



United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

March 7, 2002

The Honorable Elaine Kaplan
The Special Counsel
U.S. Office of Special Counsel
1730 M Street, NW., Suite 300
Washington, D.C. 20036-4505

Dear Madam Special Counsel:

This is in response to your October 24, 2001, letter requesting that the Department of Agriculture's (USDA) Food Safety and Inspection Service (FSIS) conduct an investigation into allegations raised by Dr. Thomas D'Amura, a former USDA Veterinary Medical Officer, of inspection irregularities at IBP, inc., located in Amarillo, Texas.

The FSIS Labor and Employee Relations Division (LERD) conducted an investigation into Dr. D'Amura's allegations that ante-mortem inspection of live cattle is not properly conducted, that abnormal animals are not properly segregated for proper disposition during ante-mortem inspection, and that slaughter line inspectors do not properly inspect and palpate certain offal parts intended for food. The investigation revealed no evidence of improper ante-mortem inspection. In the investigation of post-mortem inspection procedures, the Inspector-in-Charge (IIC) reported that not all inspectors are palpating the ruminoreticular junction of the viscera, as specified in the FSIS Meat and Poultry Inspection Manual. There was no other evidence of any deviation from proper post-mortem inspection procedures. The FSIS Office of Field Operations has been provided with a copy of the LERD findings and will take appropriate action through on-site training and supervisory assessments to ensure that proper post-mortem procedures are being applied at IBP, inc.

As requested, we are providing you with a copy the LERD report. If you should have any questions regarding the investigation or the findings of the report, please feel free to contact Mr. William Milton, Director, FSIS Labor and Employee Relations Division at (202) 720-4819. We hope you find this information helpful.

Sincerely,

A handwritten signature in black ink, appearing to read "Ann Veneman".

Ann M. Veneman
Secretary

Enclosure

Report of Investigation

**Subject: OSC File No. DI-01-0901: Inspection Irregularities at IBP, Inc.,
Amarillo, Texas.**

Date of Investigation: February 1-6, 2002

Investigator: Dan J. Willis

SYNOPSIS

On January 9, 2002 the Agency received correspondence from the USDA Office of Inspector General transmitting an October 2001 complaint filed by former USDA employee Dr. THOMAS D'AMURA (Exhibit 1). The complaint alleged that USDA staff at IBP, Inc.(USDA Establishment #245E) does not properly enforce 9 CFR 307-314.

The complaint alleged that ante-mortem inspection of live cattle is not properly conducted, and that abnormal animals are not properly segregated for proper disposition during ante-mortem inspection at the IBP plant. The complaint further alleged that slaughter line inspectors do not properly inspect and/or palpate certain offal parts intended for food during post-mortem inspection. This investigation was authorized (Exhibit 2) to determine the validity of the allegations.

The investigation included interviews with members of the inspection staff assigned to the IBP facility as well as management officials who are responsible for reviewing inspection procedures there. The investigation revealed no evidence of improper ante-mortem inspection. The evidence suggests that on post-mortem inspection, all slaughter inspectors are observing the rumino-reticular junction of the viscera as specified in the Meat and Poultry Inspection Manual, Part 11.1, (h), (2), 3. However, the Inspector In Charge inferred some doubt that all inspectors are palpating the rumino-reticular junction in accordance with the Manual. There was no other evidence of any deviation from proper post-mortem inspection procedures.

BACKGROUND

IBP, Inc. (USDA Est. 245E), is a beef slaughter operation located at 1912 Farm Road, Highway 66 East, Amarillo, Texas. The company operates two slaughter and processing shifts per day, slaughtering exclusively young market cattle at a maximum rate of 390 head per hour.

The USDA inspection staff at IBP consists of a Supervisory Veterinary Medical Officer (SVMO) who acts as Inspector In Charge (IIC) and day shift supervisor. As the senior USDA official on site, the IIC is responsible for assuring that inspection procedures comply with the regulations. The IIC is assisted by a subordinate Veterinary Medical Officer (VMO), two Consumer Safety Inspectors (CSI), and thirteen (13) Food Inspectors.

The second (afternoon) shift is also staffed by a Supervisory Veterinary Medical Officer, a subordinate Veterinary Medical Officer, two Consumer Safety Inspectors, and thirteen (13) food inspectors. The IIC has overall responsibility for supervision of the USDA staff on both shifts.

These employees enforce 9 CFR Parts 307 through 314 using procedures set forth in the USDA Meat and Poultry Inspection Manual. The portions of the MPI Manual pertinent to ante-mortem and post-mortem inspection procedures are enclosed at Exhibit 3 and Exhibit 4, respectively.

Dr. THOMAS D'AMURA is a former USDA VMO assigned to the IBP plant in Amarillo. In his position, he was primarily responsible for conducting ante-mortem inspection of cattle presented for inspection. D'AMURA also assisted slaughter line operations by providing relief breaks to the Food Inspectors engaged in post-mortem inspection.

On December 8, 2000, D'AMURA was removed from employment during his probationary period. As such, whatever personal observations D'AMURA made that gave rise to OSC File No. DI-01-0901 apparently occurred prior to December 2000.

ANTE-MORTEM INSPECTION PROCEDURES

In her signed sworn statement (Exhibit 5), MARCIA ENDERSBY, DVM, stated that she is the Circuit Supervisor in the Amarillo area, responsible for enforcement of inspection regulations in a number of USDA establishments including IBP, Amarillo, Texas. She is the immediate supervisor of MORRIS H. TRUESDELL, DVM, IIC at the IBP plant.

ENDERSBY stated that she regularly visits the USDA staff at IBP, and that many of her visits are unannounced. ENDERSBY stated that she has personally observed both ante-mortem and post-mortem inspection procedures by the inspection staff and believes that all employees are properly carrying out their inspection functions. ENDERSBY further stated that she considers TRUESDELL to be a competent and diligent supervisor, fully capable of ensuring that all of his subordinates properly carry out all inspection functions.

ENDERSBY stated that she began her tenure as Amarillo Circuit Supervisor after D'AMURA was removed from employment, and has seen no evidence that the USDA staff is improperly conducting ante-mortem inspection. ENDERSBY stated that she believes that such evidence would be apparent if there were any improprieties.

TRUESDELL (Exhibit 6) stated that he has trained and posted instructions for all employees responsible for performing ante-mortem inspection. He stated that the IBP plant operates on a system under which 100% of all cattle presented for inspection are observed at rest; and that 5 to 10% of those are observed in motion from both sides. This procedure is provided for in the MPI Manual at Part 9.6 (Exhibit 3).

TRUESDELL stated that he was aware of concerns raised by D'AMURA regarding ante-mortem inspection prior to D'AMURA filing the complaint. TRUESDELL stated that after D'AMURA was removed, he (TRUESDELL) reviewed the ante-mortem procedures at IBP as the result of D'AMURA's concerns and determined that lighting in certain portions of the livestock pens was marginal or insufficient to conduct proper ante-mortem inspection. TRUESDELL stated that approximately one year ago, he required IBP to install extra lighting in the livestock pens to better facilitate ante-mortem inspection. He also stated that he has posted the procedures to be followed for all inspectors in conducting ante-mortem inspection. A copy of the posted ante-mortem inspection procedures is attached to TRUESDELL's statement (Exhibit 6).

JACK C. NEWKIRK, DVM stated (Exhibit 7) that as the VMO at IBP, he is primarily responsible for performing ante-mortem inspection on cattle slaughtered. NEWKIRK stated that TRUESDELL trained him to perform ante-mortem inspection under the procedure whereby 100% of the cattle are observed at rest and 5 to 10% are observed in motion. NEWKIRK stated that he looks for opportunities to observe extra cattle in motion and is confident that his procedures allow him to observe more than the standard 10% provided for in the MPI Manual. NEWKIRK stated that he has never accompanied any of the inspectors to perform ante-mortem but is aware that TRUESDELL has trained them and posted proper procedures. He stated that he has no reason to doubt that the inspectors perform the procedures as they have been trained.

EARNEST L. CHERRY is a CSI assigned to IBP, with primary responsibility for performing off line inspection functions under the Agency's Hazard Analysis and Critical Control Point (HACCP) inspection procedures. CHERRY stated (Exhibit 8) that he has been assigned to IBP for 18 years and assists TRUESDELL and NEWKIRK in performing ante-mortem inspection when necessary. CHERRY stated that TRUESDELL has provided him training in ante-mortem inspection procedures and has posted the procedures for all inspectors' review. CHERRY stated that he inspects 100% of the cattle at rest and 10% of the cattle in motion from both sides, and believes that all the inspectors perform ante-mortem duties according to TRUESDELL's instructions.

In his signed sworn statement (Exhibit 9), DAVID L. MOOREHEAD stated that he is a CSI assigned to IBP with responsibility for performing off line inspection functions under HACCP inspection procedures. MOOREHEAD stated that he also assists TRUESDELL and NEWKIRK by performing ante-mortem duties when needed. MOOREHEAD stated that he reviewed TRUESDELL's posted ante-mortem inspection procedures when he was first assigned to the IBP plant and has followed the procedures.

In his signed sworn statement (Exhibit 10), ALFRED V. ALMANZA, Deputy District Manager, Dallas District Field Operations, stated that between October 2000 and January 2001 he was assigned as acting Amarillo Circuit Supervisor and made official visits to the IBP plant in that capacity. ALMANZA stated that during his visits to the plant, he observed that 100% of the cattle were inspected at rest and 10% were observed in motion according to TRUESDELL's posted procedures. ALMANZA stated that he considered

TRUESEDELL and the inspection staff to be conducting ante-mortem inspection according to the manual and regulations.

Investigator's note: During my on site visit to IBP, I also spoke with MUHAMMAD HAQ, DVM, the night shift Supervisory Veterinary Medical Officer at IBP. Dr. HAQ advised that he has been the night shift supervisor at IBP for the past seven years and was the night shift supervisor during D'AMURA's tenure at IBP. HAQ confirmed that all night shift employees are conducting ante-mortem inspection procedures according to the regulations and TRUESEDELL's instructions.

HAQ advised that D'AMURA worked almost exclusively on the day shift and so had little interaction with the night shift employees. HAQ stated that D'AMURA had virtually no opportunity to observe ante-mortem or post-mortem procedures of the night shift employees. This was later confirmed by TRUESEDELL. Under the circumstances, I determined that it was unnecessary to obtain a signed sworn statement from HAQ.

POST-MORTEM INSPECTION PROCEDURES

ENDERSBY (Exhibit 5) stated that she regularly reviews and believes that all inspectors are performing post-mortem inspection procedures properly in accordance with regulations and the MPI Manual. ENDERSBY stated that she believes TRUESEDELL is technically competent and motivated to enforce proper inspection procedures.

TRUESEDELL (Exhibit 6) stated that he observes his inspection performing post-mortem inspection duties a minimum of three hours per day and that all of his inspectors properly conduct post-mortem inspection procedures. He stated that all of the inspectors under his supervision properly open bile ducts on livers and palpate the livers for abscesses or other lesions. TRUESEDELL inferred, however, that perhaps not all inspectors palpate the rumino-reticular junction of the viscera in all cases, stating that it is a difficult task at the speed with which the IBP Company slaughters. He stated that he believes the inspectors perform their duties consistently.

NEWKIRK (Exhibit 7) stated that he has constant occasion to observe the inspectors' performance of post-mortem inspection procedures and he believes that all the inspectors are performing the procedures properly. NEWKIRK stated that he believes that in some instances, the inspectors tend to be too strenuous or strict in their enforcement of the regulations.

CHERRY (Exhibit 8) stated that he assists TRUESEDELL and NEWKIRK in providing relief breaks for the inspectors and so has had opportunity to observe the inspectors' post-mortem inspection techniques. CHERRY stated that in his opinion, all inspectors perform post-mortem inspection properly.

MOOREHEAD (Exhibit 9) stated that he also assists TRUESEDELL and NEWKIRK in providing relief breaks for the line inspectors. MOOREHEAD stated that he believes the

inspectors are performing post-mortem inspection duties in full compliance with the regulations.

ALMANZA (Exhibit 10) stated that during his tenure as acting Amarillo Circuit Supervisor (October 2000 through January 2001), he observed only one employee failing to properly perform post-mortem inspection procedures. That employee was D'AMURA. ALMANZA stated that because of these and other difficulties with D'AMURA, he recommended that D'AMURA be separated from employment on December 8, 2000—before completion of his probationary period. ALMANZA stated that other than D'AMURA, the inspectors at IBP were performing post-mortem inspection in accordance with the regulations.

Investigator's Note: Upon completion of my site visit, I reported to Dallas District officials Dr. TRUESDELL's apparent doubt regarding 100% compliance with the requirement that inspectors palpate the ruminoreticular junction for lesions or parasites. The District later advised that they have discussed this with TRUESDELL and re-emphasized to him the importance of full compliance. They have also instructed ENDERSBY to follow up on this matter with TRUESDELL.

Dan J. Willis, Personnel Misconduct Investigator
February 8, 2002



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Employee
Relations
Branch

1400 Independence Ave., SW
Room 3175 South Bldg.
Washington, DC 20250
(202) 720-5657
(202) 690-3938 fax
(800) 217-1886 toll-free

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March 6, 2003

Cathy McMullen, Chief
Disclosure Unit
Office of Special Counsel
1730 M Street NW
Washington, D.C. 20036-4505

RE: OSC File No. DI-01-1901

Dear Ms. McMullen:

Per your request relative to the above file number, a supplemental investigation has been completed.

Enclosed please find a copy of the completed supplemental investigation. If you have any questions or I can be of further assistance, please contact me.

Sincerely,

Robinn A. Reed
Acting Director
Labor and Employee Relations Division

Enclosures

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Branch

400 Independence A
Room 3175 South Bld
Washington, DC 20250
(202) 720-5657
(202) 690-3938 fax
(800) 217-1886 toll-free

Robinn Reed, Acting Director
Labor and Employee Relations Division

March 4, 2003

**RE: OSC File No. DI-01-0901
Inspection Irregularities at IBP, Inc.,
Amarillo, Texas**

Dear Ms. Reed:

This is in response to questions raised by the U.S. Office of Special Counsel in the above referenced complaint. DR. THOMAS D'AMURA, a former Food Safety and Inspection Service employee who was separated from employment in December 2000, filed the complaint. The questions raised by OSC officials were relayed to me; and I gathered the attached information in response. The following issues were addressed:

1. Procedural deficiencies on the night shift at IBP, Inc.
2. An interview with the whistleblower, Dr. THOMAS D'AMURA.
3. Specifics on "short cuts" found to have been taken by MORRIS TRUESDELL, DVM, at IBP in the areas of ante mortem inspection, how many "short cuts" were taken and whether the "short cuts" have been addressed.
4. An explanation of the correlation sessions held to correct any deficiencies in inspection procedures at IBP, Inc.
5. A discussion of what inspection procedures have been standardized and how.
6. An explanation of how on-site sampling procedures at IBP did not comply with FSIS Directive 44-01.
7. An update on the corrective actions taken with Dr. MORRIS TRUESDELL, IIC at IBP Inc.

