

UNITED STATES DEPARTMENT OF AGRICULTURE

OFFICE OF INSPECTOR GENERAL - INVESTIGATIONS

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APR 2 5 2005

TO:

Assistant Deputy Administrator

Office of Field Operations

Food Safety Inspection Service - USDA

Washington, DC 20250

FROM:

Dallas L. Hayden

Special Agent-in-Charge

SUBJECT:

AgriProcessors, Inc., Postville, Iowa

Inhumane Slaughter/Conflict of Interest/Bribery

(OIG File No. KC-2417-15)

Attached are three copies of our investigative report concerning AgriProcessors, Inc. This case was discussed with an Assistant United States Attorney for the Northern District of Iowa, who declined prosecution. All criminal and civil action is complete. Please advise this office of any administrative or other action taken as a result of this investigation.

If you have any questions please contact Senior Special Agent (5)(5)(5) I or Assistant Special Agent-in-Charge Donald Meeks (5)

Attachments

CCI

Assistant Administrator, Office of Program Evaluation, Enforcement and Review, FSIS Administrator, Grain Inspection, Packers and Stockyards Administration Director, Personnel Policy and Partnership Division, OHRM Associate General Counsel, Regulator and Marketing, OGC Associate Regional Attorney, OGC, St. Paul, Minnesota RIG, Audit, Kansas City, Missouri Assistant Inspector General for Investigations, OIG



United States Department of Agriculture OFFICE OF INSPECTOR GENERAL-INVESTIGATIONS Great Plains Region Kansas City, Missouri



REPORT OF INVESTIGATION

FILE NUMBER: KC-2417-15

DATE: April 25, 2005

TITLE: AGRIPROCESSORS, INC.

220 West Street Postville, Iowa

CASE TYPE: Inhumane Slaughter/Conflict of Interest/Bribery

SPECIAL AGENT: [(b)(b), (7)(c)

St. Paul. Minnesota

APPROVED BY

DALLAS L. HAYDEN

Special Agent-in-Charge

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2-Assistant Administrator, Office of Program Evaluation, Enforcement and Review, FSIS

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Title Continued

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FSIS, USDA AgriProcessors, Inc. 220 West Street Postville, Iowa (B)(b), (7)(c)

FSIS, USDA AgriProcessors, Inc. 220 West Street Postville, Iowa

SYNOPSIS

This investigation was conducted to determine if employees of AGRIPROCESSORS, INC. (AGRI), Postville, Iowa, had engaged in inhumane slaughter of cattle. It was also conducted to determine if Food Safety Inspection Service (FSIS) inspectors at the plant had accepted gifts from plant employees.

The investigation determined that employees of AGRI had engaged in acts of inhumane slaughter. It was also determined that FSIS employees observed the acts of inhumane slaughter and did nothing to stop the practice.

Additionally, the investigation revealed that FSIS inspectors accepted meat products from AGRI employees and that FSIS employees engaged in other acts of misconduct.

The details of this investigation were discussed with an Assistant United States Attorney for the Northern District of Iowa who declined prosecution.

BACKGROUND

AGRI is a licensed kosher slaughter facility located in Postville, Iowa. Jewish Rabbis at the plant kill the cattle processed by having them placed in a "kill box" where the animal is turned upside down and its neck washed. A Rabbi then severs both carotid arteries with a sharp knife, causing the animal to lose consciousness by anemia of the brain. This cut also severs the animal's trachea and esophagus. Kosher slaughter is called "shechita" and the procedures are consistent with "Exemption of Ritual Slaughter" described in the Humane Methods of Slaughter Act of 1978 (Exhibit 1).

FSIS directive 6900.2 (Exhibit 2), under ritual slaughter, states that no dressing procedure is to be performed until an animal is insensible. FSIS personnel are to verify that after the ritual slaughter cut, and any additional cuts made to facilitate bleeding, no dressing procedure is performed until the animal is insensible.

In November 2004, the PEOPLE FOR THE ETHICAL TREATMENT OF ANIMALS (PETA) released a video taken by an undercover operative (UC) depicting alleged inhumane slaughtering of cattle at AGRI.

