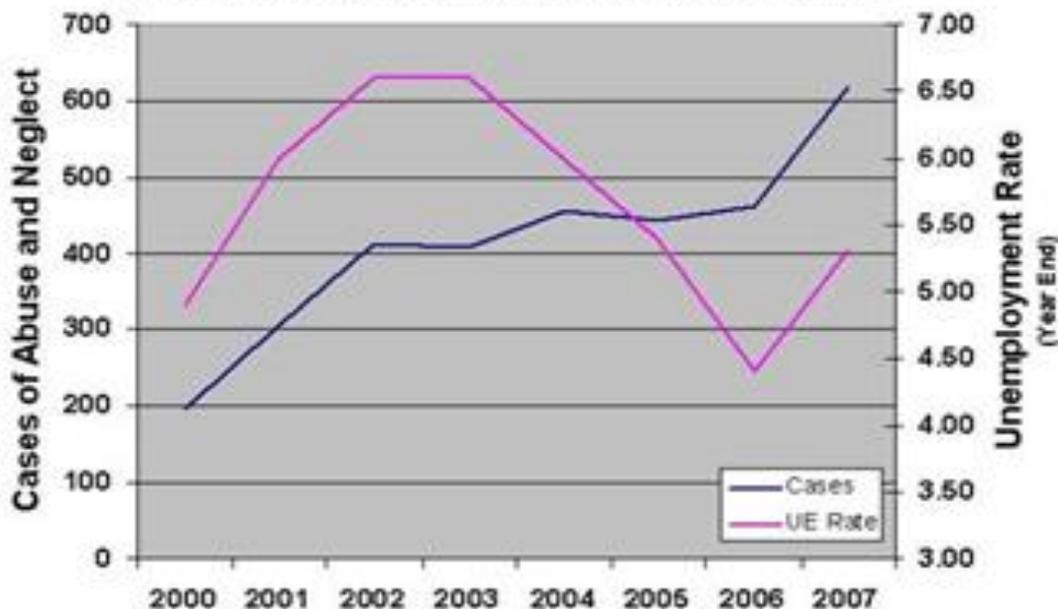
A study by Equine Welfare Alliance using USDOL statistics and numbers from IL DOA found it is not a cessation of slaughter - which has actually not occurred - that has caused any increases in incidents of horse neglect or abuse. Instead, it is unemployment. Note the striking correlation in the chart below: There was no negative impact on either incidents of neglect or horse prices in the U.S. between 1989 and 2002 even though the number of U.S. horses slaughtered dropped from 377,078 to 77,713 (almost 80%).<sup>7</sup> As John Holland, co-founder of Equine Welfare Alliance, observes, “*This correlation also tells us what we can expect as unemployment goes both up and down. At the moment the US is experiencing high unemployment with national rates hovering just under 10%. As predicted from the following graph, this is causing a high rate of neglect.*”

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<sup>7</sup> [http://www.equinewelfarealliance.org/uploads/Slaughter\\_Stats\\_Graph\\_1989-2010.pdf](http://www.equinewelfarealliance.org/uploads/Slaughter_Stats_Graph_1989-2010.pdf)

### Abuse and Neglect vs Unemployment in Illinois

Sources: Illinois Dept of Agriculture; US Bureau of Labor Statistics



It is bad enough that the GAO reports without a shred of data that there are widespread incidents of horse abandonment, abuse and neglect. Then, to make matters worse, the GAO makes the leap, again without a shred of proof, that the incidents of horse abandonment and abuse and neglect are a result of lack of domestic slaughter all the while admitting that as many American horses as ever are going to slaughter! The report admits *“Taken together, the 137,984 U.S. horses that were sent to slaughter in Canada or Mexico in 2010 is approximately equal to the total number of horses slaughtered in 2006.”*

*To claim that the location of the slaughter could somehow impact the cases of abuse and neglect, or the economics of the horse market is irrational and totally incredible.*

The example GAO gives on p. 21, that state and county governments sought private donations of hay to feed the neglected horses seized from a Montana ranch owner, is hardly evidence that these kinds of cases are the result of, or are caused by, the cessation of domestic slaughter. The inclusion of such unrelated and anecdotal evidence makes the report look more like an advocacy piece than a factual report.

Horse neglect and abuse was a problem long before the cessation of domestic slaughter. Horse neglect is not a symptom of the cessation of domestic slaughter, and furthermore, horse slaughter does not prevent the abandonment or neglect or abuse of horses. Nor will a return of domestic slaughter end the abandonment or neglect or abuse of horses. Otherwise, there would be no abandonment or neglect or abuse now as slaughter is still available and there are as many horses sent to slaughter now as prior to cessation of domestic slaughter. Regardless of whether Congress reinstates domestic slaughter, local governments will continue to bear the cost of abandonment, abuse and neglect of horses particularly in economic downturns.

## Over-breeding

There is also the issue of over-breeding or poor breeding practices that slaughter actually enables. The GAO report nowhere offers information on the breeding numbers. Nowhere does the GAO discuss the entrenched business model, lotto-breeding, that encourages breeding large numbers of horses to find a few that might win at the track, for example. The report nowhere even mentions that slaughter creates a salvage market that actually encourages over-breeding. The excess horses driving down prices in a poor economy are from over-breeding.

The report does estimate that 80% of the horses going to slaughter are Quarter Horses. Every year, for example, the American Quarter Horse Association registers in excess of 135,000 foals and they are also the leading breed sent to slaughter. Quarter Horse breeders continue to breed for a market that doesn't exist, with no regard to care of the horses they are unable to sell. The GAO does not even consider that without slaughter, there would be a *reduction* in breeding and numbers of excess horses.

In 2008, just months before the economy crashed and took the horse market with it, Bill Brewer, Exec. VP of the American Quarter Horse Association offered the following vision in a speech at the AQHA annual convention:

*“Now our challenge becomes looking at ways to introduce an “equine economic stimulus package” that will boost registration numbers so we don’t have a horse shortage in a few years – one that will supply good quality, usable horses for a membership of around 345,000-350,000. This somewhat changes AQHA’s role in the industry because we have always assumed that we don’t “control” the supplier – in our case that would be breeders. But perhaps there are things the Association can do to encourage people to breed enough good horses to meet today’s demands.”*

## Reliance on unqualified opinion

The GAO informed Congress in its June 11, 2011 letter summarizing the report “we ...collect[ed] the views of the State Veterinarian in each of a sample of 17 states that generally have the largest horse populations and economies. In some cases, this official was joined by other state officials, such as members of the state livestock board, for these interviews. The results of the interviews are not generalizable to all State Veterinarians”.