1. Procedural Deficiencies on the Night Shift

IBP, Inc. is a large beef slaughter operation operating a morning and an afternoon shift. Dr. D'AMURA was assigned as the Veterinary Medical Officer, GS-701-11, assistant to Dr. MORRIS TRUESDELL, Inspector in Charge (IIC), on the day shift at IBP. As such, D'AMURA spent only very limited time on the evening shift at IBP, generally filling in as the supervisor on the evening shift for Supervisory Medical Officer Dr.

MUHAMMAD HAQ, on evenings when HAQ requested leave and when there was no GS-12 available to provide relief. As established in his February 4, 2003 written statement (Exhibit 2), some of the deficiencies D'AMURA claimed to have observed were on the evening shift.

However, in his signed sworn statement (Supplemental Report, Exhibit 4), HAQ refuted D'AMURA's claims, stating that ante mortem and post mortem inspection procedures were done in accordance with the Regulations.

TRUESDELL has also repeatedly denied D'AMURA's allegations, although he did admit that he occasionally did not follow established ante mortem procedures for viewing live cattle in motion from both sides. TRUESDELL also admitted that he was not thoroughly familiar with FSIS Notice 44-01 (Supplemental Report, Exhibit 10), but stated (Exhibit 3), that during D'AMURA's tenure, it was D'AMURA's responsibility to collect samples for residues and that D'AMURA often had to be reminded to do so. TRUESDELL stated that all of D'AMURA's allegations in his February 4, 2003 correspondence were either patently false or grossly exaggerated and misrepresented as being systemic in nature.

2. An Interview with the Whistleblower

I contacted D'AMURA via telephone on January 13, 2003 to attempt to set up a personal interview to gather more specifics on his allegations.

At the outset of the conversation, D'AMURA refused to meet with me, stating his belief that any such interview would be biased against him. D'AMURA also advised me that he had already given interviews on these matters with OSC Investigator J. E. Shryock, Jr. He also stated that he had numerous complaints against FSIS; and that his (D'AMURA's) "report will be on the President's desk by Monday," and that he saw no reason to provide further information. He stated, however, that he could "not afford" to refuse to meet with me for an interview, presumably because he believed that to refuse to be interviewed would somehow prejudice his complaint(s).

During a lengthy telephone conversation D'AMURA made numerous allegations against various current and former FSIS officials dating back into the mid 1980's.

D'AMURA stated that he could not give a "final decision" on a personal interview with me until he had discussed the matter with his attorneys and officials from "Senator Luger's office." He also stated his intent to contact OSC officials before making a decision. I agreed to contact D'AMURA again by telephone on January 20, 2003 for a final decision on whether he would consent to an interview.

I contacted D'AMURA on January 20, 2003 as agreed. In that phone conversation, D'AMURA refused to grant a personal interview, but stated that he would respond in writing to any written questions. I agreed to send D'AMURA a written inquiry as soon as possible.

As agreed, I sent a January 23, 2003, (Exhibit 1) letter to D'AMURA requesting that he provide specifics of the allegations made in his original (approximately April 2001) complaint to OSC. In response, Dr. D'AMURA sent a February 4, 2003 letter, which did provide some specifics to his allegations relative to IBP. The allegations and TRUESDELL's response to them are itemized below.

D'AMURA alleged (Exhibit 2) that TRUESDELL never performed ante mortem inspection and described a route through to the cattle pens that most of the staff used, that according to D'AMURA made ante mortem inspection impossible because the cattle were hidden from view by a cinder block wall. In his signed sworn statement (Exhibit 3), TRUESDELL refuted this claim, stating that any person of average stature can easily view the cattle in the pens from behind the wall and view the cattle as prescribed by the regulations.

D'AMURA (Exhibit 2) also inferred that none of the other inspection staff performed ante mortem inspection, and specifically named Inspector Earnest Cherry and Inspector Dennis Stephenson as routinely failing to perform ante mortem inspection. In their signed sworn statements, both Cherry (Investigative Report, Exhibit 8) and Stephenson (Supplemental Investigative Report, Exhibit 5) stated that they perform ante mortem inspection as prescribed by the regulations and TRUESDELL's instructions. TRUESDELL (Exhibit 3) stated that D'AMURA could not know how these inspectors perform ante mortem inspection because the nature of D'AMURA's assignment (if properly carried out) precluded him from accompanying the inspectors to the cattle pens.

D'AMURA stated that a Mr. Chuck Wright, USDA Meat Grader also expressed concern regarding ante mortem inspection. D'AMURA claimed to have a document supporting this, but did not provide the document with his letter. TRUESDELL (Exhibit 3) stated that as a USDA meat grader, Wright had little or no occasion to observe ante mortem inspection and never voiced any concerns to TRUESDELL.

D'AMURA (Exhibit 2) alleged that TRUESDELL told him that he intended to "skate to retirement." TRUESDELL (Exhibit 3) stated that he may have joked about retirement in D'AMURA's presence, but never told D'AMURA not to enforce the regulations.

D'AMURA (Exhibit 2) also alleged that there were chronic staffing shortages at the IBP plant and that employees were often compelled to work double shifts as the result. TRUESDELL (Exhibit 3) stated that there were staffing shortages and that there were occasions when employees were required (or volunteered) to work portions of double shifts, but that inspection duties were never neglected.

D'AMURA (Exhibit 2) alleged that on or about August 10, 2000 he observed an Inspector leave her slaughter line position early on the afternoon shift and inferred that nothing was done about it. TRUESDELL (Exhibit 3) responded that he recalled the incident and that since it occurred on the night shift while D'AMURA was the acting supervisor, that it was D'AMURA's responsibility to correct it. Instead, TRUESDELL recalled that D'AMURA merely reported the matter to him (TRUESDELL) the following

morning. TRUESDELL stated that a work unit meeting was held later and the matter was corrected.

D'AMURA (Exhibit 2) also recounted an August 15, 2000 incident on the afternoon shift in which two inspectors apparently covered for each other rather than both conducting inspection duties as required. TRUESDELL (Exhibit 3) stated that he recalled the incident, but that it occurred on the night shift and D'AMURA again simply reported the matter to TRUESDELL via speed memo the following morning rather than taking corrective action as was his responsibility.

D'AMURA (Exhibit 2) discussed a September 28, 2000 incident involving another inspector conducting extra rail inspection using a small flash light ("penlight"), and alleged that this same inspector was earlier distracted from his line inspection duties while talking to a company employee. In response, TRUESDELL (Exhibit 3) stated that there was nothing improper about the inspector doing extra inspection using a penlight. TRUESDELL also stated that if D'AMURA observed an inspector on the afternoon shift neglecting his line inspection duties while talking to company employees, it was his (D'AMURA's) responsibility as acting supervisor to correct the problem rather than simply leaving a speed memo on TRUESDELL's desk for him to find the following morning.

D'AMURA (Exhibit 2) also claimed that he "documented" an October 4, 2000 incident involving "the sterilization of knives and sharpening steels," and inferred that there was some deficiency among the inspectors. TRUESDELL (Exhibit 3) stated that this issue arose when the inspectors observed D'AMURA carrying his sharpening steel in his boot rather than in the prescribed scabbard and reported that he was not properly sanitizing his steel upon removing it from his boot for use. TRUESDELL stated that the issue was actually D'AMURA's alleged deficiency and that D'AMURA wrote his October 4, 2000 speed memo in defense of his own actions. TRUESDELL stated that contrary to D'AMURA's inferences, the inspectors should have been commended for their concern regarding D'AMURA properly sanitizing his sharpening steel.

D'AMURA (Exhibit 2) described an October 5, 2000 incident in which an inspector was palpating the rumino-reticular junction on viscera presented for inspection, and stated that the inspector was the only employee conducting this inspection. TRUESDELL admitted that not all of the inspectors palpate the rumino-reticular junction on viscera, but stated that lesions or other problems in this area of the viscera are easily detected upon visual inspection.

D'AMURA also recounted another October 5, 2000 incident on the night shift at IBP in which the inspectors ran out of USDA Retained "gang" tags needed for the segregation of suspect carcasses and stated that the inspectors were "too uninterested" to obtain a supply of tags before they ran out. TRUESDELL (Exhibit 3) recalled the incident and stated that he understands that D'AMURA knew of the shortage of tags prior to the start of the shift, but apparently did nothing to obtain tags until the inspectors exhausted their supply on the slaughter floor. TRUESDELL, stated that D'AMURA could easily have gotten tags

from the supply area but chose not to and then somehow blamed the inspectors for the shortage. TRUESDELL stated that rather than correct the problem before the inspectors ran out of tags, that D'AMURA elected to leave him another speed memo for him to find the following morning shift. TRUESDELL stated that despite D'AMURA depicting this as some sort of chronic or ongoing problem, this was the only time that the inspectors ran out of tags.

D'AMURA also described an October 14, 2000 incident in which an inspector was conducting extra inspection on the slaughter line and stated that it was "silly" for the inspectors to rail out carcasses for extra trim without identifying the areas of the carcasses in need of trim. TRUESDELL (Exhibit 3) stated that this incident was another occasion in which D'AMURA seemed to find fault with inspectors doing extra inspections, rather than commending them for it. TRUESDELL stated that the incident occurred on the afternoon shift while D'AMURA was the acting supervisor but that D'AMURA elected to simply document the matter on a speed memo left for TRUESDELL to find the following morning rather than correct any problem observed.

D'AMURA (Exhibit 2) stated that sampling was a "haphazard affair" at IBP, with no supplies available on the kill floor. TRUESDELL (Exhibit 3) responded that the supplies are intentionally kept in the Government office for safety and that this in no way inhibits sampling. TRUESDELL stated that during D'AMURA's tenure it was generally D'AMURA's responsibility to take the required tissue samples, but that TRUESDELL had difficulty getting D'AMURA to leave the computer in the Government office to do the sampling.

D'AMURA claimed (Exhibit 2) that the USDA veterinarian amounted only to an "ancillary line inspector" at IBP. TRUESDELL (Exhibit 3) acknowledged that a major part of the USDA veterinarian's duties involve providing relief breaks to the line inspectors and that this is entirely proper and consistent with Agency policy. TRUESDELL stated that D'AMURA was openly resentful of this responsibility throughout his tenure with USDA.

D'AMURA (Exhibit 2) stated that carcasses found to exhibit evidence of cystecercosis were improperly controlled by USDA, with company officials simply bringing to TRUESDELL the tags from the freezer when the carcasses were released. TRUESDELL (Exhibit 3) stated that the handling of these carcasses was entirely in accord with the regulations and that D'AMURA did not understand the procedure.

D'AMURA stated (Exhibit 2) that trucks intended for the shipment of blood for edible products were not inspected and that TRUESDELL instructed him to simply sign the log books, falsely stating the trucks were inspected. TRUESDELL denied that he ever told any one to falsify the logbooks, but admitted that some trucks intended for shipment of blood for edible purposes were not inspected. TRUESDELL stated that the company has long since discontinued any sale of blood for edible purposes.

TRUESDELL stated that the problems depicted by D'AMURA in his February 4, 2003 correspondence were either falsely stated or grossly exaggerated.

3. Specifics on "Short Cuts" Taken in Ante Mortem Inspection at IBP

D'AMURA made no references to any "short cuts" relative to inspection procedures at IBP, stating instead that inspection procedures at IBP were nonexistent or grossly out of compliance.

TRUESDELL used the term "short cuts" in the ante mortem inspection procedures when he described his inspecting live cattle in motion only from one side, although he did not specifically use that term in his signed sworn statements. TRUESDELL admitted that he "occasionally" failed to observe cattle in motion from both sides as prescribed in the regulations, stating that instead he viewed the cattle only from one side as they crossed the scales in the IBP holding pens. He stated this was only done during times of staffing shortages and when he was pressed for time to accomplish other inspection functions.

All other inspection personnel denied that they ever deviated from correct procedures or observed any others deviate from correct procedures. TRUESDELL (Exhibit3) stated that because of the nature of D'AMURA's assignment and duties at IBP that D'AMURA could not possibly have actually observed any of the inspectors as they performed ante mortem inspection. It is now impossible to determine the frequency of TRUESDELL's failure to conduct ante mortem inspection.

As reported in the July 12, 2003 Report of Investigation, Dallas District officials assigned staff veterinarian Dr. RAYMOND DILLAND to travel to IBP and to review proper ante mortem procedures with TRUESDELL. DILLAND's report of his observations and actions is enclosed as Exhibit 7.

In her signed sworn statement (Exhibit 4), Circuit Supervisor Dr. MARCIA ENDERSBY stated that since the investigations she has closely monitored TRUESDELL's inspection procedures and that she is now confident that he is conducting ante mortem inspection procedures correctly.

4. Correlation Sessions Conducted to Correct Deficiencies

A "correlation session" is nothing more than a training session to review inspection procedures and to admonish the trainee(s) for deviating from them. As reported in the July 12, 2003 supplemental Report of Investigation, two formal correlation sessions were conducted with TRUESDELL and his staff (itemized below), with follow up supervisory reviews of the inspection procedures by the Circuit Supervisor.

In his signed sworn statement (Exhibit 6), KURT D. SCHULZ, DVM stated that he accompanied me during the June 26-28, 2003 misconduct investigation and noted two areas of concern with TRUESDELL's procedures: ante mortem inspection and methods of selecting samples for on-site testing for antibiotic or chemical residues.

SCHULZ stated that he saw no actual evidence that TRUESDELL had failed to sample cattle that should be sampled for antibiotic or chemical residues. Rather, he noted that TRUESDELL did not seem to have a thorough knowledge of FSIS Notice 44-01, which contains the guidelines for the sampling. SCHULZ stated that he conducted an on-site training correlation with TRUESDELL and Circuit Supervisor ENDERSBY during his visit, concurrent with the investigation. SCHULZ also recommended that TRUESDELL be re-trained in ante mortem inspection procedures.