The UC working at AGRI was there for an undetermined length of time, during which the UC shot video footage of the kill box and the area around it. A review of the PETA edited tape determined it contained footage of approximately 35 cows during and/or shortly after their throats had been cut. The video also showed cattle having their throat cut by a Rabbi and then a plant employee performing other cuts, and in most cases, pulling the trachea out of the animal's throat. The animals were then dumped from the kill box and onto the floor. One animal got up after it was dumped from the kill box and walked to the corner of the kill floor where it laid down. The other animals on the video were moving at various degrees that could be described as: a) attempting to get up, b) thrashing about, c) head and/or tongue lolling from side to side. There were also, at times, the sounds of animals bellowing. FSIS has ten inspectors at the facility.

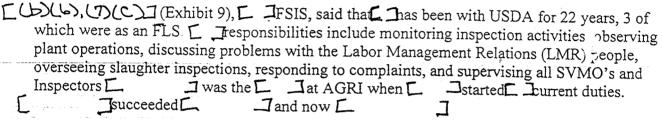
7 U.S.C. 1902 INHUMANE SLAUGHTER

C(b)(1)(1) Des Moines District Office, Field Operations, FSIS, saich been the prior to becoming were trained in January 2002 by the staff of the FSI Technical Services Center, Omaha, Nebraska. The position and duties of DVMS are new, but
Title 9 part 313 – Humane Slaughter of Livestock, has been on the books since 1978. The DVMS' job was created in response to a 2002 congressional inquiry. Employee training is don at basic training of the Veterinary Medical Officers (VMO) after they are hired.
FSIS Directive 6900.2 was issued in the summer of 2004. It replaced an older Directive 6900.2 and was followed by a revision approximately 1 month later. The meaning of the word "unconscious" from the directive is, in essence, that the animal cannot feel pain. FSIS policy is that if an animal is conscious then no further processing is allowed. Consciousness assessment part of the FSIS training of veterinarians.
It is
There had been no complaints about inhumane slaughter regarding the trachea pull from the FSIS staff at AGRI. I was not aware that any FSIS personnel had observed the procedure. Ritual slaughter is limited to the act of throat cutting. What happens before and after is not part of the ritual slaughter.
It is essentially impossible that an animal with its trachea severed could vocalize because the larynx is higher than the cut in the trachea and the air would not go through it so no sound could be emitted.
Postville, Iowa, said I is currently assigned to AGRI and is responsible for supervising the FSI employees at the plant. I also conducts ante mortem inspections, post mortem inspections, an ensures that AGRI and its employees follow USDA regulations.
Other than L J general education as a veterinarian the only training L Jhad received regarding humane slaughter was in 1987. L Jhas reviewed FSIS policies and memorandums on the issue, including FSIS Directive 6900.2 in all of its versions.
L Ibelieved, until recently advised otherwise by L I immediate supervisor, L JFSIS, that L I should have no involvement in the ritual slaughter of livestock and that L I duties ended at the kill box. L I did not observe the activities in the kill

box until after the PETA tape aired. Prior to that would visually ensure, three to five day, that the cattle coming out of the kill box on the bleed rail were dead. I did not se conscious cattle on the bleed rail. Prior to seeing the PETA tape was not aware that tracheas were being pulled out while still in the kill box.	e any
[(b)(c), (7)(c)] and [(b)(b), (7)(c)] [1 told [] the pulling of the trachea was an approved practice. [] received no reports from staff about animals walking after leaving the kill box or about animals being inhumanely slaughtered.	FSIS, om FSIS y
Ottumwa, Iowa, said [] was the [] Jat AGRI prior to []	コ
Religious slaughter is exempt from the humane slaughter law and in the course ofdid observe the rest of the slaugh process each day, although not for long periods of time, and never witnessed the act of animal's trachea and pulling it out. Animals were sometimes struggling on the kill floothey bled out but they did not get up and walk.	ter cutting an
and I Lobserved the kill area about once every 3 weeks and did not see an walking around after their throats had been cut.	コ y animals
At some point \(\begin{aligned} \] Jobserved the trachea cut and pull and questioned \(\begin{aligned} \] JAGRI, about it. \(\begin{aligned} \] Jtold \(\begin{aligned} \] Jthey had been doing it for a lon which \(\begin{aligned} \] Jknew to be inaccurate, since \(\begin{aligned} \] Jhad not noticed it before. During the procedure a plant employee made a second cut of the carotid arteries. This was to enhable bleeding. The trachea pull was probably being done to further enhance bleeding. This likely initiated after \(\begin{aligned} aligne	ne kill nce the was most
A few weeks after noticing the trachea pull Drought it to the attention of (b)(b) ————————————————————————————————	n
☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐	es
In June 2003, \(\bigcirc \) (\(\bigcirc)\), (\(\bigcirc)\) (\(\bigcirc)\) and \(\bigcirc \) Jwatched the slaughter process a The animals were not killed with one cut, but what they saw was not inhumane. They we several animals being killed and concluded there was no problem with the killing praction. I have brought the trachea dissection to \(\bigcirc \) Jattention, although \(\bigcirc \) has no specific recollection.	vatched ce.