Incredibly, with admittedly no proof whatsoever, the GAO offers an extended discussion of speculation from a few state veterinarians and some members of state livestock boards as a basis for its conclusion there has been a significant rise in incidents of horse abandonment and abuse and neglect because of the “cessation of domestic slaughter”. None of these, not state veterinarians or local industry officials, receive reports or respond to incidents of abandonment, abuse and neglect. It is not clear why the GAO would include their speculation and hearsay or anecdotes in this report

other than to further a pro-slaughter agenda.<sup>8</sup>

The GAO even offers opinions from state veterinarians as to why owners abandoned these horses. As if those who abandon horses would admit it, even meet with their state veterinarian and discuss the reasons. With no evidence and not a shred of data, GAO offers the baseless opinion of state veterinarians that the number one reason horses are abandoned is the “*cessation of domestic slaughter*”.

*The veterinarians also claimed the “cessation of domestic slaughter” has meant fewer markets or auctions for selling horses and lower horse prices. The veterinarians apparently now have expertise in human psychology as the GAO offers their again baseless opinion “regarding neglect... people are more inclined to take care of that which has value, said that the drop in horse prices affected some owners' interest in caring for their animals, especially if their financial situation had declined.”*

Even the GAO could see how absurd this is, at least pointing out the worst economy since the Great Depression has a role: “*Other factors that they generally cited include poor weather conditions (e.g., drought in western states); the increasing costs of feeding and caring for horses*”.

Indeed, it makes no sense to blame lack of domestic slaughter plants at all for a decline in horse welfare if the same numbers of horses are going to slaughter as before the closings. In one brief paragraph the GAO admits, “*Other officials, including those from animal welfare organizations, questioned the relevance of the cessation of domestic slaughter to the rise in abandoned and neglected horses, which they attributed more to the economic downturn. ... [T]here has been no documented rise in abuse and neglect cases in California since the 1998 ban. ... [T]here was no documented rise in abuse and neglect cases in Illinois following the 2-year closure of the horse slaughtering facility in that state in 2002.*”

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<sup>8</sup> GAO - Under cases of Horse Abandonments, Abuse and Neglect

Have Reportedly Increased Since 2007, p. 19

*“In interviewing the 17 State Veterinarians, we asked whether the states had data for cases of horse abandonments, abuse, and neglect. The vets admitted ‘they do not routinely collect such data because, in part, their resources are limited and jurisdiction of animal welfare is usually a local (e.g., county) responsibility. Nearly all the State Veterinarians, however, reported **anecdotes** indicating that cases of abandonments and abuse or neglect have increased in recent years...although **specific data quantifying those abandonments were not available.**” (emphasis added)*

The data the GAO reported from Colorado and Indiana was not data on abandonment cases, but rather an increase in reports of abuse and neglect investigations. The only other state claiming an increase in abandoned horses came from the Montana Association of Counties, however, “**the association did not have specific data.** In addition, the National Association of Counties reported that the increasing abandonment problem is not exclusive to Montana or the West but is happening nationwide.” (emphasis added) No data was given. In fact, a study done in Montana on incidents of horse abandonment, abuse and neglect revealed very few incidents statewide with most counties reporting no such incidents.

## The historical record

*A competent analysis would test speculative relationships (such as an assumption that slaughter decreases abuse and neglect), against the historical record. Had the GAO done so, every conclusion in the report would have been disproven.*

For example, the total number of US horses slaughtered dropped from 419,133 in 1990 to 77,713 in 2002. That means each year tens of thousands fewer horses were sent to slaughter and instead remained in the U.S. horse population. No one noticed them or complained about them as “unwanted” or excess horses. There were no claims of increased abandonment, abuse or neglect. It should be further noted that during those years there were very few rescue facilities in operation.

Likewise, when the Cavel plant burned on Easter Sunday of 2002 the slaughter of US horses declined by approximately 30%, but in the two years following the burning the rate of abuse and neglect cases in Illinois actually declined. These two historical cases prove that the report’s conclusions are nonsense.

And, if the same numbers of horses are sent to slaughter now as before the “cessation of domestic slaughter”, then contrary to GAO’s state veterinarians’ speculation, owners can still sell their horses at auctions or other markets. Kill buyers are still buying horses in the same numbers as before the closing of the U.S. slaughter plants.

Why didn’t the GAO include in its report information about available auctions and markets, volume of sale and particularly sales of horses? Likely because the pro-slaughter agenda requires people believe owners cannot sell their horses and so are abandoning them instead. The GAO report ignored verifiable statistics that did not support pro-slaughter assumptions. The GAO report instead included opinions of a handful of state veterinarians to drive its analysis.

It is absurd for GAO to claim that current horse prices during one of the worst recessions in memory are somehow determined by cessation of 3 domestic slaughter plants in 2007. As Carolyn Betts, PhD Economics, explains:

*To test this theory, at the very least one would need to (a) isolate the demand driven impact of the plant closures for auction prices of horses bound for slaughter, (b) isolate the effect of reduced demand and prices for sale volumes and auction closures, and (c) establish, quantitatively, a connection between reduced slaughter sale rewards and opportunities for owners, and increased abandonment and neglect.*

*Sadly, the GAO’s analysis accomplishes none of these things.*

## Impact on the horse market – bad data and bogus economics

Perhaps the most disturbing section of the report is that purporting to precisely apportion the decline in horse prices between the lack of domestic slaughter and economic influences. This section is

particularly egregious because it claims to be using sound economic theory and modeling to derive precise numbers, despite the fact that the report admits slaughter did not decline!

But the first glaring error was that all data was taken from three auctions that specialize in selling slaughter horses. The effects on prices of horses across the entire industry were then calculated. Yet horses are sold through many venues besides slaughter auctions. They are sold through breed auctions, local auctions, and increasingly on line through sites like Craigslist.com. So even if the calculations had validity, they would not have represented more than a tiny niche of the industry. *But of course the calculations were not valid.*

The GAO report claims "*that the cessation of domestic horse slaughter led to an 8- to 21-percent decline-depending on sale price-in the per head price of horses sold at those auctions. ....[W]e estimate that price reductions were greatest, in percentage terms, for lowest-priced horses, gradually declined as prices increased, and became insignificant for horses in the higher price categories. For example, the average per head price decreased by nearly 21 percent for horses in the lowest price category (20th percentile) and about 8 percent at the median, whereas the price change per head was not statistically significant for higher price categories...-Our estimates show that the economic downturn... was associated with a consistent decline of about 5 percent in price across all price categories*".

Again, with no basis whatsoever, the GAO ties a drop in horse prices during one of the worst economic downturns in memory to the closing of 3 U.S. slaughter houses in 2007. GAO's model admittedly *assumes* price is tied to the closing of 3 U.S. slaughterhouses. The model used by GAO assumes its conclusion and fails to take into account reduced demands for horses as a factor in lower prices in some categories.