In his signed sworn statement (Exhibit 5), ALFRED ALMANZA stated that after the investigations revealed the deficiencies in ante mortem inspection, he assigned Dr. RAYMOND DILLAND, Dallas District Veterinary Medical Specialist, to travel to Amarillo and re-train TRUESDELL on correct ante mortem procedures. DILLAND conducted the training on July 16, 2003. DILLAND reviewed the procedures with TRUESDELL and observed the inspectors as they conducted ante mortem inspection. DILLAND reported (Exhibit 7) that all procedures were in compliance with the regulations.

5. What Inspection Procedures Have Been Standardized and How

The previous investigations uncovered no evidence that any USDA employee other than TRUESDELL was deviating from prescribed inspection procedures. The observed deviations were in the areas of ante mortem inspection and sampling for antibiotic and chemical residues.

In her signed sworn statement (Exhibit 4), ENDERSBY stated that after each of the two investigations and in the time since she has reviewed TRUESDELL's ante mortem inspection and sampling procedures. ENDERSBY stated that she has closely monitored the procedures of both TRUESDELL and his staff and she is confident that they are conducting ante mortem inspection and sampling in compliance with the regulations.

ALMANZA (Exhibit 5) stated that he has not personally visited the IBP plant since the investigations but has often discussed the procedures there with ENDERSBY. He stated that based upon ENDERSBY's reports, he is confident that TRUESDELL is now conducting inspection and sampling in strict compliance with the regulations.

6. An Explanation of How On-Site Sampling Procedures at IBP Were Not in Compliance With FSIS Notice 44-01

FSIS Notice 44-01 (Supplemental Investigation, Exhibit 10) itemizes certain diseases or syndromes which, when observed on ante or post mortem inspection, should constitute grounds for sampling the carcass tissue for evidence of antibiotic or chemical residues.

As explained in SHULTZ's sworn statement (Exhibit 6), there was and is no actual evidence that TRUESDELL failed to take required samples for testing for antibiotic or chemical residues. There was evidence that TRUESDELL did not have a thorough working knowledge of FSIS Notice 44-01, which suggested the potential for less than full compliance. SCHULTZ reported that he reviewed the Notice with TRUESDELL and

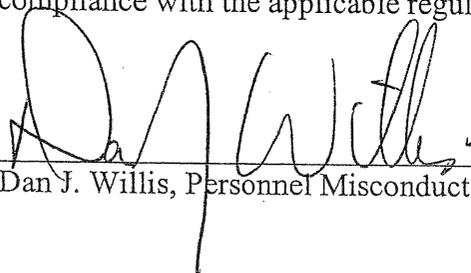
ENDERSBY during the June 2002 investigation, and satisfied himself that at the conclusion of his meeting both had a good working knowledge of the Notice.

7. An Update on Corrective Actions Taken with Dr. MORRIS TRUESDELL, IIC at IBP, Inc.

ALMANZA (Exhibit 5) stated that the deficiencies noted with TRUESDELL's inspection and sampling procedures were considered not of sufficient gravity to warrant formal action against TRUESDELL, and that both he and District Manager Alan Knox, DVM, concurred in the decision that TRUESDELL not be disciplined. Action against TRUESDELL was limited to an oral admonishment by ENDERSBY, re-training and correlation on correct procedures, and increased monitoring of TRUESDELL's procedures since the investigations.

There was no evidence that other inspection personnel at IBP failed to conduct proper ante mortem or post mortem inspection. ENDERSBY (Exhibit 4) stated that she has repeatedly monitored and observed the inspectors' procedures since the investigations and has found them to be in compliance.

In summary, no evidence was found to support D'AMURA's allegations other than in the areas of TRUESDELL's ante mortem inspection procedures; and in TRUESDELL's knowledge of FSIS Notice 44-01. The deficiencies were corrected through training and correlation with TRUESDELL and through increased monitoring of his procedures since the investigations. ENDERSBY and ALMANZA are confident based upon their observations and discussions that TRUESDELL is conducting these procedures in compliance with the applicable regulations.



Dan J. Willis, Personnel Misconduct Investigator

03/04/03
Date

Enclosures

OSC File No. DI-01-0901

Table of Enclosures

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| Exhibit 1 | January 23, 2003 letter from Dan J. Willis to Dr. Thomas D'Amura |
| Exhibit 2 | February 4, 2003 letter from Dr. Thomas D'Amura to Dan J. Willis |
| Exhibit 3 | Signed Sworn Statement of Dr. Morris H. Truesdell |
| Exhibit 4 | Signed Sworn Statement of Dr. Marcia Endersby |
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Exhibit 1



United States
Department of
Agriculture

Food Safety
And Inspection
Service

Field
Operations

Labor & Employee Relations Division
1100 Commerce St Rm 516
Dallas TX 75242-0598

January 23, 2003

CERTIFIED – RETURN
RECEIPT REQUESTED

Thomas D'Amura, DVM
2705 Lucas Drive
Arlington, Texas 76015

Dear Dr. D'Amura:

As we discussed in our January 16, 2003, phone conversation, I am assigned to conduct an investigation into allegations you made regarding problems with inspection procedures at IBP, Inc., (USDA Establishment 245E), Amarillo, Texas. In our phone conversation, you declined to be personally interviewed by me on these matters, but agreed to answer written questions regarding your complaint.

Enclosed is a copy of the allegations I received. Please review it carefully. There are a number of allegations that USDA employees failed to properly perform ante mortem and post mortem inspection procedures during your tenure at the plant.

Please provide specific information relative to each of the allegations, along with any and all evidence that supports your allegations. If possible, I need names, dates, times and precise problems that you witnessed, along with any and all witnesses who were present that you feel can support your observations. The Agency will use the information you provide to determine if any further investigation is warranted into this matter.

Thanks in advance for your prompt reply. If you have any questions or wish to discuss this request, please call me at 214.767.9124, ext. 891.

Sincerely,

Dan J. Willis
Personnel Misconduct Investigator

Enclosure

USDA:FSIS:FO:DJWillis:bjm:1/23/03

1. Improper Ante-Mortem Inspection Procedures

Dr. D'Amura alleges that Inspectors do not conduct a proper ante-mortem inspection of the cattle before they are slaughtered. A failure to conduct an inspection of the animals while they are in their pens both on the day of their arrival and prior to slaughter violates the express provisions of 9 C.F.R. § 309.1. Moreover, absent an ante-mortem inspection, Inspectors would be unable to comply with the remaining provisions of 9 C.F.R. Part 309 and the provisions of 9 C.F.R. Part 313.

Dr. D'Amura alleges that for a significant amount of the time, no ante-mortem inspection is conducted at all and that the inspections that are conducted fail to comply with federal regulations.

Dr. D'Amura also alleges that Inspectors fail to properly tag cattle suspected of being diseased or contain parasites. Tags are used to identify cattle that may be diseased or containing parasites before and during the slaughtering process and

Dr. D'Amura alleges that at IBP they are seldom used. Because the animals are seldom inspected, it is impossible to comply with the requirements of 9 C.F.R. §§ 309.2 and 309.18. Moreover, the few cattle that are tagged are not tracked to determine whether initial suspicions about disease or parasites were either confirmed or denied in the carcass.

2. Improper Post-Mortem Procedures

Dr. D'Amura alleges that post-mortem inspections are also not performed properly at IBP. Initially, Dr. D'Amura noted that Inspectors at IBP are frequently absent, which results in inadequate staffing, and a failure to comply with 9 C.F.R. § 310.1 or with the remaining provisions of 9 C.F.R. Part 310. The lack of staff in attendance results in items not being inspected because production is not slowed down to compensate for the absent Inspectors. Additionally, Dr. D'Amura specifically observed that Inspectors at IBP took frequent breaks and engaged in activity away from their inspection posts for prolonged periods of time. As a result, Dr. D'Amura alleges that items are not being inspected because actions are not taken to ensure that inspections stations are manned while Inspectors take breaks or while Inspectors are absent.

According to Dr. D'Amura's first hand observations, Inspectors at IBP also fail to properly inspect livers and intestines, in violation of 9 C.F.R. Part 310, including 9 C.F.R. §§ 310.1 and 311.31, and fail to take test samples in violation of 9 C.F.R. § 310.25. Dr. D'Amura alleges that Inspectors do not conduct any examination of the bile duct and the dorsal and ventral surfaces of the liver. Additionally, Dr. D'Amura alleges that the intestines are completely ignored, including the rumenoreticular junction and the lymph nodes. Moreover, samples are not taken from carcasses to test for antibiotic residues, and to test the liver and kidneys.

Dr. D'Amura also observed that the use of official tags is inadequate and that inspectors often fail to apply tags at all. Carcasses and parts are required to be identified with, in certain circumstances, specifically designed tags, pursuant to 9 C.F.R. §§ 309.16, 310.21, and 9 C.F.R. Part 312. According to Dr. D'Amura, the Inspectors at IBP often fail to use tags because tags are not made available and are specifically missing from the viscera tables. In addition, IBP will sometimes issue paper tags to the Inspectors, which are ineffective and often fall off the meat after getting wet. Dr. D'Amura also alleges that the procedures for tagging carcasses for instances of tapeworm and other micro-organisms are not followed.

Dr. D'Amura alleged that the tanker trucks used to haul blood products were also never inspected. Pursuant to 9 C.F.R. § 314.2, the tanker trucks must be inspected and a failure to inspect the truck could result in violations of various provisions of 9 C.F.R. Part 314. Dr. D'Amura observed that records at IBP were fraudulently maintained so as to appear as though tanker trucks were regularly inspected. In fact, according to Dr. D'Amura, he observed many instances where inspection of the trucks was noted yet no inspection was performed.

Lastly, Dr. D'Amura alleges that carcasses that were condemned were never stamped "USDA Condemned" because the stamp is not made available to Inspectors. Procedures regarding the processing of condemned carcasses are contained at 9 C.F.R. §§ 309.13, 310.5, and 9 C.F.R. Part 314. Dr. D'Amura alleges that because carcasses not stamped as condemned, they cannot be tracked and the Inspectors do not know their final disposition at IBP.

Exhibit 2

Tom D'Amura DVM

2705 Lucas Drive
Arlington, TX 76015
voice / fax 817-461-8745

February 4, 2003

Mr. Dan Willis
Labor & Employee Relations Division
1100 Commerce St. 516
Dallas, Texas 75242-0598

RE: Request for documentation of improper inspection procedures
– Est.245-E, IBP, Amarillo, TX -

Dear Mr. Willis :

This is a reply for your request for further information on matters observed during my tenure at Est.245-E. In that respect this represents further evidence of what occurred with full knowledge of USDA-FSIS personnel in 2000 while I was in Amarillo, TX.

Incidents were reported at the time directly to Dr. Truesdell and to Mr. Almanza while at IBP. I am not going to quote specific laws, regulations or rules. In this regard, I direct you specifically to CFR, Title 5, Volume 3, Chapter XVI, Part 2635, Subpart A, 2635.1, paragraph (b), subparagraphs (1), (11) and (14). This section of Federal law addresses generally the basic obligations of public service. I fulfilled my obligations and witnessed and documented specifics of deviations from the policies, procedures, rules, and regulations of USDA.

The failure of FSIS employees to refrain from waste, fraud and mismanagement I feel are well enough documented in the material I submitted earlier to the Office of Special Counsel. It is my understanding that the material submitted here is at their request and will ultimately arrive in their jurisdiction for their purposes. Documentary evidence is already in the possession of FSIS specifically at the IBP plant in the files of Dr. Truesdell, copies have been included in the information sent via CD to OSC and others. I will reference the specific incidents, people, times and places to the best of my recollection supported by the documentation as I have previously. There is no confidence implied that the agency is either willing or able to investigate itself in this matter since all the facts were known at the time and since by Dr.Knox, Mr. Almanza and Dr.Truesdell et al.

Sincerely,



Tom D'Amura DVM

Attachments: Affidavit – Report on Est.245-E. IBP. Amarillo. TX

Improper Ante-Mortem Inspection Procedure

From my arrival in February 2000 at Est.245-E, IBP, Amarillo common practice for antemortem had been established. Dr. Truesdell, the IIC (Inspector in Charge) himself, took me to the scale house outside the cattle pens to explain procedure. That was my first knowledge of antemortem per regulation not being performed properly. According to Dr. Truesdell we didn't have time to engage in proper inspection. Throughout my tenure in 2000 (from Feb. – Dec.) Dr. Truesdell, Inspector Earnest Cherry or Inspector Dennis Stephenson seldom if ever went through the pens. Other inspectors occasionally visited the pens to sign antemortem inspection cards; there was a rotation posted for inspection at 5:45-6AM. All the inspectors were involved in this duty at some time or another. I only observed Dr. Truesdell, Mr. Cherry and Mr. Stephenson since the early inspection was prior to my duty time start of 6:30 AM.

There were basically two routes possible from the IIC's office to the scale house. Leaving the office taking the route through the main building would require opening and closing gates through the pens; requiring additional time and effort. This route would allow viewing of the cattle in the pens since it required passing through the pens. The other route most commonly (99%) involved leaving the building by way of the front door, crossing the front of the building and walking along a 6ft high cinder block wall that surrounded the pens. There is no way to do antemortem inspection of any of the cattle with this route. Upon arriving at the scale house by this route the inspectors and Dr. Truesdell would commonly enter by the east door. The scales are on the north side of the building and once inside there would be a view of the pens from there.

Mr. Mike Perry, the manager of the scale house would have the pen cards arranged on the table and the inspectors or Dr. Truesdell would customarily sign the cards and exit via the east door again. Very seldomly (once a month perhaps), Mr. Perry might have an animal stuck on a truck with a broken leg or in the suspect pens requiring visual inspection which would necessitate the application of a suspect tag by an inspector. Out of 5400 head of cattle housed in the pens daily only those that might be crossing the scales during the time the inspector was in the scale house would be even close to visual inspection. The scales hold perhaps 50 head of cattle when fully loaded and to watch any number of cattle there would require an inspector to stay there for a long period of time (if the scales were in use at the time).

At no time during my tenure were the required minimum 10-15% of available cattle during the establishment being visually inspected either at rest or in motion. The procedure of traveling outside the cinder block wall, entering the scale house (with or without present cattle on the scale), perfunctory signing of the pen cards and exiting the east door was the procedure. There was never an effort made to observe any cattle. The object was to sign the cards and return to the killfloor as expeditiously as possible.

This route took approximately ten to fifteen minutes from leaving the IIC office round to the pens. Should any longer time be taken then complaints would be forthcoming by Dr. Truesdell or the inspectors awaiting online breaks. I had on numerous occasions taken the route through the pens but found that it delayed my return to give inspector breaks; whereupon Dr. Truesdell or the inspectors would complain.