Training regarding humane handling and slaughter is done largely through notices and directives sent out by FSIS to the staff. DVMS received special training and (L) went to the FSIS Technical Service Center in Omaha for the training.

as:	igned to AGRI. Several years ago was in charge of humane slaughter issues at AGRI. \Box rejuded very little instruction in the area of humane slaughter. The regulations have since anged and the SVMO is now in charge of humane treatment.
ıts	Thas seen cattle at the plant get up and walk after being dumped from the kill box, but a rare. No more than a couple each year L Thas never heard an animal vocalize after it had neck cut.



After the recent PETA complain I met with AGRI officials, discussed the situation and made suggestions about checking for consciousness and re-stunning any animals that were still conscious. I considered AGRI's response at that time to be adequate and AGRI is looking at how to implement corrections to the problems.

AGRI, Postville, Iowa, said they process about 500 animals each day. On three or four occasions over the past several years an animal has gotten up and walked after it was dumped from the kill box. They sometimes only went a few feet but other times as far as 20 or 30 feet.

AGRI had been doing the trachea cut and pull while the animal was still in the kill box for some time. They have not attempted to keep this hidden from FSIS Inspectors. Idoes not recall why they started the practice but believes it was in an attempt to enhance bleeding. After recent meetings with FSIS officials the practice has been discontinued. They have also instituted new procedures for "stunning" any animal that may still appear conscious after the ritual slaughter. Any animal that is stunned by other means is no longer considered kosher.

FSIS, Postville, Iowa, said has been

REVIEW OF 2004 GENERAL ACCOUNTING OFFICE REPORT:

A 2004 report by the General Accounting Office (Exhibit 11) on Humane Methods of Slaughter found, among other things, FSIS officials may not be using consistent criteria in assessing these types of issues. In November 2003 FSIS issued clearer guidelines to its inspectors. They also found that the records show, "serious violations appear to have taken place – violations that involved multiple instances of ineffective stunning or several animals being conscious during slaughter – but that inspectors did not take any enforcement action." The study cited 112 incidents of animals "moving to slaughter" that were still conscious. FSIS issued a new humane handling and slaughter directive on November 25, 2003, that obligated inspectors to take enforcement actions when they observe inhumane treatment.

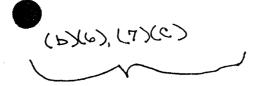
18 U.S.C. 201 - BRIBERY OF PUBLIC OFFICIALS 18 U.S.C. 208 - ACTS AFFECTING A PERSONAL FINANCIAL INTEREST

(Exhibit 12)

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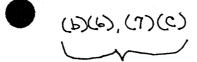
	an
	AGRI, as a requirement of using FSIS inspection services, provides an office for the FSIS employees
	On December 5, 2004, while working on the poultry side \[\]observed residue from the wheel that runs the shackles falling on chicken carcasses. \[\(\beta \)(7)(c) \] FSIS, Postville, Iowa, also observed the residue falling on the carcasses. They stopped the line and red ringed the chickens that had contaminants on them. They directed the company to clean the area, remove and clean the contaminated chickens prior to restarting the line. \[\] agreed that \[\] had the authority to stop the line and \[\] made certain that the company cleaned the equipment.
	On December 7, 2004, the same problem was observed. Jagain stopped the line and red ringed the contaminated chickens Jagain stopped the line and red ringed the contaminated chickens Jagain stopped the line and red ringed the contaminated chickens Jagain stopped the line and red ringed the contaminated chickens Jagain stopped the line and red ringed the contaminated reproblem and had ordered a new chain. Jagain stopped the line and red ringed the contaminated reproblem and had ordered a new chain. Jagain stopped the line and red ringed the contaminated reproblem and had ordered a new chain. Jagain stopped the line and red ringed the contaminated reproblem and had ordered a new chain. Jagain stopped the line and red ringed the contaminated chickens Jagain stopped the line and red ringed the contaminated chickens Jagain stopped the line and red ringed the contaminated chickens Jagain stopped the line and red ringed the contaminated chickens Jagain stopped the line and red ringed the contaminated chickens Jagain stopped the line and red ringed the contaminated chickens Jagain stopped the line and red ringed the contaminated chickens Jagain stopped the line and red ringed the contaminated red ringed red ringed the contaminated red ringed the contaminated red ringed the contaminated red ringed red ringed red ringed red ringed
Ĺ	Approximately 2 years ago, when FIs could do offline or floor positions, meaning the monitoring of the activities on the slaughter floor, \(\begin{align*} \mathcal{I}\) was training \(\begin{align*} \mathcal{I}\) on the position. At that time \(\begin{align*} \mathcal{I}\) told \(\begin{align*} \mathcal{I}\) checks off tasks and does not do them because, "it is all just a game anyway."
	Several years ago

