



Investigative Report of Bureau of Land Management Wild Horse Buyer

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This is a version of the report prepared for public release.

SYNOPSIS

We investigated Tom Davis, a Colorado rancher and livestock hauler, after receiving allegations that Davis purchased approximately 1,700 wild horses through the Bureau of Land Management (BLM) Wild Horse and Burro Program (WH&B) and wrongfully sent them to slaughter. According to the allegations and news reports, Davis also had farming and trucking connections with former Secretary of the Interior Ken Salazar.

After receiving the allegations, we found that the BLM Office of Law Enforcement (OLE) investigated similar allegations of slaughter in June 2012. OLE interviewed Davis twice and did not determine if the horses he obtained from WH&B went to slaughter. Although we spoke to OLE about its investigative activities, we conducted our investigation independently.

During our investigation, Davis admitted that most of the horses that he purchased through WH&B ultimately went to slaughter. We determined that BLM did not follow current law while managing WH&B. BLM also failed to follow its own policy of limiting horse sales and ensuring that the horses sold went to good homes and were not slaughtered. Due to the lack of evidence that Davis had a relationship with former Secretary Salazar as alleged, this matter was not further investigated.

We referred this investigation to the U.S. Attorney's Office for the District of Colorado as well as the State of Colorado Conejos County District Attorney's Office, which declined civil and criminal prosecution.

BACKGROUND

The Bureau of Land Management (BLM) Wild Horse and Burro Program (WH&B) was established to protect, manage, and control the wild horse population. In 1971, due to the declining population of wild horses and burros, Congress passed the Wild Free-Roaming Horses and Burro Act, giving BLM and the U.S. Department of Agriculture's (USDA) U.S. Forest Service responsibility for managing all of the free-roaming horses and burros on public land (approximately 25,000 animals at that time). The Act also authorizes BLM and the Forest Service to humanely destroy old, sick, or lame animals if deemed necessary to maintain a suitable habitat.

In 1978, Congress passed the Public Rangelands Improvement Act to address the increasing number of horses. This Act provides for the adoption of excess horses, states that no horse shall be "sold or transferred for consideration for processing into commercial products," and directs BLM and the Forest Service to destroy excess horses in the most humane way possible to maintain and restore a thriving ecological balance.

As a result of this legislation, BLM designated herd management areas (HMAs), or areas of land in which it would manage the horses, and surveyed the lands to determine how many horses each HMA could support without overgrazing or damaging the land. BLM currently manages 179 HMAs in 10 western States and counts the horses on the range every 2 to 3 years. When the appropriate management level is exceeded, the excess horses are gathered and prepared for

adoption or sale. BLM administers vaccinations and blood tests to all gathered horses and identifies and tracks each horse using “freeze marks,” to brand the horses.

In December 2004, Congress passed the sales-authority law (also known as the “Burns Amendment”), stating that any excess horse (and burro), or the remains of any excess horse, shall be sold if the horse is more than 10 years of age or if the horse has been offered unsuccessfully for adoption at least three times. In addition, the amendment states that any horse meeting these criteria will be sold without limitation, including through auction to the highest bidder, at local sale yards or other convenient livestock selling facilities, until all excess horses offered are sold or until HMAs reach appropriate management levels. In 2005, however, BLM implemented a policy that placed limitations on the amount of horses sold and required buyers to provide “good homes and humane care” to prevent the horses from being sent to slaughter.

In October 2009, Congress passed a bill making appropriations for the U.S. Department of the Interior (DOI) for fiscal year 2010, which included a proviso stating that no funds may be used “for the destruction of healthy, unadopted, wild horses and burros in the care of [BLM] or its contractors or for the sale of wild horses and burros that results in their destruction for processing into commercial products.”¹ This limitation was renewed in appropriations bills for fiscal years 2011 and 2012.

DETAILS OF INVESTIGATION

We initiated this investigation on October 11, 2012, after receiving allegations that Tom Davis, a Colorado rancher and livestock hauler, purchased approximately 1,700 wild horses through WH&B and sent them to slaughter in Mexico. According to the allegations, Davis signed a contract with BLM before purchasing the horses agreeing not to send them to slaughter. A September 29, 2012 NBC news article, however, reported that Davis had sought investors for a slaughterhouse and conducted farming and trucking activities for the family of former Secretary of the Interior Ken Salazar. The article also reported that BLM began sending Davis truckloads of horses just 2 weeks after Salazar was selected as the Secretary of the Interior.

During our investigation, we interviewed Tom Davis, brand inspectors, veterinarians, and WH&B personnel; reviewed Colorado state board of stock inspection forms and other documents; subpoenaed financial and business records; and reviewed WH&B documents and legislation governing the program.