Specifically, during an early morning trip to the pens sometime in mid-October, Mr. Chuck Wright, a USDA grader, commented to me that the early morning inspection was not appropriate. He was doing a certification for the Chicago Board of Trade on a custom sale to the plant. He witnessed the lack of antemortem inspection and has written a statement to that effect which I have in my possession and is included in the records sent to the Office of Special Counsel. I have noted this in previous statements made to FSIS and OSC. He has been available for testimony but to date no investigator has approached him for deposition despite the fact he is still employed as a grader at IBP, Amarillo.

During my last days at IBP in late November and early December, there were a number of times around noon that I would go over to the scale house for antemortem inspection only to find that Dr. Truesdell had preceded me. Until that time he always indicated that as my responsibility but during that period it seemed he would precede me on purpose. Pleasant weather during this time seemed to be an excuse for his jaunts. At least three times during this period I followed him over to the pens in time to observe him enter by the east door, sign the pen cards and exit with no cattle present on the scales. He performed no antemortem inspection on even a single cow. In fact on my last day, just an hour prior to termination, I was behind him at a distance where I observed this again and commented on it to retired inspector, Tyrone Malish.

There was no documentation such as speed memos on this subject since Dr. Truesdell is the one who set the practice. He was not big on regulations. His objective in his own words was to "skate to retirement". He was not particularly interested in regulations of any kind; either from ignorance or from habit. Examples of modification of policies was the norm. His fear of the inspectors and his stated "dislike of confrontation" lead him to take the easy way out as much as possible in any situation. Further evidence of this was his inability to keep the inspectors from using the handicapped parking and his disdain of the Executive order against smoking in the government office. From there things extended further; as IIC he was in charge and knowledgeable of the situation; I considered it his responsibility and was not in a position to change his policy.

Improper Post-Mortem Inspection Procedure

There were numerous incidents that I documented in speed memos to Dr. Truesdell concerning improper inspection on the line. Inadequate staffing and lack of management were at the heart of the problems. It is necessary to understand the environmental background leading to the improper inspection procedures.

Almost every shift was lacking inspectors for a full complement. This had been a chronic problem in Amarillo for years before me as evidenced by the T&A's. A rotation schedule unique to Est.245-E designed by the inspectors was used to attempt to maintain full staffing. This rotation schedule did, in many instances, allow the inspectors to work double shifts – 16 hour days:

If the shift shortage was in the morning directions from Dr. Truesdell were to call for "volunteers" designated by their position on the rotation. Most days Dr. Truesdell would make the calls to the inspectors at home; pleading for them to come in or waking them up to remind them to come in. There were a steady variety of excuses for absences; logical explanations were un-necessary for late notification of absences; no excuse was too ridiculous and always accepted. Dr. Truesdell refused to take any disciplinary action concerning lateness or absences. Many inspectors have used up annual and sick leave and "borrowed" against future employment time.

Inspectors coming in overnight would then be facing their regular shift after whatever time they were on duty during the morning. Attempt was made to break up the shift shortage into 4 hour segments; many times the day shift would go short on inspectors. The option to work was always up to the inspectors. The rotation dictated the order in which they would be called and it could take an hour or two to get volunteers in. Inspectors from the day shift would be solicited to take a "double" shift to fill in for those calling in for absences on the night shift. Many times night absences were announced within an hour of the end of the day shift. We had inspectors that were tired and bored working at times 16 hours a day and then a day or two later becoming the absences fueling the next round. Examination of the T&A's will reveal a pattern that extends back at least three years prior to 2000 while I was there.

On or about August 10th 2000 I worked night shift when Ms. Frieda Merritt took advantage of what she called "the early out program" to leave about an hour and half early without my approval or knowledge. I caught her on the way out the door. This caused a slow down on the line and deterioration of inspection since the inspectors remaining had to make up the difference. I noticed the problem of inspectors trying to keep up the same pace with one member missing. Dr. Steve Stephenson arrived the next day and a work conference was scheduled.

On August 12th I documented in a memo to Dr. Truesdell the activities of Mr. David Quez involved in horseplay on the line as well as Ms. Webb and Ms. Hites holding a conversation with each other somewhat oblivious to the product passing by. I documented Ms. Merritt in a "trance" completely oblivious to anything for almost 20 minutes while on the line. She never noticed the viscera on the table in front of her. Other inspectors simply made up the difference around these "occupied" inspectors. That night the inspectors were particularly bored or something and I documented it with no commentary and no reply nor action from Dr. Truesdell.

On August 15th I documented in a memo to Dr. Truesdell the problem of Ms. Lavone Terry and Mr. Ralph Espinosa at the liver stamp position. That position was considered ~~redundant in the rotation for breaks.~~ Instead of two inspectors on one side of the table inspecting livers during a rotation it was acceptable for there to be one inspector handling both positions while they both took a break. Many times one inspector at the liver position would be in rest mode while the other worked. This helped management with giving breaks but did nothing to maintain inspection of the product.

Additionally on the subject of liver inspection I observed Mr. Wes Kelso flipping livers with the broad blade of his knife rather than palpate the surfaces for internal abscesses. ~~Because~~ he would be one of the individuals commonly doing "doubles" my conclusion was that he was simply bored since it was an inconsistent process with him.

On September 28th I documented in a memo to Dr. Truesdell an episode with Mr. Samuel Escarciga inspecting carcasses at the trim railout. Most of the time the inspectors flatly emphatically refused to remove tags on their way past the trim rail since they felt it would slow down their rotation from station to station around the line. They felt that they would be compromising inspection at the heads, viscera table and high rail. But this time was different. This time at one point there were three of them "inspecting" at the trim rail despite their being needed elsewhere. Mr. Escarciga had a unique method of inspection involving a penlight that cried out for commentary. It was kind of his own process that confused the plant trimmers; a sort of individualized intensive detailed inspection despite the adequate lighting in the area and the fact that they had adequately removed any contamination. This is just one episode of boredom finding an outlet.

Also, on the same day I documented in a memo to Dr. Truesdell the continual conversation of Mr. Mark Goodinez with a plant employee over thirty feet away. It was common for him to almost daily carry on these long distance communications with the young lady. He had to stand exactly in a specific position on the head line in order to have visual contact with her. He would rearrange with other inspectors to maintain his position for communication with her. It was accomplished using hand signals and mime for substantial periods of time (ten minutes or so).

During these episodes he would be inattentive to anything outside the focus of his attention. Other inspectors would inspect the heads that would pass him and he would marginally turn his attention to the task.

Also, just a week or so before my termination I finally figured out that he had been for some time smoking in the packaging area beside the killfloor. This was confirmed by a plant foreman, Royce Gleaves, who indicated it had been going on for some time. I found Mr. Goodinez entering the packaging area where open product was present. There was no reason for him to be there so it caught my attention one day. He glanced back and caught sight of me following him. According to plant employees I asked during my pursuit he would commonly smoke on his way through the hallways or exit the building at the rear. I was unable to keep up with him and he managed to re-enter the killfloor. He reeked of smoke which I felt was insufficient evidence to document the episode.

On October 4th I documented in a memo to Dr. Truesdell problems with the inspectors understanding of basic sanitation involving the sterilization of knives and steels. I suggested a refresher on dipping the utensils in the sterilizer as prior to working product. In the same memo I mention the use of contaminated hand towels being used to wipe the inspection ink across the threshold of the table. Sometimes the towels were being left in the sink before being used.

On October 5th I documented in a memo to Dr. Truesdell an unusual occurrence by Ms. Donna Webb. She was the only one properly palpating the rumenoreticular junction and ran the intestines as well. What made it so noteworthy was that it was the first time I had observed her or anyone else doing it. No one else was doing it. She had been involved earlier in an altercation with one of the plant foreman. She was mad and this was her retaliation against him. Actually it is a part of the post-mortem inspection procedure required by regulation; it's just not part of the custom at Est.245-E.

On October 5th I also documented in a memo to Dr. Truesdell a problem on the line where inspectors operated inspection without official USDA retain tags. The reason was because Ms. Sue Wilson didn't attempt a diligent search for them after they ran out on the first shift. Apparently, every inspector knew that there was an extraordinary supply of the tags available in a shed in the maintenance area; they were simply too uninterested in retrieving them so they started without them. I discovered that they were using the large USDA tags and plant tags instead of the gang tags required. It was very confusing to the plant employees. The USDA inspectors were unable to properly retain product due to neglect in preparation for the shift.

Also, there was an incident where Dr. Truesdell was unable to retain product because he failed to tag the product before walking away. The product was lost and no accounting of it was possible. He called a meeting with management to discuss it in my presence.

October 14th I documented in a memo to Dr. Truesdell Mr. Escarciga's performance. This time he ascended the platform at the trim out area to find grease and contamination at the hock area. The point that he seemed to fail to realize is that the inspector at the high rail inspection area had not properly identified this to the trimmers. Obviously, whomever the inspector was did not tag the carcass properly; since Mr. Escarciga was the one tracking the carcass I might assume he was that inspector. It seemed a little silly to have inspectors at the high rail inspection sending carcasses on for trim without identifying the problem to the trimmers. The inconsistencies that go on at the final high rail inspection have to be seen first hand.

The high rail inspection positions are considered by some inspectors to be somewhat of a rest stop. Mr. Wes Kelso, in particular, had a habit of simply standing at the high rail inspection position with no attempt being made to scrutinize the passing carcasses. It was common for him and Mr. David Vasquez as well as Mr. Johnny Payne to all have "fatigue" at these positions. Much of the time they would engage in conversation with passerby or plant employees. Not all inspectors were so cavalier about this position.

Sampling for residue under HACCP was a haphazard affair. There were no supplies available on the kill floor – no bags or tags. Sampling was a secondary priority to giving breaks. Due to the absences excused and condoned by Dr. Truesdell with no availability for relief it would be impossible to have the time to take samples. Residue testing was seldom performed.

Top priority was given to filling in for inspectors who either didn't show up or who would take excessive break time. Basically, a veterinarian assigned to Est.245-E is an ancillary line inspector; a rather expensive solution for poor management. At no time did Dr. Truesdell respond to any of my memos nor did he take corrective action on any occasion. The continual understaffing and the actions of the inspectors are directly attributable to his management style and the work environment he has created.

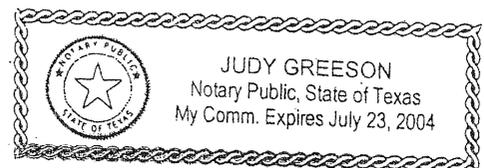
Tags and Blood Truck Inspection

Tags were applied to carcasses identified as mealy beef (tapeworm invested). The tags were applied at the final disposition platform and railed into the coolers as per regulation. After the required days the tags were supposed to be removed by USDA inspection personnel to verify that the carcasses had been properly retained. Commonly, the tags were brought to the office by a plant employee who removed them. I no longer am sure of the man's name but I think it was Dave; nevertheless he was the foreman over at the Sales Cooler. He would commonly bring a handful of tags to the IIC office to "save time". The trip to the cooler would have taken time from giving the inspectors breaks or managing the absence problem.

On the day that Mr. Almanza, Assistant District Director also circuit supervisor made is one and only visit to the plant, Dave inadvertently came to the office with the tags. Dr. Truesdell intercepted him to warn him and no tags were delivered during Mr. Almanza's visit. This is just one of the shortcuts arranged as policy by Dr. Truesdell. The log book registering the times in and out recorded falsely that USDA had control of the product.

The inspection of blood trucks involved leaving the building to go outside in all sorts of weather during inconvenient times; times during which breaks were necessary for the line inspectors. Tyrone Malish, now retired, showed me how the trucks were supposed to be inspected. It required climbing up the ladder on the side of the tanker and using a flashlight to peer inside the tanker. I performed this only a couple of times. I was instructed by Dr. Truesdell to simply sign the log book when the driver came. The trucks would arrive from Nebraska and the driver would be in a hurry. With the other duties necessary on the kill floor the log book was signed by whomever was available. No trucks were ever inspected. There were blood holding tanks within the building that required inspection because the release button was under USDA lock and key. These tanks were inspected since they were handy and required unlocking; the trucks into which the blood was pumped was not ever inspected. The log books for truck inspection were total fabrications.

Tom Almanza



Signed this 4 February 2003

*Judy Greeson
notary*

Exhibit 3

Amarillo, Texas

February 24, 2003

I, Morris H. Truesdell, being first duly sworn on oath, make the following statement to Mr. Dan J. Willis, who has identified himself to me as a Personnel Misconduct Investigator, United States Department of Agriculture. I understand that this statement is not confidential and may be used as evidence.

My full name is Morris H. Truesdell. I am currently employed as a Supervisory Veterinary Medical Officer, GS-701-12, Inspector In Charge (IIC) assigned to IBP, Inc. (USDA Establishment 245E), Amarillo, Texas. I am the IIC in this establishment. I have been with USDA for eleven years and have been IIC in this plant since November 1995.

Mr. Willis has made me aware that the Agency has recently received a whistleblower complaint alleging that the USDA staff here at IBP is not properly conducting ante mortem and post mortem inspection. The allegation is that we are not properly enforcing the regulations in this plant. I have previously provided signed sworn statements regarding these allegations; and I am providing this statement as an addendum to my previous statements.

Mr. Willis has shown me a February 4, 2003 written statement by Dr. Thomas D'Amura regarding allegations that ante mortem and post mortem inspection procedures were not in compliance with the regulations. I previously have given statements regarding the details of our procedures on February 4, 2002 and June 26, 2002. In those statements I made clear that any procedural shortcomings with regard to ante mortem inspection were corrected by April of 2001. On April 10, 2001 I wrote and posted the current ante mortem inspection procedure to assure that all inspectors are properly doing ante mortem inspection.

I do not specifically recall training Dr. D'Amura on conducting ante mortem inspection when he arrived here at IBP. Dr. D'Amura should have been trained on ante mortem inspection procedures during his formal on-the-job training at L&H Packing in San Antonio, before he reported to his duty station in Amarillo. I never told Dr. D'Amura that we did not have time to conduct proper inspection procedures. That is ridiculous. To my knowledge, no one ever told or instructed Dr. D'Amura to not properly conduct ante mortem inspection. I do not recall Dr. D'Amura ever raising any concerns with me regarding deficiencies in ante mortem procedures during his tenure here.