The model does not appear to take into account certain factors related to the economy that would depress prices such as increased supply as a result of the current recession. Curiously, the GAO nowhere takes into account a shift in sales from auctions to other outlets such as online sales.

The demand for horses at the auctions studied by the report consists of slaughter buyers and buyers for all other uses. For horses in the low end of the price range, these other uses are mostly recreational. So if the slaughter buyers were able to buy the same number of horses at lower prices, basic economics dictates that the demand from recreational buyers must have diminished.

*This decline in non-slaughter demand for horses could not have been due to the closure of slaughter plants, therefore it could only have been due to the effects of the economy.*

## Congressional cover-up

As is typical of much of the report, the GAO did not provided data to support its so-called analysis of horse prices. Therefore, the Equine Welfare Alliance requested through the Freedom of Information Act (FOIA) that the GAO provide "*all data and calculations used in deriving the stated apportionment of the effect on the prices of horses sold at auction between the economy and the closing of the*

*domestic slaughter plants as depicted in ...in the report[, ...]includ[ing] all raw data (and its sources) considered in the calculations as well as the regression analysis models used to separate the effect of the change in domestic slaughter from the effects of the economy and any available written analysis and any assumptions that were taken in the analysis."*

The EWA received a response to this request dated August 24, 2011. The letter stated:

*"As an agency responsible to the Congress, the Government Accountability Office (GAO) is not subject to the Freedom of Information Act. However, GAO's disclosure policy follows the spirit of the act consistent with GAO's duties and functions as an agency with primary responsibility to the Congress.*

*GAO conducted this work at the request of the Committee on Appropriations. Our regulations at 4 C.F.R. §81.6(a), state that congressional correspondence and other papers related to a congressional request may not be disclosed unless authorized by the congressional requesters. In this instance, **we did not receive authorization from the congressional requesters to release these records. Therefore we decline to release the requested records on the basis of 4 C.F.R §81.6(a).**"*

In other words, the committee who requested the study does not want anyone reviewing the data upon which its findings are based. When combined with the leaking of the report to a paid horse slaughter lobbyist, and the convenient disappearance of its principal investigator, a picture begins to form of a completely compromised investigation.

## Reality check

Even the GAO's highly suspect calculations underscore that the salvage market created by slaughter doesn't support horse prices or contribute much to the economy; less than 3 cents for every \$100. It is nonsense to suggest a domestic salvage market with so little value to the overall industry and economy could impact sale prices to any extent.

Curiously, the GAO nowhere mentions the value of live horses to the economy. The positive national economic impact of retaining live horses is far greater than the negative impact of slaughtering horses. In its 2005 study for the American Horse Council, Deloitte Consulting found:

*The horse industry in the United States contributes \$39 billion in direct economic impact to the US economy and supports 1.4 million jobs on a full-time basis, according to a new study released today by the American Horse Council (AHC). When indirect and induced spending are included, the industry's economic impact reaches \$102 billion. The study also estimates the horse population in this country has reached 9.2 million.*

Live horses contribute billions of dollars to our economy from the sale of hay and grain, farrier services, veterinarian services, sales of saddles, tack, clothing, equipment, fencing, hardware purchases, lumber purchases for fencing, building stables, mowers, tractors, trucks, tires, horse trailers, magazine publications, state fair exhibits, rodeos, horse shows advertising, 4H competition, sheriffs' posses, equine therapy, carriage horses, the racing industry, equine competition events, etc.

The GAO's entire premise of a general decline in horse welfare is based on an alleged rise in numbers of abandoned and neglected horses, a claim admittedly based on unsubstantiated reports by state veterinarians, local politicians and pro-slaughter industry organizations; and which alleged rise is said to result mostly from the closing of 3 U.S. slaughter plants in 2007, another conclusion for which no support at all is offered other than the speculation of some state veterinarians.

*The numbers of horses sold for slaughter is determined largely by a demand for horsemeat in other countries, not the numbers of abandoned, neglected or abused horses.*

Horses are purchased for slaughter typically by kill buyers to fill a demand for horsemeat in other countries. Kill buyers buy horses for slaughter to fulfill contracts to provide a certain number of horses in demand for their meat. A USDA study<sup>9</sup> conducted by Dr. Temple Grandin found 92.3% of horses sent to slaughter are healthy. Kill buyers want the healthiest horses for horsemeat which is typically a pricey delicacy in some foreign countries. These horses are not necessarily in danger of abandonment, neglect or abuse; instead they could well have been purchased by someone else had the kill buyer not submitted the highest bid.

Kill buyers are not a service to collect so-called abandoned, neglected or abused horses. If that was the case, why are there any abandoned, neglected or abused horses, let alone an increase, as slaughter is still available?

In fact, while incidents of horses in need were purportedly rising in 2009, the number of horses sent to slaughter fell.<sup>10</sup> If horse slaughter means fewer abandoned, abused or neglected horses, the number sent to slaughter should have increased. But slaughter is driven ultimately by a demand for horsemeat, and the demand fell in 2009 and, in turn, so did the numbers of horses sent to slaughter.

Another example is the recession of 2001-2002 when the numbers of U.S. horses slaughtered were at an all time low. If slaughter is really a "solution" for numbers of abandoned, neglected or abused horses, then there should have been an increase in horses sent to slaughter during an economic downturn.

With no economic analysis, the GAO simply accepts as true the claim of the pro-slaughter industry that slaughter is a "solution" for abandoned, neglected and abused horses. In fact, numbers of abandoned, neglected or abused horses fluctuate depending on the economy and the ability or willingness of owners to care for them, not availability of domestic slaughter.

In view of the GAO's report, it is ironic that slaughter as a salvage market actually enables the over-breeding that in an economic recession particularly means too many horses. If slaughter is prohibited,

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<sup>9</sup> <http://www.box.net/shared/4fmi92iy70#/shared/4fmi92iy70/3/42753310/612698915/1>

<sup>10</sup> [http://www.equinewelfarealliance.org/uploads/Horse\\_Slaughter\\_Trends\\_2006-2009.pdf](http://www.equinewelfarealliance.org/uploads/Horse_Slaughter_Trends_2006-2009.pdf)

there would be far less incentive to over-breed and fewer horses that end up in need.

## The Sudden Concern for Horses Exported for Slaughter

The GAO states that horses are now traveling long distances to slaughter usually in Mexico or Canada. But in 2006, while domestic horse slaughter facilities were still in operation, nearly 25% of U.S. horses slaughtered that year, 32,789, were exported for slaughter. In effect, even prior to the closing of the U.S. horse slaughter facilities, a substantial number of horses were exported for slaughter.