Allegation That Tom Davis Sent 1,700 Horses to Slaughter

The BLM Office of Law Enforcement (OLE) investigated similar allegations against Davis in June 2012. OLE interviewed Davis twice before we opened an independent investigation. Davis told OLE that the horses he obtained from WH&B went to good homes and were not slaughtered.

We interviewed Davis about the allegations we received. When asked how many of the 1,700 horses Davis purchased from WH&B were sent to Mexico, Davis replied: “Probably close to all

¹ Public Law 111-88, October 30, 2009.

of them.” He added that he may have received one “good” horse from each load of horses he received from BLM. Davis said that he bought the “unadoptables” that BLM had to get rid of and that he could get rid of them. He said: “I’d rather see me send them down there than I would see the Government send them down there.”

Davis denied that he transported the horses directly to slaughter. He said he knew the horses would be sent to Mexico, but he never crossed the border. He explained that prior to purchasing horses from WH&B, he made arrangements with buyers—whose names he would not disclose—who transported the horses to Mexico.

Davis said he would not tell WH&B employees who purchased the horses from him. According to Davis, a WH&B marketing specialist asked him several times if he sent the horses to slaughter. Davis said he told the marketing specialist that he was not selling the horses to slaughter. He also said he knew he was not supposed to sell the horses to anyone that would take them to a slaughterhouse or “make any money out of them.” Davis added, however, that he knew where the horses would be taken because there was only “one place to go. . . . to the kill plant.”

Davis said he purchased horses from BLM by the truckload, which typically consisted of 35 horses, and paid \$10 per horse. He said he could sell a load of 35 horses for about \$3,500 to \$4,000 and make \$2,500 to \$3,000 in profit on each sale.

Davis said that demand for horse meat, which he compared to meat from cows, sheep, and goats, was high, and that he wanted to obtain more horses from WH&B. He said that if he could obtain 10,000 horses from BLM and bypass his buyers, he would take them directly to Mexico himself because he could sell them for \$100 each and quit. Davis opined that in selling him so many loads of horses, BLM had to know that the horses would end up at a slaughterhouse.

Transporting BLM Horses to Slaughter

During our interview with Davis, he mentioned a friend who is reportedly a “kill buyer” and the owner of Southwest Livestock, LLC, in Los Lunas, NM. Davis admitted to selling horses to this friend, just not BLM freeze-marked horses. Even after horse slaughter was banned in the United States,² the Southwest Livestock owner reportedly exported nearly 12,000 horses per year to Mexico for slaughter. We attempted to interview the owner of Southwest Livestock, who declined and requested an attorney. We contacted the attorney, but no interview was granted.

We discovered, however, that the Southwest Livestock owner’s horses needed to pass inspection by a New Mexico brand inspector before leaving his facility. We interviewed a New Mexico Department of Agriculture brand inspector, who said he routinely performed the required brand inspections on all livestock transported from the Southwest Livestock facility. The brand inspector admitted, though, that he did not visually inspect this facility’s horses, and relied upon the accuracy of paperwork prepared by the facility’s owner. Since he did not inspect the horses,

² From 2007 to 2011, slaughter of horses for meat was essentially banned in the United States because language in USDA appropriations bills prohibited the use of funds for inspections of horse-slaughter facilities. Public Law 112-55, an appropriations bill passed on November 18, 2011, did not renew that prohibition, but it did not specifically provide funding for horse meat inspection.

the brand inspector did not know if any were BLM freeze-marked horses Davis sold to Southwest Livestock.

In addition, a USDA-certified veterinarian must inspect all of Southwest Livestock's horses and sign International Health Certificates (IHCs) before they are exported into Mexico. We interviewed a private USDA-certified veterinarian, who routinely provided veterinary services to animals at Southwest Livestock and signed IHCs prior to the horses being transported to Mexico for slaughter. The veterinarian admitted that the Southwest Livestock owner prepared all IHCs, and the veterinarian signed them without inspecting the horses. The veterinarian said that if there was a health issue, the facility's owner or the Mexican veterinarians would identify the issue before import to Mexico. Since the veterinarian did not inspect the horses, he did not know if any were BLM freeze-marked horses Davis sold to Southwest Livestock. Our review of the IHCs and a USDA slaughter logbook related to the shipment of horses by Southwest Livestock into Mexico between 2008 and 2012, confirmed that the horses were not identified by freeze marks.