To my knowledge, Dr. D'Amura did not accompany any of the inspectors to perform ante mortem inspection. Dr. D'Amura is correct that there are two different routes to go to the holding pens where the cattle are kept and inspected. However, the route an inspector takes to go to the pens would not necessarily indicate whether or not he/she properly performed ante mortem inspection. I don't recall Dr. D'Amura ever accompanying me to the pens to do ante mortem inspection. Ante mortem inspection was primarily the duty of Dr. D'Amura, and the slaughter 8 inspector when he was assigned here, and when he went to perform the ante mortem inspection, he went alone. I don't believe that Dr. D'Amura ever went with either Inspector Cherry or Inspector Stephenson to conduct ante mortem inspection.

By his own admission, Dr. D'Amura never actually accompanied or observed any of the other inspectors as they performed ante mortem inspection. As he states in his February 4, 2003 written statement, those inspections were done prior to the start of his daily tour. He was not here, and so cannot possibly know how those inspections were performed.

During his tenure here, Dr. D'Amura spent almost all of his time sitting at the USDA computer. He considered himself very proficient in the computer and probably was. In my opinion, Dr. D'Amura spent inordinate time in front of the computer and I had difficulty tearing him away from the machine to do his duties. He spent considerable time doing things on the computer that were not work related. I saw him with photos of

his family on the USDA machine and cautioned him that the machine was for official business only. He largely ignored my cautions.

For instance, on the day he was removed from duty, he came into the office and got on the computer and spent quite a while deleting things he had stored on the machine that were not work related. After he left, I retrieved some of those non-work related things and saved them in case someone was interested in the things he had been doing here on the computer. Apparently, no one was interested and I eventually discarded those things.

Dr. D'Amura's statements with regard to me simply signing pen cards without performing inspection are inaccurate. As I said before, even when we were pressed for time, some cattle were always inspected either at rest, in motion, or both. I admit that I occasionally viewed the cattle in motion from only one side as they entered the scale area. But cattle were always inspected on ante mortem. I cannot guarantee that I did not occasionally miss some cattle, but there was never any intent other than to comply with the regulations and perform ante mortem inspection.

Dr. D'Amura states that at no time in his tenure were the "required minimum" of 10-15% of the cattle inspected on ante mortem. That is a false statement. In the first place, the alternative ante mortem procedure for this plant only requires 5-10% of the cattle to be viewed in motion. Again, the requirements are that the cattle be viewed in motion from both sides. I occasionally viewed the cattle from only one side, as they came across the scale but I looked at the cattle in motion as required. At no time did I or (to my knowledge) any member of my staff intentionally ignore the ante mortem inspection procedures as Dr. D'Amura infers in his written statement.

Dr. D'Amura's comments about the "6ft high cinder block wall" are also inaccurate. The wall he mentions is not six feet high and never has been. The wall is part of the fence in the holding pen area and any person of average height can easily (and safely) visually inspect several pens of cattle at rest as the inspector passes along the wall.

Dr. D'Amura's statement regarding "perfunctory" signing of pen cards and that "there was never an effort to made to observe any cattle" is patently false. The statement may be true of how he performed ante mortem inspection. But it is not true of how I or any of my inspectors performed ante mortem. We always did the required inspections. I have been told since Dr. D'Amura's leaving the plant by the company pen supervisor that Dr. D'Amura once had him bring the pen cards to the kill floor to sign and never even went to the pens. I do not know that to be true, but I do know that is what the IBP pen foreman told me.

I do not recall ever taking issue with Dr. D'Amura about him being out in the cattle pens "too long" for ante mortem at IBP. I recall that once when Dr. D'Amura was on temporary assignment to Booker, Texas, (December 4, 2000) I received a complaint from an inspector that Dr. D'Amura delayed company operations for approximately one hour because he was visiting with a USDA meat grader that was assigned there. I received this complaint about the time of Dr. D'Amura's termination, so I did not follow up on the matter.

I am acquainted with USDA Meat Grader Chuck Wright. We trained him for inspection duties at one time because he was interested in working for our Agency on an intermittent basis. Mr. Wright never made known to me any concerns about a lack of ante mortem inspection, or any concerns regarding certification for the Chicago Board of Trade. I have never heard or seen any statements from Mr. Wright on this issue.

I have no idea what Dr. D'Amura is talking about when claims that he personally observed me signing pen cards without actually doing ante mortem inspection. His statements are false. At no time did I ever go to the pens and simply sign pen cards without actually performing ante mortem inspection. As I stated previously, I did not do ante mortem a whole lot while Dr. D'Amura as assigned here, as it was primarily his responsibility and I only did ante mortem when he was not available.

I am mystified about Dr. D'Amura's comments at the bottom of "page 2" of his February 4 statement regarding "skate to retirement" and "handicapped parking." I do not specifically recall, but I may have joked about retirement in Dr. D'Amura's presence. At no time have I ever disregarded the regulations and my responsibilities as Inspector in Charge here at IBP.

At one time during Dr. D'Amura's tenure, Dr. Haq the night shift USDA veterinarian had knee surgery and the company set up a "handicapped" slot for him to use among the "USDA Reserved" parking. He continued to use the space after he got well, and eventually the inspectors began ignoring the "Handicapped" sign and using the parking spot. Since the parking space is reserved for USDA, there was (and is) no harm in any USDA employee using the space. The "Handicapped" sign remains on that parking space to this day but of course we do not have any "handicapped" inspectors or veterinarians. All employees ignore the sign and use the space freely.

I suppose there is some element of truth in D'Amura's comments regarding "smoking in the government office." The smoking area here at IBP is right outside my office and I go there to smoke. I can hear the phone from the smoking area when it rings in my office, and there have been times when I have hurried in from the smoking area to catch the phone and neglected to put out my cigarette before entering the government office.

Dr. D'Amura did give me a number of speed memos regarding complaints and some perceived problems with any number of inspectors. As far as I know, I have copies of all the speed memos that Dr. D'Amura ever gave me. He would come into the office and make allegations against some body and start documenting the matter and I would ask him if he observed a problem with a procedure, why did he not correct the problem on the spot. He would grin at me and say "you're the IIC." I investigated any and every "problem" that Dr. D'Amura brought to my attention and I do not recall ever finding any substance to these perceived problems. In other words, Dr. D'Amura was wrong 100% of the time when he raised issues against inspectors and there was never any merit to his allegations. I never came back to him with feedback on these things because to me his

allegations were generally not of a nature that I felt I could hold a rational conversation with him.

An example of Dr. D'Amura's allegations of "problems" with inspection procedures is a September 28, 2000 memorandum that he wrote to me regarding Inspector Sammy Escarciga using a small pen type flashlight (pen light) as he conducted rail inspection. I am enclosing a copy of the memo with my statement. To me, Dr. D'Amura's concerns regarding Mr. Escarciga's efforts were not reasonable. In my opinion, most if not all of the concerns raised by Dr. D'Amura were of similar nature and not reasonable.

Dr. D'Amura's observations regarding occasional staffing shortages at IBP during his tenure are generally true. We did occasionally have shortages and when employees called in sick or needed leave, we were compelled to assign employees to "double over" to assure that all inspection stations were manned. There is nothing improper or particularly unusual in this situation. This overtime was offered in four hour increments, and at no time do I recall any inspectors actually work a full 16-hour day (two full shifts), however. I do not know for certain, but I expect that overall our staffing here at IBP compared favorably to other large plants here in the "Panhandle" of Texas. We did (and do) utilize volunteers for these double shifts where possible. This is in accordance with our Labor Management Agreement and Agency policies and procedures.

I recall the August 10, 2000 incident Dr. D'Amura mentions on Page 3 of his statement involving Ms. Frieda Merrit. Dr. D'Amura observed this employee leave the slaughter line early just before (approximately 15 minutes) the kill ended. There was no slow down of the line and no meaningful deterioration of any inspection procedures, since there are five inspectors on the station at a time. Four of them can easily cover for a fifth one for a short period of time, and routinely do when the inspectors do their rotation of stations each day. However, it was technically wrong for Ms. Merritt to leave the line before the kill ended. Dr. D'Amura brought this to my attention and when the allegations proved to have merit, I conducted a work unit meeting and corrected the problem. To my

knowledge we have had no further problems with inspectors leaving the slaughter line prior to the end of operations.

I recall Dr. D'Amura giving me a memo regarding incidents among the inspectors on August 12, 2000. This was during a time when he was filling in on the night shift for Dr. Haq. He accused Vasquez of horseplay but did not specify what he saw Vasquez do. He accused others of talking across the line but indicated that they were able to perform their inspection duties. He also noted that another inspector was in a "trance" and was "fixated" on some distant object while on the slaughter line. Dr. D'Amura probably observed the inspector checking line speeds, as he mentions line speeds in the memo. I do not now recall how these matters were addressed. Again, this occurred on the afternoon shift while I was away from the plant and these were presented to me at some time later. I think Dr. D'Amura left this for me on my desk when I arrived for duty the following morning.

Dr. D'Amura was the shift supervisor at the time of these alleged incidents. It was his responsibility to assure that the inspectors were properly doing their duties on his watch. If he really did observe such problems, I am at a loss to understand why he did not do his supervisory duty and correct the problems he observed. That was part of his job as supervisor.

I have already described the September 28, 2000 "pen light" incident involving Inspector Escarciga. It is generally not the responsibility of the on-line inspectors to remove retained tags on carcasses that have been railed out for trimming of contamination. In this case, Inspector Escarciga was doing this and giving the carcasses extra inspection using a pen light. Somehow, Dr. D'Amura saw this as improper and reported it. I took no action on the matter because there was really nothing improper in what the Inspector was doing.

I do not recall any specific problems with Inspector Goodinez talking to company employees and being distracted from his duties. All the Inspectors talk with company employees some as they work on the slaughter line and there is nothing improper about this so long as they carry out their inspection functions properly. Inspector Goodinez is a good inspector and has since been promoted to an off-line inspection position.

There is a "smoking area" adjacent to the kill floor near the packaging area and supply room of the plant. I am not aware that Inspector Goodinez ever stepped into that area to smoke. I don't recall Dr. D'Amura or any plant official ever reporting to me that Goodinez was smoking in that area. However, if he was in the actual smoking area adjacent to the packaging area, there would be nothing improper about that.

The October 4, 2000 memorandum involved steel and knife procedures that Dr. D'Amura himself was doing. The inspectors saw Dr. D'Amura take his steel from his boot and sharpen his knife with it. They thought he was using the steel without properly sanitizing it and thereby spreading contamination to his knife and to the product. Dr. D'Amura wrote the October 4, 2000 memorandum defending his own sanitizing techniques. This really had nothing to do with improper inspection techniques on the part of the inspectors. The towels used in marking the table (which Dr. D'Amura seems to be taking issue with) are laying in the sink with 180 degree water washing continually on them. These "used" towels are perfectly acceptable for marking the table, and there is less chance for contamination than if the inspectors used "new" paper towels.

Dr. D'Amura wrote a total of nine memo's to me dated October 5, 2000, including a memo recounting an instance "at the beginning of the shift" where the inspectors temporarily ran out of "USDA Retained" gang tags, and had to improvise using the large "USDA Retained" tags. Again, this occurred on the evening shift while Dr. D'Amura was filling in temporarily for Dr. Haq. It was not on my shift. This may have been confusing, but Dr. D'Amura soon found tags and provided them. It appears from the memo that Dr. D'Amura was advised of the lack of tags before the shift began, but took

no action to fix the problem until he went out and observed the inspectors making do with what they had.

With the help of one of the inspectors, Dr. D'Amura soon retrieved tags from the supply, and provided them to the inspectors. As far as I know, this was a "one time" incident that was not repeated before this and has not been repeated since. Even though he was apparently aware of the shortage of tags prior to the beginning of the shift, Dr. D'Amura seemed to blame the inspectors for the lack of tags. He wrote this down on a memo and left it on my desk when I came to work the following morning. Yes, Dr. D'Amura "documented" the matter then, and is now pointing to it as an example of my inability (or refusal) to deal with "inspection problems." However, I am not sure precisely what he expected me to do about this issue the following morning, especially since he could have (and should have) gotten tags and distributed them before the inspectors ever ran short.

I have previously stated that during this time not all of the inspectors palpated each and every rumino-reticular junction. Any abscess or lesion is generally readily visible to the inspector on the line without palpation. I realize that the regulations call for palpation of this area. But it is difficult to palpate every rumino-reticular junction and do all the other required inspections at 390 head per hour.

Dr. D'Amura states at the bottom of "page 5" of his February 4, 2003 written statement that there was an incident where I did not retain product because I "walked away," and the product was "lost." I do not have a clue what he might be talking about on this. I have no recollection of any such incident.

In an October 14, 2000 memorandum to me, Dr. D'Amura seemed to take issue with an inspector's extra efforts to inspect carcasses for contamination. I never understood what problem he thought he detected or what actions he expected me to take on this. To me, the inspector should have been commended for taking extra effort to assure that the carcasses were properly trimmed and contamination removed.

Dr. D'Amura is correct that no bags or tags are maintained on the kill floor for handling residue samples. Because of the clean up operations between shifts and the water used during operations, it was (and is) not possible to keep the tags and bags safely on the slaughter floor. They are maintained in the office where they can be kept dry and undamaged. I also admit that sampling may not have been done at all times in strict accordance with the frequency called for in the Notice. Sampling was actually Dr. D'Amura's responsibility during his tenure at IBP, and I frequently had to remind him to take samples. He is correct, however, that at times of staffing shortages the sampling was not done as frequently as called for in the Agency Notice.

Dr. D'Amura's statement in the last paragraph of "page 6" of his February 4, 2003 written statement is basically correct. The line positions must be properly staffed in order for USDA to conduct mandatory inspection and not interfere with company production. This is generally given a top priority, with even the USDA veterinarians staffing the slaughter line when necessary.

Dr. D'Amura accurately describes that the IBP officials bring to the Inspection office the tags from carcasses that evidence cysticercosis, commonly known as measles beef (not mealy beef as written in Dr. D'Amura's statement.). These carcasses are essentially inspected and passed, with the restriction that they be frozen for a period of ten days in order to destroy the cyst. We log the carcasses into the freezer and the company foreman brings the tags to me when the carcasses have been in the freezer for the required ten days so we can log them out of our records. There is nothing whatsoever improper in this procedure.

Dr. D'Amura's statement that I instructed him to sign the log books for the blood trucks without actually inspecting the trucks is false. At no time did I ever instruct him to simply sign the log book and basically falsify that USDA had inspected a truck. I admit that not all of the blood trucks were inspected during this time. But the log books for the trucks were not fabrications as alleged by Dr. D'Amura. I viewed the log book as merely a record of the trucks passing in and out of the plant. The blood was purchased for either

edible or inedible uses, with the edible commanding a premium in price. During Dr. D'Amura's tenure, IBP was handling all of the blood sold as if it might go for edible purposes, but I believe that most of it was being used for inedible purposes. The company elected to maintain the inspection so as not to confuse their hourly employees. In the ten years of my assignment here that they collected blood for edible purposes (IBP no longer saves blood), we never had a truck fail to pass inspection.