From 1989-2006<sup>11</sup>, while U.S. slaughter plants operated, 775,474 horses were exported for slaughter. There were only 3 slaughter houses operating in the U.S., 2 in Texas and 1 in Illinois except that the Cavel International, Inc. slaughter house in Illinois was closed from April, 2002 – September, 2004: Most domestic horses sent to slaughter in the U.S. were forced to travel long distances. For example, it was a longer trip from New York to the Cavel plant in Illinois than to the Canadian plants. Likewise it was a longer trip from southwestern Arizona to the plants in Texas than to Mexico.

Prior to the closing of the U.S. horse slaughter facilities, GAO, APHIS and industry proponents of slaughter were not concerned about the long distances traveled by horses within the U.S. or to Mexico or Canada. Nor was there any concern at that time about enforcement of humane transport regulations for horses exported for slaughter. (GAO, p. 36) In fact, APHIS records for 2005-2006 that were obtained through FOIA are proof of the agency's abysmal record in enforcing humane transport regulations regardless of the horses' destination<sup>12</sup>. Animals Angels investigations<sup>13</sup> have established the shocking cruelty of the slaughter pipeline and the failure of USDA to enforce the transport regulations. It was Animals Angels and Animal Law Coalition that requested GAO examine the cruelty inherent in the slaughter pipeline and APHIS' miserable lack of enforcement of transport regulations.

Contrary to GAO's claim, horse exports to Mexico or Canada were not an "*unintended consequence*" of the closure of domestic slaughter plants but were occurring even with domestic slaughter available. Indeed, anti-horse slaughter advocates were keenly aware of the exports and offered legislation as early as 2004 to prohibit these exports.

Even if domestic slaughter is reinstated, there will be, as there always has been, large numbers of

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<sup>11</sup> Contrary to the GAO report, p. 12, USDA Market News Reports does report weekly statistics for both non-slaughter exported horses, as well as those exported exclusively for slaughter over the Mexican border. The USDA statistics for horses exported to Canada is reported only once a month, although the reports appear at least an entire month behind, and they do not bother to separate the horses exported for slaughter from those exported for other purposes. All brands are required to be marked on all of the owner/shipper certificates, and Mexico requires all horses to show the brands of the transporter.

<sup>12</sup> Find FOIA response at <http://www.kaufmanzoning.net/foia.htm> .

<sup>13</sup> Animals Angels investigations at [www.animalsangels.org](http://www.animalsangels.org) .

horses exported for slaughter. Indeed, if GAO, APHIS and the industry is so concerned with the suffering of horses exported for slaughter, why haven't they proposed a ban on such exports? There is simply no justification for their decades of silence and indifference to the suffering of horses exported for slaughter.

*APHIS Enforcement of Equine Commercial Transport to Slaughter Regulations has always been abysmal; any attempt to revive domestic horse slaughter with a promise of minor rule changes and more funding which is unlikely anyway in this economy, will only jeopardize horse welfare further.*

There has long been a problem in obtaining complete and accurate owner/shipper certificates that are supposed to be filled out and turned in to APHIS; APHIS is supposed to use these certificates to track horses and identify problems in the enforcement of equine transport regulations. GAO blames the closure of the U.S. slaughter plants for an almost imperceptible increase, if any, in problems with incomplete or inaccurate certificates associated with horses sent for slaughter to Canada and Mexico.

*GAO states "certificates returned by C[anadian]F[ood] I[n]spection A[gency] from 2005 through 2009... were not properly completed by either the shipper or CFIA officials. ...[A]bout 52 percent of certificates were missing key information that should have been filled in by either the shipper (e.g., loading date and time, or certification that the horses were fit for transport) or CFIA (e.g., arrival date and time, or slaughtering facility identification)... [F]rom 2008 through 2009, the 2 years after the cessation, we estimate that about 60 percent of certificates were missing key information".*

Actually, APHIS has never bothered to finalize a formal agreement with Canada concerning export of horses for slaughter. Without that, it is difficult to obtain cooperation from Canadian officials and impossible to know whether owner/shipper certificates are filled out at all, let alone correctly.

APHIS also has no agreement with Mexico regarding such exports. APHIS has failed to obtain official cooperation not only from Mexican officials but also Texas officials concerning export of horses for slaughter. GAO concedes, "As a consequence, owner/shipper certificates may not be correctly filled out by the shippers and collected, completed, and returned to APHIS from either the border crossing or the Mexican slaughtering facility with information about shipment dates and times and horse conditions.... [A]bout 48 percent of these certificates from 2005 through 2009 were missing key information to be provided by either shippers or ... officials. Moreover, about 54 percent of certificates from 2008 through 2009 were missing such information".

GAO states APHIS officials "speculated" that the restrictions on federal funds to inspect horses "makes it difficult to ensure that horses are transported humanely to slaughter and to collect information on potential violations that is needed ....to pursue enforcement actions...APHIS officials speculated that compliance with the transport regulation has suffered because shippers are aware that the program can no longer leverage the assistance of USDA personnel in slaughtering facilities to ensure the completion of shipping paperwork or note the condition of individual horses in a shipment".

At least GAO has the good grace to acknowledge this was nothing more than "speculat[ion]" by APHIS officials. But Food Safety Inspection Service (FSIS) inspectors were responsible for ante-mortem

inspections at the slaughter house to determine whether the quality of the horsemeat to be produced complied with federal standards. There is no evidence they would somehow make sure kill buyers accurately fill out APHIS owner/shipper certificates or otherwise aid in enforcement of humane transport regulations. In fact, GAO acknowledges the owner/shipper certificates were missing or contained inaccurate or incomplete information years before the 2007 “*cessation of domestic slaughter*”. APHIS had never bothered to institute formal agreements with Canada or Mexico (or Texas) to try to obtain accurate information about horses going over the border for slaughter. It is astonishing that before the de-funding of the inspections and consequent closing of domestic slaughter houses, APHIS stopped automating records of owner/shipper certificates, which, as GAO admits, has made it increasingly difficult to track horses, identify shipping routes and buying trends, identify violations or possible problems with certain shippers, crossings or slaughter houses, and otherwise enforce the transport regulations.

APHIS’ ability to enforce humane transport regulations has been compromised by the agency’s abysmal failure to take basic steps like automating data and working with Canadian, Mexican or even Texas officials to try to ensure more complete, accurate information about horses exported for slaughter. There is no evidence this has anything to do with the closing of 2 slaughter plants in 2007.

Also, historically, it has been up to the kill buyers to fill out these certificates so, of course, they have been inaccurate and incomplete, if they are turned in at all.

Re-funding ante-mortem inspections of horses under the Federal Meat Inspection Act will not fix these deficiencies. Indeed, if this wasn’t such a tragedy, it would be laughable for GAO to suggest re-funding ante-mortem inspections to insure the quality of the meat the horse can be expected to produce somehow means APHIS will be able to do what the agency never could in all the years taxpayers funded these inspections: track horses sold for slaughter and ensure their humane treatment during transport.