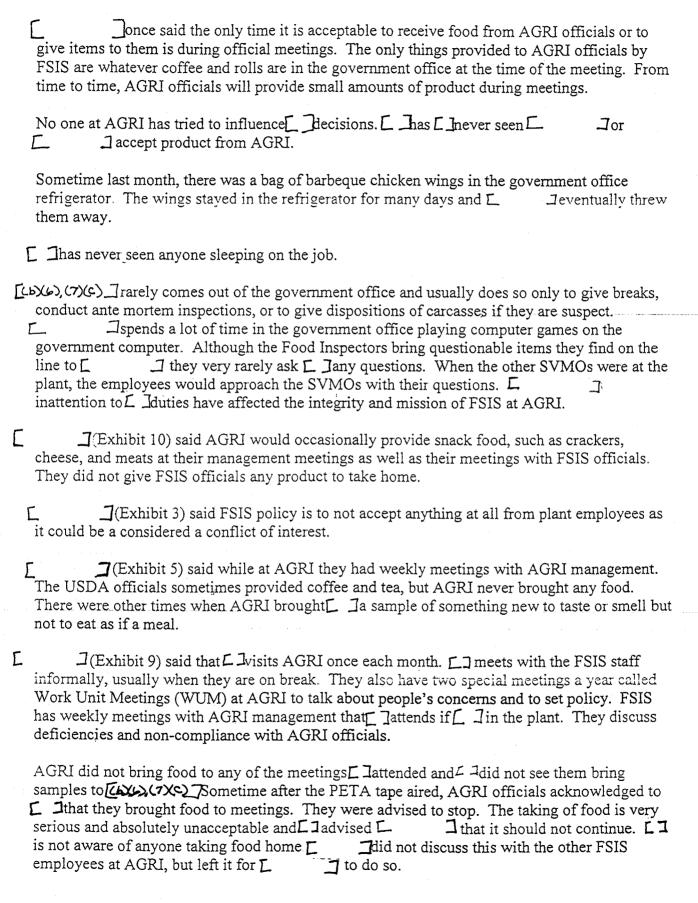
has also seen accept food from AGRI employees on two occasions. On one occasion it was a platter of chicken wings and on the other it was some meat the AGRI employee referred to as "new product" for ato sample.
When was still at AGRI reported to many times that from the chicken line. On one occasion, numerous chickens that were septic and had infectious process came through the position (b)(c)(7Xe) condemned the septic chickens and tagged the infectious chickens. At the time was asleep at position. It is still sleeps at position. In addition to sleeping on the line. It is also keeps I hands in pockets instead of using hands to perform post mortem inspections as required.
「(Exhibit 13) 上 JFSIS, Postville, Iowa, said L Jhas been an Inspector since 1990, first at IOWA TURKEY PRODUCTS (ITP) and since 1993, at AGRI.
I was also I supervisor at ITP. I spends I fluty hours in the government office and only comes out of the office and into the plant for the rare final disposition of carcasses or to give FSIS employees their breaks. Nearly every day I plays games on the government computer.
In September 2004, L I was in the government office with intermittent L (bx), (7xc) I when an AGRI employee from the poultry section brought a bag of barbequed chicken wings to the government office. The chicken wings were in an unmarked plastic bag. L I believes the bag weighed about five pounds.
Sometime in early November 2004, an AGRI employee brought a bag of chicken wings to the government office and placed them in front of
In late November or early December,
Last year
When I sees problems in the plant I seither addresses them I for takes them directly to I would not deal with problems at ITP either.
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with fecal matter on them and notified L who came out of L Joffice, looked at them, and said they were all right. L Jpulled three more off that had fecal matter on them and again notified L Jspoke to the plant and they fixed the problem.
In February 2004 \square saw Rabbis at AGRI inspecting turkeys that were red tagged for fecal matter and green tagged for salvage. The Rabbis were not washing their hands after the inspections and were intermingling the turkeys. This could cause cross contamination. \square stopped the line and was told by \square that \square could not interfere with the Rabbis. Despite this, \square told the Rabbis to wash their hands after each inspection, and to separate the green-tagged turkeys from the red-tagged turkeys, and the Rabbis complied.
In the spring of 2004 \(\) Joverheard \(\) Jsay the plant had failed an E-coli test on the poultry side. This had not been reported to FSIS. \(\) Jbegan looking in the plant for the potential cause of the contamination. \(\) Jlater told \(\) Jthat \(\) Jhad concerns about the fecal problem on the chicken side. \(\) Jcame out of the bathroom and both of them began making fun of \(\) J
 January 2004. Since coming to AGRIL has observed that I spends duty hours in the office, often playing "hearts" on the government computer, and only comes out of the office and into the plant for the rare final disposition of carcasses, or to give FSIS employees their breaks.
Approximately 2 months agd Jsaw an AGRI employee bring a two-pound package of hamburger and another package containing two steaks in to the government office and place them in the refrigerator.
I Irecently saw a large bag of barbeque chicken wings in the refrigerator.
Approximately 3 weeks ago
Approximately 2 weeks ago Jbrought a large plastic bag of barbeque chicken wings into the office and put it in the refrigerator and said to J'here's some samples for you Doc."
On several occasions \square brought problems to \square attention and \square took no action. On November 29, 2004 \square saw hides lying outside the plant, blood coming out of the plant, and garbage strewn about, all of which smelled very badly \square reported this to \square who neither responded to \square nor took action.
On December 2, 2004, \[\] Joverheard \[\] \[\] telling \[\] \[\] If you have the time and resources, it would be in your best interest to get this cleaned up and taken care of before they get here." FSIS Compliance Investigators and officials arrived at AGRI later that day.