It is my opinion that the above allegations are nothing more than a vendetta being carried out by a disgruntled former employee. On the day of his termination Dr. D'Amura stated to the security guard on his way out of the plant that he was "well connected in Washington", and that he was "going to get me". This is obviously an effort to fulfill that mission. He has taken a few elements of truth and twisted them to appear that I have been negligent in my duties. Until someone in a position of authority recognizes this, the vendetta will continue.

This establishment has been in a position of chronic staffing shortages for the twelve years that I have been assigned to this plant. During the period in which we under "traditional inspection" the work measurement studies called for 6 off-line personnel. With the implementation of HACCP we have essentially continued with traditional inspection, while additionally assuming the duties and responsibilities associated with HACCP. While our off-line staffing has been cut in half, our workload has essentially doubled. Any procedural shortcomings (actual, or perceived) noted during Dr. D'Amura's tenure here were largely due to the Agency's inability to provide adequate staffing during periods of shortages, and these issues have long since been addressed, and corrected.

These shortages did not lessen the necessity for protecting the public health, and I feel I have been successful in that effort. My managerial and supervisory abilities are well known by my immediate supervisors, as is my attitude toward the Regulations.

I have read this statement, consisting of twelve (12) pages and it is true and complete. I have made all necessary changes and additions and have initialed each page.

Morris H. Truesdell, DVM

Morris H. Truesdell, DVM

2/28/03

Date

Sworn to and signed before me this 25th day of February 2003.

Dan J. Willis

Dan J. Willis, Personnel Misconduct Investigator

Exhibit 4

Amarillo, Texas
January 16, 2003

I, Marcia L. Endersby, DVM, being first duly sworn on oath, make the following statement to Mr. Dan J. Willis, Personnel Misconduct Investigator, United States Department of Agriculture. I understand that this statement is not confidential and may be used as evidence.

My full name is Marcia L. Endersby. I am currently employed as a Supervisory Veterinary Medical Officer, GS-701-13, Amarillo, Texas. I am the Amarillo Circuit Supervisor for the Dallas District Field Operations, Food Safety and Inspection Service. I have been employed with USDA since 1989 and in my current position since January 2001.

On two occasions in the past year, Mr. Willis has interviewed me regarding the ante mortem and post mortem inspection procedures carried out by our USDA Inspection staff at IBP, Inc., (USDA Establishment 245E), Amarillo, Texas. The USDA Inspector in Charge at that plant is Dr. Morris Truedell, GS-701-12. In both previous investigations I provided signed sworn statements to Mr. Willis. Those statements are true. I am providing this statement as an addendum to those previous statements.

I understand that Mr. Willis conducted both of the previous investigations in response to allegations made by Dr. Thomas D'Amura, a former USDA employee who worked in Amarillo for a few months before he was separated from employment in December 2000. I was selected for the Amarillo Circuit Supervisor after Dr. D'Amura was separated from employment. I have met Dr. D'Amura, but I have never supervised him and I am not well acquainted with him. I assumed the duties of the Amarillo Circuit Supervisor after Dr. D'Amura left employment.

On each of the two previous investigations I have cooperated in these investigations and have "re-looked" the inspection procedures employed by Dr. Truedell and his staff after

Mr. Willis completed his investigations. Mr. Willis says that the investigations did not uncover any evidence that the Inspectors under Dr. Truesdell's supervision were deviating from correct inspection procedures. This is certainly consistent with my observations. As Amarillo Circuit Supervisor, I am the second level supervisor of the Inspectors at IBP, and as part of my duties I regularly observe the post mortem inspection procedures out on the slaughter floor when I visit the IBP plant. I have observed the ante mortem inspection procedures less frequently, but I have discussed the procedures often with Dr. Truesdell and I am confident that he knows the correct procedures.

The only deficiencies that Mr. Willis discovered were in the way Dr. Truesdell himself conducted ante mortem inspection; and in the way he was selecting samples for on-site sampling for anti-biotic residues.

As I understand it, Dr. Truesdell admitted to Mr. Willis that on occasions when he was short handed or extremely pressed for time, he would conduct a "short cut" ante mortem inspection by watching the live cattle as they were unloaded and driven across the company scales in the holding pens. By doing this, he observed the live cattle in motion from only one side rather than from both sides as prescribed in the Regulations. He told Mr. Willis that he only did this sort of "short cut" ante mortem inspection occasionally, and that he knew it was technically incorrect but felt that the procedure met the minimum requirements of ante mortem inspection.

In response to this discovery, the Dallas District Office arranged for Dr. Raymond Dilland, District Supervisory Veterinary Medical Specialist, to come to Amarillo on July 16, 2002 and review ante mortem inspection procedures with Dr. Truesdell. Dr. Dilland traveled to Amarillo and re-trained Dr. Truesdell on the correct procedures. Dr. Dilland and Dr. Truesdell also accompanied a number of the inspectors on their ante mortem inspection assignment and went over the procedures with them. He reported to the District that he had re-trained Dr. Truesdell on the correct procedures in an e-mail report dated July 17, 2002.

ME

In my opinion, Dr. Truesdell knew the correct ante mortem procedures and was really not in need of any re-training on them. His "short cut" ante mortem procedure may have been well intended, but he knew it was not correct. I orally admonished Dr. Truesdell that his short cut ante mortem was unacceptable because it did not meet the requirements of the regulations, and I told him that any future deviations would be grounds for formal disciplinary action against him. I have watched Dr. Truesdell more closely since the investigations. In fact, just this week I visited the IBP plant, and I again reminded Dr. Truesdell that I would not tolerate any more short cut ante mortem procedures, no matter how short handed or pressed for time he feels he is. I am confident that Dr. Truesdell understands that he is to conduct ante mortem inspection procedures by observing the cattle in motion from both sides each and every time.

Again, there was no evidence that any of his subordinates employed this "short cut" ante mortem inspection procedure. All the inspectors were familiar with the posted procedures and stated that they were closely following the procedures. This is consistent with my observations. In the months since the investigations, I have made my best efforts to carefully scrutinize ante mortem inspection procedures at IBP, and I am confident that Dr. Truesdell is conducting ante mortem procedures in accordance with the Regulations.

The other area of concern involved how Dr. Truesdell was selecting carcasses for sampling for anti biotic or chemical residues.

Producers are required to withhold animals from anti biotic or chemical treatments for a period of time prior to slaughter so that no residues will be in the meat when it is sold to consumers. One of Dr. Truesdell's duties is to watch for animal carcasses that display symptoms of certain illnesses (illnesses that the producer is likely to have treated with anti biotics or other chemicals) and test the tissue from those carcasses to assure that they do not contain residues.

WCS

Mr. Willis advised me that during the investigation, it became apparent that Dr. Truesdell did not seem to have a good working knowledge of FSIS Notice 44-01, the Agency Notice that itemizes the types of illnesses that we are to be on the look out for. Dr. Truesdell maintains a log of carcasses tested, and there was no actual evidence that he had ever failed to test carcasses that he should have tested. Rather, there was some uneasiness when Dr. Truesdell did not seem as familiar as he should be with the Notice.

Dr. Kurt Schulz, Staff Officer in the Agency's Technical Service Center, accompanied Mr. Willis in the June 2002 investigation and he immediately detected that Dr. Truesdell did not seem familiar with the Notice during their interviews with him.

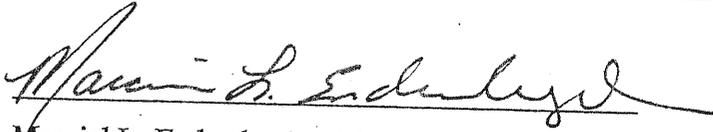
Before Dr. Schulz left Amarillo, he met with Dr. Truesdell and me and reviewed the Notice. Together, we made sure that Dr. Truesdell knows the types of illnesses displayed in cattle carcasses that should signal him that some on site residue sampling is indicated. I have since reviewed Dr. Truesdell's log and discussed the sampling criteria with him, and I believe his sampling procedures are in full compliance with the instructions in FSIS Notice 44-01.

To my knowledge, these are the only two areas of our inspection responsibilities that Dr. Truesdell was not in full compliance with. Mr. Willis also interviewed the afternoon shift supervisor Dr. Muhammad Haq. The inspectors that were interviewed rotate between the day and the night shift. There was no evidence of any problems on the afternoon shift. This is also consistent with my observations during my regular supervisory visits to the afternoon shift.

I am confident based upon my observations that Dr. Truesdell and his staff at IBP are conducting ante and post mortem inspection procedures in full compliance with Agency regulations.

M.C.

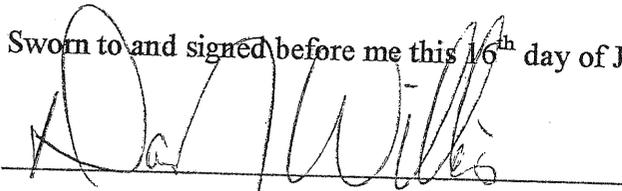
I have read this statement, consisting of five pages and it is true and complete. I have made all necessary changes and additions and have initialed each page. *ME*



Marcial L. Endersby, DVM

Supervisory Veterinary Medical Officer

Sworn to and signed before me this 16th day of January 2003.



Dan J. Willis, Personnel Misconduct Investigator

Exhibit 5

Dallas, Texas

January 16, 2003

I, Alfred V. Almanza, being first duly sworn on oath, make the following statement to Mr. Dan J. Willis, who has identified himself to me as a Personnel Misconduct Investigator, United States Department of Agriculture. I understand that this statement is not confidential and may be used as evidence.

My full name is Alfred V. Almanza. I am currently employed as Deputy District Manager, GS-1801-14, Dallas District Field Operations. I have been employed with USDA since 1978, and in my current position since May 2000.

On January 23, 2002 I gave a statement to Mr. Willis regarding allegations of irregularities in ante mortem and post mortem inspection procedures at IBP, Inc. (USDA Establishment 245), Amarillo, Texas. The statement was in response to allegations made by Dr. Thomas D'Amura, a former employee with this Agency. The statement I gave at that time was true. This statement is an addendum and update to my earlier statement.

After the investigations were complete, Mr. Willis advised me of the irregularities observed with regard to Dr. Morris Truesdell and the methods and procedures he was employing at the IBP plant. In my opinion, there were no serious deviations from procedures. However, I agreed that there were two areas of concern that were uncovered, and both of those involved things that Dr. Truesdell was doing personally, rather than things his staff was doing.

The first area of concern was with ante mortem inspection. I was advised that during the investigation, Dr. Truesdell admitted that he occasionally went down to the cattle pens for ante mortem inspection and looked at the incoming cattle as they were unloaded from the trucks and driven across the weighing scales. I was advised that Dr. Truesdell used the term "short cut" for this method of ante mortem inspection. When he did his ante

AVR

mortem inspection as the cattle were driven across the scales, he viewed the cattle in motion, but only from one side rather than from both sides as prescribed by the Manual and Regulations. Although Dr. Truesdell claimed that he only did this occasionally when he was extremely short staffed, this is not an acceptable procedure.

The other area that I was advised of involved Dr. Truesdell's methods of selecting samples for testing for anti biotic residues. The procedures call for Dr. Truesdell to select for tissue sampling any animals that come into the plant that appear to be distressed or sick on ante mortem. Also, Dr. Truesdell is to select any animal for testing that is found to exhibit the symptoms of any of the syndromes listed in FSIS Notice 44-01. That Notice clarifies the sampling procedures by listing a number of syndromes that if detected by the assigned veterinarian on post mortem inspection, they are to be sampled and forwarded to the designated laboratory for anti biotic residue testing.

As was told to me, it was not that Dr. Truedell was necessarily doing this procedure incorrectly, or that there was evidence that he was missing animals that he should be testing. Rather the concern was that when queried on his procedures, Dr. Truesdell did not seem to have a good recollection of FSIS Notice 44-01 and could not remember all of the syndromes listed in the Notice. This caused the veterinary staff officer who was involved in the investigation to have some doubts that Dr. Truesdell was operating in compliance with the procedures, although again there was no real evidence that he had missed cattle that he should have sampled.

I understand that there was no evidence that any employee other than Dr. Truesdell was doing any procedures in variance with the regulations.

As the result of the investigation, it was decided that formal disciplinary action against Dr. Truesdell or any other employee was not appropriate. The problems observed were considered too minor for any formal action, so action was limited to an oral admonishment of Dr. Truesdell and some additional training and correlation with him.

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Dr. Alan Knox, the Dallas District Manager, and I concurred with the decision that Dr. Truesdell not be subjected to any formal disciplinary action.

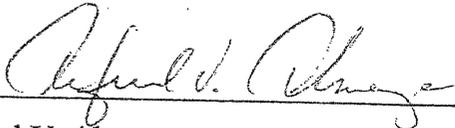
I was advised that Dr. Kurt Shulz, Veterinary Staff Officer, assigned to the FSIS Technical Service Center, accompanied Mr. Willis during the July 2002 investigation and detected Dr. Truesdell's deficiencies in his knowledge of FSIS Notice 44-01. I was advised that Dr. Shulz met with Dr. Truesdell during the June 2002 visit and reviewed the Notice with him to be certain that Truesdell knew the requirements in the Notice.

After the investigation, we arranged for the Dallas District Veterinary Medical Specialist, Dr. Raymond Dilland to travel to Amarillo and train Dr. Truesdell on ante mortem inspection. Dr. Dilland conducted formal training with Dr. Truesdell and observed three of Dr. Truesdell's employees as they performed ante mortem inspection. Dr. Dilland prepared a July 17, 2002 report on the training. The report indicates that all observed ante mortem inspection was conducted in accordance with the regulations. After the training, Dr. Dilland was satisfied that Dr. Truesdell and his staff know the proper ante mortem inspection procedures.

I have not personally visited Dr. Truesdell's plant recently. However, a number of times since that training, I have discussed Dr. Truesdell's performance at IBP with his immediate supervisor Dr. Marcia Endersby. Dr. Endersby reports that she has scrutinized Dr. Truesdell's procedures closely since the investigation and she is satisfied that Dr. Truesdell is performing his inspection duties in accordance with the regulations.

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I have read this statement, consisting of four pages and it is true and complete. I have made all necessary changes and additions and have initialed each page.