The State of Colorado also requires all livestock being sold or transported to be inspected, so we obtained Colorado State Board of Stock Inspection forms pertaining to the sale or transportation of Davis' animals. The records indicated that Davis sent horses to several locations, including locations near the Mexican border in New Mexico and Texas. The New Mexico locations included Southwest Livestock but did not indicate whether the horses were BLM freeze-marked horses. Although many of the forms did not list the horses' buyers, we contacted two individuals that were listed on the forms. These two horse buyers had been involved in the livestock industry but denied knowing Davis and said they never received horses from him.

Davis' Relationship With Southwest Livestock

We subpoenaed financial and business records from both Davis and the owner of Southwest Livestock. We found sales invoices documenting instances in which the owner of Southwest Livestock purchased horses from Davis that correlated closely to purchases Davis made from BLM. For example, on February 16, 2012, BLM sold 36 wild horses to Davis from its Cañon City, CO facility. Davis then sold 39 horses to Southwest Livestock on February 18. While these invoices did not reflect whether the horses were BLM freeze-marked horses, they confirmed that Southwest Livestock was one of Davis' buyers. We also subpoenaed Davis' telephone records and found numerous calls made between March 2009 and November 2012 to the owner of Southwest Livestock.

Responsibility of the Wild Horse and Burro Program

After reviewing WH&B records, we determined that in 1999 and the early 2000s, the Davis family adopted 24 horses through the WH&B adoption program. After BLM implemented the sales program in 2004, Davis purchased 1,794 horses and burros between 2008 and 2012. WH&B records revealed that no one other than Davis had ever purchased more than 1,000 horses; the next largest purchase by one person was 325 horses.

BLM bills of sale, Government bills of lading, and other BLM documents confirmed that Davis purchased horses by the truckload—which consisted of approximately 35 horses per load—and

paid \$10 for each horse. BLM delivered the horses directly to Davis, which a marketing specialist said was normal protocol for BLM when anyone purchased more than 20 horses. We determined that BLM spent more than \$140,000 transporting horses to Davis between 2008 and 2012 (BLM stopped paying for the transportation of horses in 2012), and Davis spent \$17,940 buying horses from BLM.

A review of archived emails for relevant DOI employees found no evidence that BLM employees were pressured to sell horses to Davis. Although we found various discussions concerning allegations that Davis was sending BLM horses to slaughter, none of these discussions yielded evidence that BLM employees sold horses to Davis knowing that he was doing so.

Contradicting Policy and Political Pressure

We found that BLM implemented and followed policy that contradicted legislation, by not destroying horses to maintain an ecological balance, and the 2004 Burns Amendment, by placing limitations on horse sales. After discovering evidence that some of the horses sold were sent to slaughter, a WH&B senior advisor said WH&B staff members wrote and implemented new policy in 2005 to ensure horses were 1) sold to good homes, 2) not sold without limitation or to the highest bidder as directed by the law, and 3) not being sent to slaughter.

BLM officials stated that operating contrary to implemented legislation by limiting sales and not destroying horses has contributed to an unmanageable number of horses. The WH&B senior advisor reasoned, however, that selling without limitation or destroying horses would be “political suicide,” and Congress does not want to deal with those issues. A WH&B division chief said that although BLM has attempted to manage the wild horse and burro population for years, BLM has been unsuccessful and the same issues continue to occur without resolution. The division chief believed that these problems were due in part to “political pressures.”

WH&B Managers' Responsibility to Ensure Horses Were Not Sent to Slaughter

After interviewing WH&B officials and reviewing WH&B records, we found that WH&B managers failed to enforce BLM's policy of limiting the sales of horses and ensuring that the horses went to good homes.

We interviewed a WH&B marketing specialist who approved the sales to Davis. The marketing specialist explained that before she approves a buyer for a sale, the buyer has to complete a telephone application. She said that if she is satisfied with the answers, none of which are validated or verified, then she approves the application. The applicant can then purchase horses or burros immediately and does not need to requalify for subsequent purchases.

In January 2008, the WH&B marketing specialist interviewed Davis as part of the sales application process. During the interview, the marketing specialist said, Davis told her that he might sell the horses but not to slaughter. Davis agreed that any horses he sold would go to good homes. The marketing specialist approved Davis' application, signed the application as the person who completed the interview, and agreed to sell Davis horses.

Due to BLM updating the sales application form, the marketing specialist had Davis complete two more applications, in January 2011 and April 2012. In these applications, Davis said he was turning the horses out on oil leases to graze or selling them to good homes in groups of 10 to 30 as pasture pets. The marketing specialist said she never had any reason to doubt the information on Davis' applications, even after he refused to tell her who he sold the horses to because he did not want BLM to "hone" in on his market.