## **APHIS as the guardian of slaughter horses**

The GAO throws in additional recommendations “*that USDA issue a final rule to protect horses through more of the transportation chain to slaughter and consider ways to better leverage resources for compliance activities.*” So the GAO acknowledges re-funding ante-mortem inspections is hardly a way to assure enforcement of humane transport regulations. GAO acknowledges more funds for enforcement will be needed.

Right now, as the report admits, there are only 2 APHIS staff members assigned to enforce the equine transport regulations. “*The two program officials stated that the program’s limited funding, particularly for travel, has significantly curtailed their ability to provide coverage at border crossings and to work with shippers and inspectors in foreign slaughtering facilities to ensure compliance with the transport regulation.*” The USDA also lacks subpoena authority to help enforce the transport regulations.

*But does it make sense to throw more money at a broken transport program? In this economy? Is it*

*realistic to think it would happen?*

Take, for example, promises made by APHIS to the USDA's Office of Inspector General as described in OIG's September, 2010 report<sup>14</sup> *"APHIS agreed to work with USDA's Office of General Counsel and complete by May 31, 2011, an evaluation of 'the best options to revise regulations necessary that will establish an agency-wide policy that those who have violated the humane handling regulations and failed to pay...penalties shall not receive [authorization for shipments].'"* APHIS never issued any evaluation, let alone proposed regulations and continues to approve shippers with a record of violations of humane transport regulations. Indeed, in its September, 2010 report OIG identified a number of other problems in APHIS' administration and enforcement of horse transport regulations that GAO echoed in its report.

The report proposes APHIS should make final a proposed rule that will mean horses should be designated as *"slaughter horses"* all along the pipeline from the auction or point of purchase to the slaughter plant. Current regulations require a designation of *"for slaughter"* on the owner/shipper certificate from the last point in the journey to the slaughter plant. GAO reasons that if horses are designated *"for slaughter"* all along the journey, they will then be entitled to the protections of APHIS throughout their arduous route to slaughter rather than just during the last leg. Some horses are designated as *"feeder"* horses purportedly sent to feedlots but end up at slaughter in Mexico and Canada. These horses, says GAO, never have those APHIS protections. (GAO, pp. 27-28)

But what protections? Are we to give APHIS more horses to *"protect"* despite their failure to protect horses in the past? And, the final rule has been pending since 2007, hardly a priority of APHIS.

GAO points out that in *"April 2011, transport program officials said they recently had begun training inspectors in APHIS's Western region and Texas area office to assist the program at southern border crossings by, in part, collecting owner/shipper certificates and returning them to APHIS headquarters. However, these officials said they did not have a written plan or other document that describes this initiative, including the number of staff to be involved, their anticipated duties to support the transport program, and the time frames for implementing the initiative. Hence, while this appears to be a positive step, we were unable to evaluate the potential usefulness of this initiative."*

Indeed. Nonexistent plans for *"training"* is just more of the same ineffective non-enforcement that has left so many horses in jeopardy. Also, the kill buyers will still be responsible for filling out the owner/shipper certificate and can identify the horse as they like.

Consider GAO's warning that *"[a]dditional certification may affect Canadian and Mexican exports of horsemeat to Europe and, in turn, may affect the future export of horses intended for slaughter from the United States to these countries. In 2010, the European Union began prohibiting the importation of horsemeat from horses treated with certain drugs and requiring countries to document withdrawal*

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<sup>14</sup> <http://www.usda.gov/oig/webdocs/33601-02-KC.pdf>

*periods for horses treated with other drugs before meat from such horses could be imported to the European Union. Those regulations precipitated similar regulations in Canada and Mexico. For example, Canadian requirements went into effect on July 31, 2010, banning specific medications, such as phenylbutazone—the most common anti-inflammatory medication given to horses—and requiring a 180-day withdrawal period for other medications, such as fentanyl, an analgesic. Also, since November 30, 2009, Mexico has required an affidavit by transporters that horses have been free from certain medications for 180 days prior to shipment. Furthermore, effective July 31, 2013, the European Union will require lifetime medication records for all horses slaughtered in non-European Union countries before accepting imports of horsemeat from those countries. According to APHIS and horse industry sources, these requirements could result in shippers certifying that their horses are free of medication residues without having first-hand knowledge or documentation of the horses' status for the previous 180 days."*

GAO admits kill buyers and other shippers are likely to certify horses as drug free without knowing one way or the other. GAO admits APHIS acknowledged the agency will not be able to prevent this. Phenylbutazone, for example, has no withdrawal period and presents a serious public health risk to humans consuming horsemeat from U.S. horses<sup>15</sup> which are not tracked and typically may have several owners before ending up at slaughter where the veterinary and drug history is usually unknown.

*The report does not dispute that the Food Safety Inspection Service (FSIS) was grossly ineffective in protecting horses from cruelty during slaughter.*

In 2004 the GAO found the most frequent violation noted by inspectors in slaughter houses was ineffective stunning, meaning "*in many cases ...a conscious animal reach[ed] slaughter*" in violation of Humane Methods of Slaughter Act, 7 USCS § 1902(a); 9 C.F. R. §313.15, 9 C.F.R. §313.50(c).<sup>16</sup> GAO also noted there had been no effort made to stop the ineffective stunning and the records kept by inspectors were so poor, it was impossible to tell even by 2008 that there had been any improvement. In 2008, USDA's Office of Inspector General reported that FSIS management controls over pre-slaughter activities should be strengthened to minimize the possibility of egregious cruelty.

By 2010 the GAO was adamant "*[a]ctions are needed to strengthen enforcement*" of the Humane Methods of Slaughter Act. GAO noted despite years of reports and highly publicized incidents of abuse at slaughterhouses, FSIS enforcement remains grossly inconsistent and in many places, non-existent.<sup>17</sup>

This is the agency that proponents of horse slaughter and now GAO want us to believe will protect

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<sup>15</sup> [http://www.equinewelfarealliance.org/uploads/Food\\_and\\_Chemical\\_Toxicology\\_FINAL.pdf](http://www.equinewelfarealliance.org/uploads/Food_and_Chemical_Toxicology_FINAL.pdf)

<sup>16</sup> See [GAO-04-247](#), [GAO-08-686T](#).

<sup>17</sup> See [GAO 10-203](#).

our horses from cruelty? If there is concern at all about horse welfare, there would be no suggestion of reviving domestic slaughter. The focus would be on stopping horse exports to other countries for slaughter.

## The impact on wild horses

The BLM actually claims the re-opening of commercial slaughter facilities in the U.S. will help protect wild horses and burros!