[(Exhibit 15)] (Exhibit 15) I JFSIS, Postville, Iowa, said I has been an intermittent I at AGRI since I 12003.
Wher \(\mathbb{I}\) comes into the government office on breaks \(\mathbb{I}\) has frequently seen \(\mathbb{I}\) playing games on the government computer.
$\[\]$ Joccasionally walks through $\[\]$ Jwork area, but $\[\]$ Jdoes not know what $\[\]$ is doing. On one occasion $\[\]$ Came into the government office and offered $\[\]$ Some of the meat $\[\]$ had with $\[\]$ Jut $\[\]$ Jdid now know where it had come from.
Several months ago \mathcal{L} saw a big bag of barbeque chicken wings on the government office table that \mathcal{L}] believes was provided by AGRI.
[(b)(6), (7)(c)] and [] Trequently attend meetings with plant officials where platters of meat were made available by AGRI.
FSIS for approximately 12 years, first as a Food Inspector and then as a CSI. L Thas been stationed at AGRI for approximately 5 years.
L Idoes not typically go into the slaughter area because L Itoes not wish to inadvertently transport contaminants from the slaughter area into areas L I is responsible for L I has never seen any "walkers" at AGRI and has never seen cattle stand after their throats had been cut.
Indeed Jonce told \mathcal{I} that \mathcal{I} Jaid AGRI removes the tracheas from cattle to facilitate blood loss. The issue was also presented to \mathcal{I} J who approved of it.
L J works predominantly in the line area and the FIs usually report violations or deficiencies on the line to L J Since AGRI hired L J as their Quality Control official, the number of NRs has decreased, largely because of L J efforts to address problems.
Plant meetings are held with AGRI officials nearly every Thursday. L (b)(b), (7)(c) I and someone from their maintenance department typically attend. The meetings are held in either the government office or in one of AGRI's offices. During the meetings various issues are discussed. While it is the SVMO's job to lead these meetings, L Jusually takes the lead because L Jdoes not.
When taking a sample, \square notifies AGRI in accordance with FSIS directives and then secures \square lown samples. AGRI never brings \square lsamples. The samples are random packages of market ready product. These can be of packaged ground beef, deli meats, hot dogs, sausages, or any product requested. The samples are usually one or two pound packages. In order to keep them cold they are temporarily placed in the government office refrigerator. The samples are then packaged and sent to the laboratory.
Z Jis responsible for salmonella sampling. Z Jis responsible for residue sampling and pathology.