The marketing specialist said that for each purchase, Davis completed a bill of sale stating that he agreed not to knowingly sell or transfer ownership of any wild horse or burro to any person or organization with the intent to resell the animal to slaughter. The marketing specialist said she asked Davis after each purchase what he was doing with the horses, and he told her they were going to good homes.

When interviewed, a WH&B senior advisor said that in 2011, he and the marketing specialist called Davis to ask him why he wanted more horses and what he planned to do with them. The senior advisor said Davis reassured them that he was not reselling the horses and claimed that he transported them to wealthy friends who wanted the horses for their property and a tax break. The senior advisor believed Davis to be credible. The senior advisor acknowledged that he did not verify Davis' story by obtaining the names of the wealthy individuals and denied that it was WH&B's responsibility to collect additional information from Davis.

Despite receiving information between 2009 and 2012 that Davis requested and received a large number of horses and was sending horses to slaughter, WH&B officials said there was no evidence of wrongdoing to prompt them to stop selling to Davis or to conduct further background checks or inspections.

The marketing specialist said she contacted Davis whenever she received a complaint about him sending horses to slaughter and reported every complaint to BLM OLE. She said Davis always denied these allegations and that BLM law enforcement found no evidence of Davis selling the horses to slaughter.

The marketing specialist denied receiving pressure from WH&B management to sell horses to Davis. She explained, however, that her performance appraisals were partially based on how many adoptions and sales she completed. Our review of the marketing specialist's performance appraisals confirmed this statement, and we found that she received exceptional or superior ratings, with monetary awards, between 2008 and 2012.

Agent's Note: Our review of BLM records disclosed that during the same timeframe that the marketing specialist sold BLM horses to Davis, BLM OLE was investigating two men in Utah that acquired BLM horses by falsely stating that they would not resell them or transport them to slaughter. The two men were indicted by the U.S. District Court for the District of Utah and pleaded guilty.

Davis' Relationship With Former Secretary Salazar

Although Davis reportedly told a news reporter that his family farmed land belonging to the

Salazar family and did “quite a bit of trucking for Ken,” Salazar denied having a relationship with Davis during an interview with this same reporter in December 2012. BLM employees said they were not personally aware of any relationship between Salazar and Davis. We determined that this matter did not warrant further investigation.

SUBJECT(S)

1. Tom Davis, rancher and livestock hauler.

DISPOSITION

We referred this investigation to the U.S. Attorney’s Office for the District of Colorado, who declined both civil and criminal prosecution. The State of Colorado Conejos County District Attorney’s Office also declined to file charges against Davis.

We referred the public health issue concerning a USDA-certified veterinarian signing IHCs without inspecting the horses (false statements) to the U.S. Attorney’s Office for the District of New Mexico. The District of New Mexico formally declined prosecution. We will refer this issue to the USDA Office of Inspector General for any action deemed appropriate.

Bureau of Land Management's Response




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OCT 09 2015

Memorandum

To: Stephen A. Hargrove
Chief of Staff, Office of Inspector General

From: Steven A. Ellis 
Deputy Director, Operations

Subject: Report of Investigation — Tom Davis, BLM Wild Horse Buyer
Case No. OI-CO-13-0004-I

Thank you for your memorandum of July 7, 2015, transmitting the results of your office's investigation of Mr. Tom Davis. The BLM is committed to ensuring all agency operations follow relevant law and policy, and I appreciate the important role of the Office of Inspector General in carrying out that commitment. I have carefully reviewed your report and respectfully submit this response.

The BLM takes very seriously your finding that most of the 1,700 horses sold to Mr. Davis went to slaughter contrary to the terms of the BLM's sale and in spite of a series of preventative measures followed by the BLM during the sale to Mr. Davis. The BLM has taken additional steps to strengthen our ability to prevent this type of situation from happening. Your report describes the steps taken by the BLM to ensure that wild horse buyers provide good homes and humane care, consistent with Congressional direction. Specifically, the reports notes that BLM employees made repeated efforts to determine what plans Mr. Davis had for the disposition of the horses he was buying. Unfortunately these practices were not strong enough to prevent Mr. Davis's deceitful actions. The BLM strengthened its policies for adoption and sale in December of 2012, and the BLM now requires approval by the Assistant Director, Resources and Planning for any sale of more than four horses from any individual within a six-month period. This policy prevents a recurrence of the situation outlined in your report.

With respect to Mr. Davis, the BLM no longer has any business relationship with Mr. Davis and will not in the future. As you note, both the U.S. Attorney's Office for the District of Colorado and the State of Colorado Conejos County District Attorney's Office have declined civil and criminal prosecution. Accordingly, there is no further action that the BLM may take specific to Mr. Davis.

Thank you for your assistance in this matter.

Attachment