The GAO report states, "*USDA has been less able to help BLM prevent the slaughter of wild horses and burros. Wild horses and burros may be adopted, but title does not pass to the adopter until 1 year after the adoption, upon a determination that the adopter has provided humane conditions, treatment, and care for the animal over that period. Upon transfer of title, the animals lose their status as wild free-roaming horses and burros. As we reported in 2008, from 2002 through the end of domestic slaughter in September 2007, about 2,000 former BLM horses were slaughtered by owners to whom title to the horses had passed.*

*"When horses were slaughtered domestically, FSIS inspectors in slaughtering facilities watched for horses bearing the BLM freeze mark indicative of the wild horse and burro program. They would then alert BLM officials so that the title status of these animals could be checked to ensure that BLM horses were not slaughtered.*

*"As a result of FSIS's assistance during the same time period, at least 90 adopted wild horses that were still owned by the government were retrieved from slaughtering facilities before they could be slaughtered. However, now that the slaughter of U.S. horses occurs in Canada and Mexico, FSIS can no longer provide this assistance.*

*"Furthermore, shippers are not required to identify BLM horses on owner/shipper certificates, but in reviewing nearly 400 owner/shipper certificates, we found indications that six adopted BLM horses had been shipped across the border for slaughter."*

BLM hardly has a record of preventing slaughter. BLM's own discussion notes<sup>18</sup> show the agency's preferred handling of wild horses and burros is slaughter. It would be far better to repeal BLM's sale authority and prohibit title from passing to adopters. It would also help if BLM stopped rounding up and warehousing wild horses and burros and in so doing, facilitating the loss of so many into the slaughter pipeline.

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<sup>18</sup> Find BLM 2008 discussion notes at <http://www.animallawcoalition.com/wild-horses-and-burros/article/1120>.

## False accusations against equine advocates

The report's bias against anti-horse slaughter advocates is brought home by this statement: On p. 10 in discussing the re-opening of the Cavel International, Inc. horse slaughter plant in DeKalb, IL in 2004, GAO noted *"This facility had been closed for 2 years following a fire set by anti-slaughter arsonists."*

As with much of the report, this is simply false. Had the GAO bothered to do its homework, its investigators would have found that Cavel claimed nearly \$5 million loss resulting from the fire, well in excess of the damages estimated at only \$2 million dollars. At the time this raised suspicions that the fire may have indeed been intentionally set, but not by anti-slaughter advocates.

Anti-slaughter advocates have not called Cavel's owners *"arsonist"* without more proof. Yet GAO openly refers to anti-horse slaughter advocates as *"arsonists"* without a shred of proof. In fact, quick research reveals from 2002 - 2003, a number of reports that investigators found no evidence of arson and the cause of the fire was never determined and are provided in **Appendix D**.

## Drug residues and food safety issues

The report mentions in passing that the EU is scheduled to change its rules for meat traceability in 2013. But the following paragraph from the report appears to indicate that the GAO does not realize the ramifications of this change:

*"Furthermore, effective July 31, 2013, the European Union will require lifetime medication records for all horses slaughtered in non-European Union countries before accepting imports of horsemeat from those countries. According to APHIS and horse industry sources, these requirements could result in shippers certifying that their horses are free of medication residues without having first-hand knowledge or documentation of the horses' status for the previous 180 days."*

The first half of this paragraph refers to rules that will make the return of slaughter to the US (one of the report's two main recommendations) impossible. Lifetime records will require horses be micro-chipped and while both Canada and Mexico are implementing such a system, the US has attempted and rejected it. The National Animal Identification System (NAIS) was abandoned after years of effort.

*Without an equine medication tracking system, US horses will be ineligible for slaughter. With it, most of the effective equine medications used today would be unavailable to horse owners.*

The second half of this confusing paragraph has to do with the current system by which sellers sign an Equine Information Document (EID) testifying to any recent drugs their horses received, and shippers merely provide the document to the slaughter plant. The EU has found this system to be a sham during a recent audit in Mexico.

The confused order of these two statements shows that apparently the GAO did not comprehend what it had put in its report. For a government agency to simply gloss over serious food safety issues is unconscionable. To even suggest reinstating horse slaughter inspections without a national passport system for all horses that would provide a mechanism to remove horses from the food chain that are ineligible for human consumption, speaks volumes of the bias to the foreign meat industry and lobby in this report. Human food safety, above all else, should be paramount to a government agency whether the consumers are in America or overseas.

## Conclusions

The GAO has a reputation for objective and thorough research and fair reporting. Every indication is that this standard was abandoned in the compilation of this report, and that the result is little short of a propaganda tool for horse slaughter interests.

Several incidents make it appear that the report was intentionally biased. First the report was apparently leaked to horse slaughter proponents. Industry lobbyist, former Rep. Charlie Stenholm, read parts of it to members of Congress in trying to convince his former colleagues to approve funding for inspections of horses, something that could mean commercial horse slaughter for human consumption would be legal once again in the U.S.

When asked about the leak, GAO officials first admitted then denied it had occurred. Moreover the principal investigator disappeared a month before the report's release. His email went unanswered and calls to his number (still listed in the capitol directory) got a "disconnected" message. When personnel in the office were asked about his new contact information they were told only "he is still working for the GAO in Washington somewhere."

Finally, when asked for the data from which highly dubious conclusions were drawn, the GAO deferred to the Congressional committee that had requested the study. That committee elected to cover-up by denying the request.

Fortunately, Congress didn't listen to Charles Stenholm when he attempted to use the report to get slaughter reinstated, and we urge Congress to take the only step that will improve horse welfare significantly – pass the American Horse Slaughter Prevention Act, S 1176.

When the poor and biased quality of the report is seen in light of these incidents, one can only conclude that the report was inappropriately and badly influenced by the horse slaughter lobby.

## Appendix A - The History of Dallas Crown and the City of Kaufman, Texas

The mayor of Kaufman, Texas, where as of 1986 Dallas Crown, a foreign owned horse slaughter facility, had operated for years, was quoted as saying, *"Quite frankly, we don't want you here.... That plant has never made a dime for this city and it never will."* The city administrator agreed, calling them *"a lousy part of the community"*. (The Kaufman Herald, January 23, 1986).