In early December Imet with some of the USDA employees at AGRI. No real complaints were made except some questions about leave. There were also some concerns about employees getting their breaks. Inspectors get three breaks if the line goes over eight hours and there were times when L Itid not provide those breaks as I is required to do. I this with [(b)(6), (7), (c) I and advised [I had made a mistake. Lahas heard no complaints about any of the USDA employees not doing their job or falling asleep on the line. [(b)(6),(7)(e)](Exhibit 8) said as part of []duties []collects samples and mails them to the laboratory. To the best of **L** Jknowledge **L** Jand L ☐do the same. They also have weekly meetings with AGRI management staff. These used to be in the government office but now are held in AGRI's offices. At these meetings AGRI sometimes provides food, usually samples of items they are trying to sell. AGRI does not sell their product at the plant and I has neither been offered product nor taken any from the plant or from plant officials. [] has never seen [(b)(c)(c)(c) accept or eat products from the plant, other than what is brought to the meetings. A few months prior to this investigation there were some barbeque chicken wings in the refrigerator that someone from AGRI had brought by for them to try but Lddid not have any. Until recently someone from the plant would occasionally bring some new product line by the government office for them to taste. This happened two or three times a year. is intelligent and capable, but is frequently in the office playing games on the government computer and does not spend a lot of time actually doing [] job. [UN6] (TXC) (Exhibit 4) said that no one from AGRI has tried to influence how I does I Job. As part of \(\sum_{\text{duties}} \) Itakes residue and pathology samples and ships them to the lab via Itakes the requested samples of hamburger, cooked product, Federal Express. processed products and any other items and \(\bar{\infty} \) sends them out via Federal Express. \(\bar{\infty} \) takes samples from the chickens and sends them to the lab. Management meetings are usually held every Thursday. The meetings are typically held in an AGRI management office, however, two or three of the meetings have taken place in the government office [(bX6),(7)(c)] and [I attend the meetings as well as AGRI plant department heads. Various issues concerning the operation of the plant are discussed during the meetings. Sometimes AGRI provides new product samples during the meetings [] has tried them and found them to have too much garlic for Iliking, and the chicken wings still have feathers on them. When AGRI provides samples during the meetings in the government office, they

happened to them.

typically take the samples with them when they leave. After one meeting, chicken wings were left in the government office on the table. The wings later disappeared and I did not know what

AGRI's head cook also brings samples of new product to the government office. L tried some of these samples [(2)(2)(2)] has never taken any products from AGRI home, nor has AGRI provided any products for L Joersonal use, including lunch.

[UNS, C7Xe)] acknowledged having played "hearts" on the government computer in the office, but only on [] breaks and not all of the time.

FIs routinely come to \Box Jwith complaints and \Box Jaddresses their concerns.

The details of this investigation were discussed with an Assistant United States Attorney for the Northern District of Iowa, who declined prosecution.

EXHIBIT LIST

Exhibit Number	<u>Description</u>	Page <u>Introduced</u>
1	Humane Slaughter Act of 1978.	2
2	FSIS Directive 6900.2.	2
3	Memorandum of Interview with にしとく)、(フ)(e) コ	3
4	Memorandum of Interview with L(か)(い)(こ) ユ	3
5	Memorandum of Interview with (b) (7) (7)	4
6	Memorandum of Interview with [(b)(7)(c)]	4
7	Memorandum of Interview with [(b)(c), (7)(c)	4
8	Statement of L(bX(6),(7)(c)]	5
9	Memorandum of Interview with L(b)(6),(7)(c) 7	5
10	Memorandum of Interview with L JAGRI L (b)(1)(1)(2)	5
11	2004 GAO Report on Humane Methods of Slaughter Act	6
12	Statement of L(bX6) (7)(c)]	6
13	Statement of L]	7
14	Statement of [(b)(5)(7)(5)]	8
15	Statement of L	9
16	Memorandum of Interview with [(bX6), (7X0)]	9