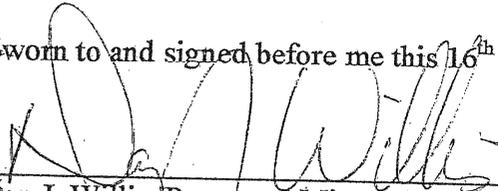


Alfred V. Almanza, Deputy District Manager

1/14/03

Date

Sworn to and signed before me this 16th day of January 2003.



Dan J. Willis, Personnel Misconduct Investigator

Exhibit 6

Omaha, Nebraska

January 17, 2003

I, Kurt D. Schulz, DVM, being first duly sworn on oath, make the following statement to Mr. Dan J. Willis, Personnel Misconduct Investigator, United States Department of Agriculture. I understand that this statement is not confidential and may be used as evidence.

My full name is Kurt D. Schulz, DVM. I am currently employed as a Veterinary Medical Officer, GS-701-13, with the Food Safety and Inspection Service, Technical Service Center, Omaha, Nebraska. I have been with FSIS since 1986. In my current position, I provide technical assistance to our Field Operations staff in the proper application of slaughter inspection procedures and interpretation of the Regulations and Agency policies and procedures.

On June 26-28, 2002, I accompanied Mr. Willis as he conducted a Personnel Misconduct Investigation, looking into allegations of problems with the antemortem and postmortem inspection procedures at IBP, Inc. (USDA Establishment 245E) in Amarillo, Texas. I was advised that a former employee with USDA made allegations that Dr. Morris Truesdell and his staff were not properly doing inspection, creating a situation where unsafe meat might be sold for human consumption.

During two days of investigations, I sat in on the interviews with the employees and provided Mr. Willis with some technical information on the statements regarding how the employees did their inspection procedures. At the conclusion of the investigation, I provided a July 2, 2002 written summary of my observations. Mr. Willis tells me that my written summary is included in the July 12, 2002 supplemental Report of Investigation that he submitted regarding our findings.

During the interviews, I saw no evidence of any problems with the manner in which post-mortem inspection was being conducted. Also, I detected no evidence that any of Dr.

Truesdell's staff was improperly conducting antemortem or postmortem inspection procedures.

I did have a concern with two aspects of the procedures at IBP, and both of those involved Dr. Truesdell himself. During an interview, Dr. Truesdell admitted to Mr. Willis that "occasionally" when he was very short handed or when he had too many things going at once at the plant, he would use a kind of "short cut" antemortem inspection procedure. He stated that in doing this short cut procedure, he would go down to the holding pens and observe the incoming cattle as they were unloaded from trucks and driven across the company scales. In this way he observed the live cattle in motion from only one side rather than from both sides as is prescribed in the antemortem procedure.

I understand that IBP is approved for the alternative antemortem inspection procedure as set forth in FSIS Notice 37-95, which does not require that all animals presented for slaughter be viewed at rest and in motion from both sides. Rather the alternative procedure requires that between 5% and 10% of the animals be viewed in motion from both sides. Even though he is not required to inspect all animals in motion, Dr. Truesdell's description of his "short cut" antemortem procedure did not meet the requirements of the approved procedure because he was not looking at the animals from both sides while they are in motion.

The other area of concern that I observed during the investigation again involved Dr. Truesdell himself. During the interviews, Dr. Truesdell described his methods for selecting animals/carcasses for the Agency's on site residue tests. This testing program is intended to enable the Agency to detect carcasses that have antibiotic or chemical residues that might be considered adulterants. We are not required to test every animal, but our protocol requires that any animals that appear distressed on antemortem inspection, or any animals whose carcass exhibits symptoms associated with certain syndromes are sampled and tested.

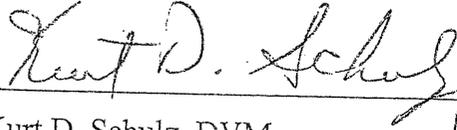
FSIS Notice 44-01, dated October 11, 2001, clarifies our in-plant testing protocol by itemizing the syndromes that we expect our veterinarians to sample when they are observed in beef carcasses. Animals with these types of illnesses are more likely to have been treated with antimicrobials. Therefore there is an increased likelihood that the tissues of these animals may have residues.

During the interviews, Dr. Truesdell showed Mr. Willis his daily log of animals sampled and tested. I did not detect any evidence on the log that Dr. Truesdell was not sampling animals that should be sampled, or that he had sampled animals that he should not be sampling. However, as Dr. Truesdell discussed his methods, it became apparent to me that he did not seem to have an intimate knowledge of FSIS Notice 44-01. He could not name the syndromes itemized in the Notice, and I was concerned that he was not as familiar as he should be with the Agency guidance. After the interview, I met with both Dr. Truesdell and Circuit Supervisor Dr. Marcia Endersby. I went over FSIS Notice 44-01 with them in detail, and I satisfied myself that both of them were clear on the guidance in the Notice. I also suggested that Dr. Truesdell refer back to the Notice as necessary to assure compliance. Again, I did not see any evidence that Dr. Truesdell had failed to sample carcasses that should have been sampled, or that he sampled carcasses that should not have been. My concern was that he did not have an intimate working knowledge of FSIS Notice 44-01.

In my July 2, 2002 written summary I recommended that further training and/or correlation be held with Dr. Truesdell on both antemortem inspection procedures, and his sampling protocols. Mr. Willis advises me that later in July 2002, Dr. Raymond Dilland, the Dallas District Veterinary Medical Specialist, traveled to IBP and correlated with Dr. Truesdell and reemphasized to him the importance of doing these procedures properly.

5/11

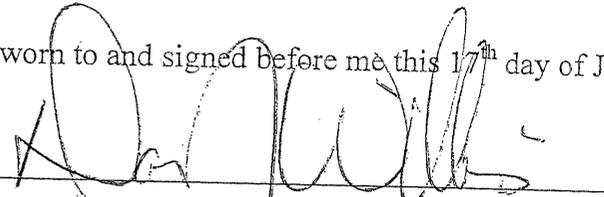
I have read this statement, consisting of four (4) pages and it is true and complete. I have made all necessary changes and additions and have initialed each page.



Kurt D. Schulz, DVM

1-17-03

Sworn to and signed before me this 17th day of January 2003.



Dan J. Willis, Personnel Misconduct Investigator

Exhibit 7

Antemortem Correlation at Est.# 245E

The Antemortem Inspection Correlation at Est.# 245E started at 5:30AM, before slaughter operation, on 7-16-02. I accompanied Inspector Short (GS-7) and Dr. Truesdell to the pens area for the Alternative Antemortem Inspection. The Inspector examined all animals found normal by the establishment while they were at "rest". Then, he selected 10% of the animals from each pen and observed them in motion on both sides. This is the procedure at Est.# 245E and it exceeds the USDA requirements of 5-10% of the animals from several lots. The establishment did not have any abnormal animals segregated for further USDA inspection. Dr. Truesdell stated that an important part of his mission is to perform a verification task on the plant's ability to identify and sort animals that are subject to closer inspection by USDA. I discussed with Dr. Truesdell the importance of training the GS-7's to do the correct inspection every time. At this time, the antemortem inspection was done correctly and according to FSIS Regulations (even exceeding regulations). I discussed the procedure with plant employees and they informed me that this correct AM inspection is standard practice at Est.# 245E.

I examined the antemortem box at the scale house and found that it contained all the necessary supplies and equipment to ID/control suspect and condemned animals.

Then, I accompanied Inspector Blea (GS-9) for another Antemortem Inspection. AM Inspection was done correctly at this time.

After the early morning observation of AM inspection practices, Dr. Truesdell and I reviewed and did a complete correlation of the FSIS Antemortem Inspection Power Point Presentation. This included a complete discussion and explanation of the acts, regulations, directives, etc. that are applicable to AM inspection. The establishment responsibilities were discussed and correlated. Dr. Truesdell stated that the establishment completely understands their role in antemortem inspection. Next, Dr. Truesdell and I did a correlation of Part 309 of the Meat and Poultry Inspection Regulations.

Dr. Truesdell and I discussed the APHIS/VS issues, appropriate paperwork, and who should be contacted when necessary. Reportable disease were discussed and the "Grey Book" pasted onto the hard drive of the in-plant computer.

Then, I did another observation of the AM inspection practices. This time, I accompanied Inspector Moorehead GS-8 to the pens area. Again the procedure was done correctly. Dr. Truesdell has the correct AM inspection procedure posted in the inspector's break room to make sure all inspectors are following the regulations.

The Antemortem Inspection of Est.# 245E is being done correctly and according to FSIS Regulations.

Raymond Dilland DVM
District Veterinary Medical Specialist
Dallas District Office
Dallas, TX 75242



United States Department of Agriculture

Food Safety and Inspection Service

Labor & Employee Relations Division

Employee Relations Branch

1400 Independence Ave., SW
Room 3175 South Bldg.
Washington, DC 20250
(202) 720-5657
(202) 690-3938 fax
(800) 217-1886 toll-free

FOR OFFICIAL USE ONLY

August 8, 2002

Cathy McMullen, Chief
Disclosure Unit
Office of Special Counsel
1730 M Street NW
Washington, D.C. 20036-4505

RE: OSC File No. DI-01-1901

Vertical stamp: SPECIAL COUNSEL
DI-01-1901-05

Dear Ms. McMullen:

In my July 24, 2002, letter forwarding the supplemental investigation in the above case to your attention, I indicated that "I have enclosed an unsigned copy of a statement entitled "Antemortem Correlation at Est. #245E." I will forward the signed copy when I receive it. Attached please find the signed copy of the referenced statement.

If you have any questions or I can be of further assistance, please let me know.

Sincerely,

Robinn A. Reed, Chief
Employee Relations Branch

Attachment

FOR OFFICIAL USE ONLY

Antemortem Correlation at Est.# 245E

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Then, I did another observation of the AM inspection practices. This time, I accompanied Inspector Moorehead GS-8 to the pens area. Again the procedure was done correctly. Dr. Truesdell has the correct AM inspection procedure posted in the inspector's break room to make sure all inspectors are following the regulations.

The Antemortem Inspection of Est.# 245E is being done correctly and according to FSIS Regulations.

Raymond Dilland DVM

Raymond Dilland DVM
District Veterinary Medical Specialist
Dallas District Office
Dallas, TX 75242

1-23-02



United States Department of Agriculture

Food Safety and Inspection Service

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1400 Independence Ave., SW
Room 3175 South Bldg.
Washington, DC 20250
(202) 720-5657
(202) 690-3938 fax
(800) 217-1886 toll-free

FOR OFFICIAL USE ONLY

August 8, 2002

Cathy McMullen, Chief
Disclosure Unit
Office of Special Counsel
1730 M Street NW
Washington, D.C. 20036-4505

U.S. DEPARTMENT OF AGRICULTURE
OFFICE OF SPECIAL COUNSEL
DISCLOSURE UNIT
1730 M STREET, NW
WASHINGTON, DC 20036-4505
202-720-5657

RE: OSC File No. DI-01-1901

Dear Ms. McMullen:

In my July 24, 2002, letter forwarding the supplemental investigation in the above case to your attention, I indicated that "I have enclosed an unsigned copy of a statement entitled "Antemortem Correlation at Est. #245E." I will forward the signed copy when I receive it. Attached please find the signed copy of the referenced statement.

If you have any questions or I can be of further assistance, please let me know.

Sincerely,

Robinn A. Reed, Chief
Employee Relations Branch

Attachment

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The Antemortem Inspection of Est.# 245E is being done correctly and according to FSIS Regulations.

Raymond Dilland DVM

Raymond Dilland DVM
District Veterinary Medical Specialist
Dallas District Office
Dallas, TX 75242

7-23-02



United
States
Department of
Agriculture

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July 24, 2002

Cathy McMullen, Chief
Disclosure Unit
Office of Special Counsel
1730 M Street NW
Washington, D.C. 20036-4505

RE: OSC File No. DI-01-1901

Dear Ms. McMullen:

Per your request relative to the above file number, a supplemental investigation has been completed.

Enclosed please find a copy of the supplemental investigation completed June 26-28, 2002. Additionally, as discussed, via telephone call on July 23, 2002, I have enclosed an unsigned copy of a statement entitled "Antemortem Correlation at Est. #245E." I will forward the signed copy when I receive it.

If you have any questions or I can be of further assistance, please let me know.

Sincerely,

Robinn A. Reed, Chief
Employee Relations Branch

Enclosures

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Raymond Dilland DVM
District Veterinary Medical Specialist
Dallas District Office
Dallas, TX 75242

head per hour. These cattle are young in chronological age and well fed and cared for in preparation for slaughter in order to obtain the highest possible quality in the meat to be marketed. As such, there is an extremely low instance of pathology or diseases observed in the live animals that would cause them to be handled as "US Suspects." Likewise, there is an extremely low incidence of pathology observed on post mortem inspection that would render the carcasses unfit for human consumption.

Dr. THOMAS D'AMURA is a former USDA VMO, who was assigned to the IBP plant in Amarillo until December 2000. In his position, he was primarily responsible for conducting ante-mortem inspection of cattle presented for inspection on the morning shift. D'AMURA also assisted in providing work relief breaks to the morning shift Food Inspectors engaged in post-mortem slaughter inspection. As such, D'AMURA was in position to directly observe day shift employees' post mortem inspection procedures. He may or may not have directly observed employees conducting ante mortem inspection.

On December 8, 2000, D'AMURA was removed from employment during his probationary period. As such, whatever personal observations D'AMURA made that gave rise to OSC File No. DI-01-0901 apparently occurred prior to December 2000. Since it is now almost two years since D'Amura's separation from employment, it is impossible to determine with certainty what his on-the-job observations may have been. This investigation concentrated on the present methods and procedures for ante-mortem and post-mortem inspection.

ANTE-MORTEM INSPECTION PROCEDURES

In her signed sworn statement (Exhibit 2), MARCIA ENDERSBY, DVM, stated that she is the Circuit Supervisor in the Amarillo area, responsible for enforcement of inspection regulations in a number of USDA establishments including IBP, Amarillo, Texas. She is the immediate supervisor of MORRIS H. TRUESDELL, DVM, Inspector In Charge (IIC) at the IBP plant.

ENDERSBY stated that she regularly visits the USDA staff at IBP to observe inspection procedures, and that many of her visits are unannounced. ENDERSBY stated that IBP is approved an alternative ante-mortem inspection procedure under which 100% of the live animals are observed at rest and between 5% and 10% of the animals are observed in motion from both sides. This alternative ante-mortem inspection procedure is typical for operations like IBP, that slaughter young, healthy market animals with a low instance of pathology. ENDERSBY stated that she has reviewed TRUESDELL's posted ante-mortem inspection procedures and believes that the procedures comply with the Regulations.