Reports from Kaufman city workers over the years about complaints they received or conditions they saw, are descriptive:

*"blood flowing east and west in the ditches from [Dallas Crown's] plant,"*

*[containers conveyed] "uncovered and leaking liquids,"*

*"decaying meat [which] provides a foul odor and is an attraction for vermin and carrion,"*

*"significant foul odors during the daily monitoring of the area,"*

*"Dallas Crown continually neglects to perform within the standards required of them."*

*"It has been over 45 days [it had been 59 days] and no apparent cleanup has occurred,"*

In correspondence to Dallas Crown: *"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*

from a September 2003 letter to Dallas Crown not long before a 600 gallon blood spill at the facility: *"Please be sure trailers are secured before leaving your premises to prevent spills"*, noting also *"bones and blood laying in front of the facility,"* and problems with bones and parts in neighboring yards and the attraction of *"dogs and other animals."*

Paula Bacon, mayor of Kaufman when the plant was finally closed in 2007, adds, *"The Texas Dept of Health was who I contacted when trying to get the plant here to comply with laws that would have prevented them from traveling our streets and highways with blood leaking from containers [of offal and fresh hides]. TDH finally made them put plastic bins in the bottoms of the containers. TDH also visited Kaufman on several occasions in response to complaints about odor, rats, snakes, vultures and roaches affecting the area."*

She elaborates, *"Odor problems resulting from the outside storage of offal and hides over several days persisted not only in the ... neighborhood known as Boggy Bottom, but at the nearby Presbyterian Hospital, the daycare center, and surrounding areas."*

Dallas Crown had a very long history of violations of its industrial waste permit, 'loading' the capacity of the wastewater treatment plant. There is no question Dallas Crown was in significant non-compliance of its wastewater permit. Dallas Crown tried to prevent the city from learning of its violations; despite a city ordinance, court order and city permit agreement, Dallas Crown *denied* the City of Kaufman access to its property for wastewater testing from October 1, 2004 until July 6, 2005.

In 2004 then Mayor Bacon learned that because of the waste water from Dallas Crown, a \$6 million upgrade to Kaufman's wastewater treatment plant would be required even though population growth did not warrant such an expansion. The existing waste water treatment plant was supposed to have lasted through 2015. Once treated, that water is released into the creek system, ultimately arriving at a lake that serves as Fort Worth's water supply.

Authorities in Ft. Worth warned Mayor Bacon that any failure to treat waste adequately and as a result, waste enters the creek system, contamination of the watershed and its cleanup are "extremely serious and extremely costly."

Dallas Crown took 11 months to submit a mandatory "sludge control plan" to assist efficient emergency operation of the wastewater treatment system though City staff requested it orally and in writing many times.

Also, in response to over 40 of the citations issued for wastewater violations, each accompanied by a potential fine of \$2,000, Dallas Crown requested over 40 separate jury trials, potentially causing yet another economic strain to the City's budget.

The City Manager estimated that the City would be forced to spend \$70,000 in legal fees because of Dallas Crown's violations, which was the entire legal budget for the fiscal year. (Dallas Crown paid property taxes that were less than half of what the City spent in one month on legal fees directly related to Dallas Crown violations.)

In August, 2005, Kaufman's City Council decided enough was enough and unanimously asked the Board of Adjustments to terminate Dallas Crown's non-conforming use status. In March 2006, the Board of Adjustments voted to order Dallas Crown closed. Dallas Crown, however, mounted a legal challenge that did culminate in its closing, but not until February, 2007.

For a long time, Dallas Crown failed to pay the city of Kaufman more than \$80,000 in fines for environmental violations. There were also charges owed to the City in the amount of \$100,000 for the environmental testing required by law but which they would not pay for, even after the city regained access to its property for this testing. Former Mayor Bacon summarizes, "*The horse slaughter facility*] had a negative effect on the development of surrounding properties, and a horse slaughter plant was a stigma to the development of our city generally."

Mayor Bacon continues, "*I believe any slaughter facility opened in this day and age should be required by all states to put in their own sewage/wastewater treatment plants (minimum cost is a million dollars even for the smallest WWTP commercial plant according to city engineers) and be held directly*

*responsible for compliance with environmental laws--though I believe in saying this that enforcement will be lax, it will take heaven and earth to get the proper agencies to do their jobs, and we'll wonder if we live in a third world country. I'm not being cynical, this is what I know happened here."*

The foreign owned Beltex Corp. horse slaughter house in Ft. Worth, Texas also violated wastewater regulations, several times clogging sewer lines, and both spilled and pumped blood into a nearby creek (San Antonio Current, June 19, 2003). Texas State Rep. Lon Burnam, whose district includes where Beltex operated, and Rep. Toby Goodman, from nearby Arlington, fought hard against legislation that would have legalized horse slaughter in Texas in 2003.

Mayor Bacon adds, *"Whatever municipality or entity operating the waste water treatment plant will be held responsible, will incur significantly higher costs for treating the waste, and will ultimately incur enormous costs in order to increase the capacity ... to accommodate the slaughter plant."*

Any upgrades to wastewater treatment plants will, of course, be absorbed by taxpayers.

# Appendix B - Dallas Crown Tax Return

**U.S. Corporation Income Tax Return**

For calendar year 2004 or tax year beginning 07/01, 2004, ending 06/30/2005

OMB No. 1545-0122  
**2004**

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

▶ See separate instructions.

<b>A</b> Check if:	<input type="checkbox"/> 1 Consolidated return (attach Form 954)	<input type="checkbox"/> 2 Personal holding co. (attach Sch. H)	<input type="checkbox"/> 3 Personal service corp. (see instructions) (attach Schedule M-3 required)	<input type="checkbox"/> 4 Schedule M-3 required (attach Sch. M-3)	<b>Use</b>	<b>Name</b>	<b>Employer identification number</b>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	IRS label	DALLAS CROWN, INC.	[REDACTED]
					Other-wise, print or type	2000 W. FAIR STREET KAUFMAN, TX 75142-1868	09/13/1994
						TAXPAYER'S COPY	882028

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>E</b> Check if:								
1a	Gross receipts or sales	12007611	b	Less returns and allowances				12007611
2	Cost of goods sold (Schedule A, line 8)							7783184
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 18 (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)							104550
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)		20	87239				
21	Less depreciation claimed on Schedule A and elsewhere on return		21a					87239
22	Depletion							
23	Advertising							4931
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)		29a					
	b Special deductions (Schedule C, line 20)		29b					
29c								
30	Taxable income. Subtract line 29c from line 28							31
31	Total tax (Schedule J, line 11)							5
32	Payments: a 2003 overpayment credited to 2004	32a						
	b 2004 estimated tax payments	32b	80000					
	c Less 2004 refund applied for on Form 4466	32c						
	d Refund	32d		80000				
	e Tax deposited with Form 7004	32e						
	f Credit for tax paid on undistributed capital gains (attach Form 2439)	32f						
	g Credit for Federal tax on fuels (attach Form 4136) See instructions	32g						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

<b>Signature</b>	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.	Date	09-15-05
<b>Preparer's name (if other than preparer)</b>	<b>Signature</b>	<b>Date</b>	<b>Check if sole proprietor</b>
Maurice B. Clark	[Signature]	09/15/05	<input type="checkbox"/>
<b>Preparer's SSN or PTIN</b>	<b>Preparer's name (if other than preparer)</b>	<b>Address, city, state, and ZIP code</b>	<b>Phone no.</b>
[REDACTED]	MAURICE B CLARK CPA PC	808 W MAIN STREET GUN BARREL CITY TX 75150	(903) 887-7777

Privacy Act and Paperwork Reduction Project Act, Not to be Reproduced Without Separate Instructions

Crown 0050

Form 1120 (2004)

# Appendix C – Sewage Discharge Violations from the Cavel Plant

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

2006 compliance/performance sampling results

*N.O.D.  
RESPONSE*

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)					Sample (grab)						
Date	Time(am)	BOD	TSS	NH3	pH	Date	Time(am)	BOD	TSS	NH3	pH
1/4/06	8:20	0	30	14.1	7.06	7/5/06	8:30	421.5	120	108	6.33
1/11/06	8:05	1200	280	52.5	7.26	7/12/06	8:20	273	140	32	4.68
1/18/06	8:20	1710	560	29.7	7.37	7/19/06	8:30	871	210	49	8.21
1/25/06	8:15	570	340	89.7	6.78	7/26/06	8:45	30	70	24	8.21
Mo. Ave.		870	302.5	46.5		Mo. Ave.		398.875	135	53.25	
2/2/06	8:15	0	110	25.1	6.68	8/2/06	8:20	30	140	36	8.59
2/8/06	8:00	1230	250	6.24	4.14	8/9/06	8:30	840	90	23	8.12
2/15/06	8:20	810	340	43.7	6.48	8/16/06	8:15	0	110	25	8.65
2/22/06	8:15	1020	120	4.84	7.52	8/23/06	8:50	0	150	89	7.13
Mo. Ave.		765	205	20		8/30/06	8:25	60	260	27	7.3
3/1/06	8:10	1500	540	9.27	8.06	Mo. Ave.		186	150	40	
3/8/06	8:00	1650	230	7.23	3.24	9/6/06	8:50	60	220	16.4	6.92
3/15/06	8:20	990	210	62.8	9.4	9/13/06	8:30	810	400	40.1	3.61
3/22/06	8:15	930	230	36.9	8.93	9/20/06	8:20	750	200	40.2	9.96
3/29/06	8:30	960	90	68.4	9.3	9/27/06	8:15	390	200	50.5	7.05
Mo. Ave.		1206	260	36.9		Mo. Ave.		502.5	255	36.8	
4/5/06	8:40	1050	50	23.7	9.13	10/4/06	8:15	90	210	66	7.27
4/12/06	8:50	570	160	36.4	11.78	10/11/06	8:20	2220	440	78.4	9.42
4/19/06	8:45	120	88	29.9	7.31	10/18/06	8:40	1290	320	86.8	7.16
4/26/06	8:00	810	130	86	8.53	10/25/06	8:20	270	110	30	7.71
Mo. Ave.		637.5	107	44		Mo. Ave.		967.5	270	65.3	
5/3/06	8:20	1110	150	28	9.4	11/1/06	8:30	1080	280	106	5.58
5/10/06	8:20	1320	130	74.3	9.5	11/8/06	8:50	900	284	58.7	7.15
5/17/06	8:45	903	330	19.6	5.65	11/15/06	8:10	1680	210	27.6	7.57
5/24/06	8:40	390	140	28.3	9.9	11/22/06	8:10	390	340	20	7.35
5/31/06	8:45	0	150	30.9	7.62	11/29/06	8:45	1230	250	14.8	7.63
Mo. Ave.		744.6	180	36.2		Mo. Ave.		1056	272.8	45.42	
6/7/06	8:15	1920	730	98.4	6.1	12/5/06	8:15	210	156	16.9	5.5
6/14/06	8:25	1290	108	40.1	7.4	12/13/06	8:30	1200	110	34.8	7.29
6/21/06	8:20	1080	110	63.2	7.53	12/20/06	9:50	1200	90	32.2	7.26
6/28/06	8:30	2340	250	16.1	7.97	12/27/06	8:10	600	180	31	6.96
Mo. Ave.		1658	299.5	54.5		Mo. Ave.		802.5	134	28.78	

## Appendix D – Cavel Fire Investigation Sources

<http://www.thehorse.com/ViewArticle.asp?fid=4696> **The Horse, “Illinois Slaughterhouse Rebuilding”**, November 2003, by Les Sellnow,

*“The fire that destroyed the Cavel plant in Illinois 17 months ago remains unsolved, says Tucker. While no cause has been determined by either the DeKalb Fire Department or the U.S. Bureau of Alcohol, Tobacco and Firearms, nothing has been ruled out. The old building, Tucker said, was constructed of metal. The new facility will be of concrete block construction.”*

<http://www.suntimes.com/output/horse/cst-spt-odnt24.html> **Sun Times, “Plans for slaughterhouse in DeKalb draw protest”** November 2003, by Jim O’Donnell

*“THE CAVEL PLANT near DeKalb was destroyed by a fire 17 months ago that remains unsolved by area authorities and the federal bureau of Alcohol, Tobacco and Firearms.”*

<http://www.kaufmanzoning.net/DeKalbDailyChronicle11082003.htm> **DeKalb Daily Chronicle, “Nationwide effort under way to convince city to nix Cavel”**, November 8, 2003, by Chris Rickert City Editor

*“Cavel’s plant was destroyed by fire on Easter, March 31, 2002. No official cause for the blaze was ever determined.”*

[http://www.humanesociety.org/assets/pdfs/NortherStar\\_090303\\_horseslaughter\\_cavel.pdf](http://www.humanesociety.org/assets/pdfs/NortherStar_090303_horseslaughter_cavel.pdf)

**Northern Star, “Cavel International to rebuild”, Sept 3, 2003**, by Stephanie Gandsey:

*“James Tucker, controller for Cavel, said no cause for the fire was identified by the DeKalb Fire Department or by the Bureau of Alcohol, Tobacco and Firearms, which was brought in to investigate the fire.*

<http://www.kaufmanzoning.net/NorthernStar02282003.htm> **Northern Star, “Cavel owners plant to rebuild”**, Feb 28, 2003, by Rachel Helfrich:

*After days of investigations, the case on the fire was closed because the damage was so extensive, a cause could not be determined.*

<http://www.kaufmanzoning.net/NorthernStar042002.htm> **Northern Star, Investigators: “Arson possible in Cavel fire”**, April 2002, by Nicholas Alajakis *“Rowley, an agent from Boston who worked on-site at the Pentagon following the Sept 11 attacks, said he couldn’t speculate on the cause of the fire, nor has it been determined to be accidental or intentional.”*

<http://www.meatnews.com/index.cfm?fuseaction=Article&artNum=3039> **Meat News, “Horse slaughtering plant destroyed”** April 12, 2002, *“No injuries were reported and the cause of the fire is unknown.”*