ENDERSBY stated that animals identified as "US Suspect" on ante-mortem inspection are tagged and/or segregated for slaughter so they can be properly tracked and properly inspected through the slaughter procedure.

TRUESDELL (Exhibit 3) stated that he has trained and posted instructions for all employees responsible for performing ante-mortem inspection. A copy of TRUESDELL'S posted ante mortem procedure is enclosed with his sworn statement.

TRUESDELL stated that the IBP plant operates on a system under which 100% of all cattle presented for inspection are observed at rest; and that 5 to 10% of those are observed in motion from both sides. This procedure is provided for in the MPI Manual at Part 9.6.

TRUESDELL stated that there have been times when he is pressed for time during the work day where he has observed cattle in motion from one side only as they cross the company scales, rather than in motion from both sides as prescribed in the regulations. TRUESDELL stated that he believes that this procedure basically meets the requirements of the regulations, in view of the type of cattle slaughtered and the extremely low incidence of pathology observed.

INVESTIGATOR'S NOTE: Technical Advisor Dr. Kurt Schulz noted that the "short cut" procedure described by TRUESDELL during the interview does not completely comply with regulations on ante mortem procedures. Dr. Schulz reviewed the proper procedures with TRUESDELL during the investigation.

Dr. MUHAMMAD A. HAQ (Exhibit 4) stated that as afternoon shift supervisor, he only occasionally conducts ante mortem inspection, and generally delegates those duties to his subordinate inspectors. HAQ stated that in addition to the posted ante mortem procedure, he has also posted special instructions to assist inspectors in detecting cattle that display symptoms of Central Nervous System (CNS) disorders. HAQ stated that his posted procedure has the full concurrence of both TRUESDELL and ENDERSBY. A copy of HAQ's posted procedure is enclosed with his statement.

HAQ further stated that all cattle identified as abnormal are properly tagged and/or segregated for slaughter and that he is confident that all such cattle are properly tracked onto the slaughter floor so they can receive the inspection required.

In his signed sworn statement (Exhibit 5) DENNIS L. STEPHENSON, stated that he is the day shift off line inspector assigned to further processing areas of the IBP plant, but occasionally assists with ante mortem and post mortem slaughter inspection. STEPHENSON stated that he conducts ante mortem inspection in accordance with TRUESDELL'S posted instructions and has no reason to believe that all other inspectors do the same. STEPHENSON observed that there is an extremely low incidence of abnormal cattle that would be handled as "US Suspect" at IBP, owing to the type of cattle presented for slaughter.

DAVID L. MOREHEAD (Exhibit 6) stated that since October 2001 he has been assigned as the slaughter operations off line inspector on the morning shift at IBP. In that capacity, MOREHEAD stated that he does the bulk of the ante mortem inspection conducted on his shift. MOREHEAD stated that he follows the posted ante mortem

procedures, but generally looks at more than the required 10% of the cattle in motion from both sides. MOREHEAD stated that TRUESDELL generally does ante mortem inspection only when MOREHEAD is tied up in some other function and not available for ante mortem inspection.

MOREHEAD stated that the other inspectors conduct ante mortem inspection prior to the beginning of slaughter operations and generally inspect only enough cattle to begin the shift.

MOREHEAD stated that he requires the company to segregate any abnormal animals to be slaughtered separately so they can be properly tracked onto the slaughter floor for inspection. MOREHEAD stated that the inspectors have good control of all abnormal animals when they are slaughtered so they can be properly inspected.

In his signed sworn statement (Exhibit 7), BRADLEY L. WILLIAMS, DVM, stated that he has been assigned as the Veterinary Medical Officer (or assistant veterinarian) under TRUESDELL since January 13, 2002 and has worked in the IBP plant for approximately eight weeks since being assigned. WILLIAMS stated that he conducts ante mortem inspection when TRUESDELL or MOREHEAD are not available and averages two or three ante mortem inspections per day.

WILLIAMS stated that he is aware that IBP is approved the alternative ante mortem inspection procedure and that he conducts ante mortem inspection in accordance with TRUESDELL's posted ante mortem procedure. WILLIAMS stated that any animals identified as "US Suspect" on ante mortem inspection are segregated and slaughtered as a group so they can be properly tracked onto the slaughter floor and given proper post mortem inspection. WILLIAMS stated that he has never accompanied the inspectors when they conduct ante mortem inspection, but does not doubt that they conduct the inspection in accordance with TRUESDELL's posted procedures.

POST MORTEM INSPECTION

ENDERSBY (Exhibit 2) acknowledged occasional staffing shortages among the inspection personnel at IBP, but stated that all slaughter inspection stations are manned at all times during operations. ENDERSBY stated that she has never observed a situation where inspectors are not at their stations during operations.

TRUESDELL (Exhibit 3) stated that he is on the slaughter floor working with and among the slaughter inspectors an average of three to five hours of each work day and is in position to directly observe the slaughter inspectors.

TRUESDELL also acknowledged that there have been occasional staffing shortages; but he strongly denied that inspectors leave their stations unmanned during slaughter operations. TRUESDELL stated that other than scheduled work breaks, inspectors are only allowed short bathroom breaks during rotation of their assignments. No other breaks from the slaughter line are allowed.

HAQ (Exhibit 4) also stated that other than scheduled work breaks, the inspectors on his shift are allowed only short bathroom breaks during the rotation of assignments and that all inspection stations are fully staffed at all times during operations.

STEPHENSON (Exhibit 5) stated that he occasionally assists in conducting slaughter inspection and has never observed slaughter inspectors away from their inspection stations during operations without proper relief. STEPHENSON stated that some years ago there were some inspectors who abused their breaks, but that TRUESDELL has corrected those problems.

MOREHEAD (Exhibit 6) stated that he is on the slaughter floor a large portion of each day working with and among the slaughter inspectors, but has never observed any of the slaughter inspectors away from their inspection stations when they should be at their stations.

WILLIAMS (Exhibit 7) stated that he is on the kill floor working with and among the food inspectors for a significant amount of each workday and he has never observed the inspectors away from their stations when they should be manned. WILLIAMS stated that the inspectors are allowed a brief rest room break when the positions are rotated.

LIVER INSPECTION

ENDERSBY (Exhibit 2), TRUESDELL (Exhibit 3), HAQ (Exhibit 4) and WILLIAMS (Exhibit 7) all strongly denied that any inspector under their supervision is failing to properly inspect livers or other viscera. All stated that the assigned slaughter inspectors properly open bile ducts and properly palpate the dorsal and ventral sides of livers for abscess or other lesions.

HAQ stated that he provides written illustrated instructions for post mortem inspection procedures to all newly assigned inspectors at IBP. HAQ provided copies of the written procedures he issues, which are enclosed with his sworn statement at Exhibit 4.

INVESTIGATOR'S NOTE: Dr. Schulz reviewed the written procedures issued by HAQ and found them in full compliance with applicable post mortem inspection Regulations.

STEPHENSON (Exhibit 5) and MOREHEAD (Exhibit 6) also denied that any inspectors assigned to IBP are failing to properly inspect livers or other viscera.

SAMPLING FOR ANTIBIOTIC OR SULFA RESIDUES

Residue sampling in USDA establishments consists of two separate programs. The National Residue Monitoring Program requires that samples from carcass parts of slaughtered animals be randomly sampled and forwarded to accredited laboratories for testing. Provisions and guidelines for the program are set forth in FSIS Directive 10,530.1 (Exhibit 9). The sampling protocols are generated by computer and forwarded

to the establishments for the USDA staff. Samples are gathered according to the protocols and forwarded to accredited laboratories for testing.

Additional testing for antibiotic or sulfa drug residues is conducted on-site. The Swab Test on Premises (STOP) and Fast Anti-microbial Screening Test (FAST) tests are conducted on tissues of animals that, in the opinion of the Inspector in Charge, appear distressed or diseased at the time of slaughter. Determinations as to animals tested is at the discretion of the IIC in accordance with Agency guidelines as set forth in FSIS Notice 44-01, dated October 10, 2001 (Exhibit 10).

ENDERSBY (Exhibit 2) and TRUESDELL (Exhibit 3) stated that cattle identified as "US Suspect" are tested for antibiotic or sulfa residues (STOP or FAST testing). TRUESDELL provided copies of records of on-site residue testing, which are attached to his sworn statement at Exhibit 3.

STEPHENSON (Exhibit 5) and MOREHEAD (Exhibit 6) both stated that they are aware that cattle suspected of being exposed to antibiotics or sulfa drugs are tested, but are not directly involved and do not know TRUESDELL's precise criteria for selecting animals for testing.

MOREHEAD stated that he personally conducts sampling for the National Residue Monitoring Program under which samples are randomly gathered and sent off site for residue testing. MOREHEAD stated that he obtains the samples according to the computer-generated forms that are mailed to the plant; and he sends the samples in accordance with the procedures.

INVESTIGATOR'S NOTE: During the interviews with ENDERSBY and TRUESDELL, Dr. Schulz observed that the methods for selecting carcasses/animals for on site (STOP or FAST) testing are not in accordance with FSIS Notice 44-01. Dr. Schulz met with ENDERSBY and TRUESDELL and reviewed the selection and sampling criteria with them.

USE OF COMPANY SUPPLIED PAPER TAGS

All the employees interviewed stated that only official USDA Retained tags are used to identify and keep track of abnormal carcasses railed out for veterinary disposition or for proper trimming. ENDERSBY (Exhibit 2), TRUESDELL (Exhibit 3), HAQ (Exhibit 4), and MOREHEAD (Exhibit 6) all stated that they did remember IBP issuing USDA personnel paper tags for any reason. All stated that official US Retained tags are used to identify carcasses suspected of having cystercercus bovis ("tape worm") cyst lesions.

STEPHENSON (Exhibit 5) stated that he remembered an incident when the inspection staff briefly ran out of "USDA Retained" tags. As STEPHENSON recalled, the staff had to briefly improvise using some paper tags obtained from IBP while some one was dispatched to another USDA establishment nearby to obtain an emergency supply of official tags.

STEPHENSON stated that the inspection staff soon obtained another large supply of official tags from headquarters officials and that since that time no company supplied tags are used by USDA personnel for any reason. STEPHENSON stated that he could not recall the precise date of this incident.

FAILURE TO INSPECT TANK TRUCKS

ENDERSBY (Exhibit 2) and TRUESDELL (Exhibit 3) stated that USDA is required to visually inspect the interior (product contact surfaces) of tank trucks intended for hauling blood only when the blood is collected for edible purposes. There is no requirement to inspect tanks when the blood is not used for edible products. IBP used to market blood for edible purposes but no longer does so. TRUESDELL recalled that IBP discontinued marketing blood for edible purposes about January 2001.

TRUESDELL stated that when the company marketed blood for edible purposes there were times when trucks were not inspected. He insisted that these instances were rare and that at no time were records of truck inspections ever falsified.

STEPHENSON (Exhibit 5) stated that he occasionally was assigned tank truck inspection when it was required and always did the inspections as assigned. He stated that the company that owned the trucks had an excellent record of compliance with sanitation standards.

CONDEMNED CARCASSES NOT STAMPED "USDA CONDEMNED"

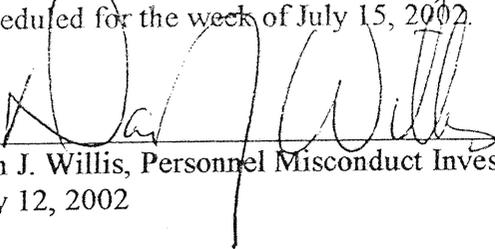
All of the interviewees acknowledged that condemned carcasses at IBP are not stamped with a "USDA Condemned" stamp; and all interviewees stated that it is not necessary that carcasses be stamped because of the nature of the operation at IBP.

TRUESDELL (Exhibit 3) and WILLIAMS (Exhibit 7) stated that when they condemn a carcass under veterinary disposition, they mark the carcass with deep knife cuts in the exterior surfaces to clearly identify it for denaturing and tanking. The carcass is then cut down and put down the "tanking chute" on the slaughter floor and transferred to the denaturing vats. Both stated that this is done in the presence of USDA personnel and that it is directly tracked and controlled. As such, there is no way that IBP can salvage condemned carcasses or parts for human consumption.

INVESTIGATOR'S NOTE: Dr. Schulz assessed the procedure for disposal of condemned carcasses at IBP and found that the procedure is in accordance with the Regulations.

DALLAS DISTRICT CORRECTIVE ACTION PLAN

Upon completion of the interviews, I met with Al Almanza, Acting District Manager, Dallas District Field Operations to review the findings and obtain from him a plan of corrective action. Mr. Almanza provided a July 10, 2002 letter outlining a plan of action to address the inconsistencies at IBP. A copy of the letter is attached as Exhibit 11. The District Action Plan proposes to conduct correlation and training with TRUESDELL, ENDERSBY and the inspection staff at IBP. Dr. Ray Dilland, District Veterinary Medical Specialist will conduct the correlation and training; and will provide a written synopsis of the sessions when they have been completed. Dr. Dilland's visit to IBP is scheduled for the week of July 15, 2002.



Dan J. Willis, Personnel Misconduct Investigator
July 12, 2002

Table of Exhibits

- Exhibit 1** **October 24, 2001 letter to Ann M. Veneman
RE: OSC File No. DI-01-0901**
- Exhibit 2** **Signed Sworn Statement of Marcia L. Endersby, DVM**
- Exhibit 3** **Signed Sworn Statement of Morris H. Truesdell, DVM,
With Attachments**
- Exhibit 4** **Signed Sworn Statement of Muhammad A. Haq, DVM, With
Attachments**
- Exhibit 5** **Signed Sworn Statement of Dennis L. Stephenson**
- Exhibit 6** **Signed Sworn Statement of David L. Morehead**
- Exhibit 7** **Signed Sworn Statement of Bradley L. Williams, DVM**
- Exhibit 8** **July 2, 2002 Written Assessment of Inspection Operations at
IBP, Inc., Amarillo, Texas, Prepared by Kurt D. Schulz, DVM**
- Exhibit 9** **FSIS Directive 10,530.1, "National Residue Program"**
- Exhibit 10** **FSIS Notice 44-01, "Clarification of Cattle Residue Testing
Procedures," dated October 11, 2001**
- Exhibit 11** **July 10, 2002 Letter from Alfred Almanza, Acting District
Manager, Outlining the District's Action Plan for Correcting
Inconsistencies at IBP, Amarillo, Texas**

Exhibit 1



U.S. OFFICE OF SPECIAL COUNSEL

1730 M Street, N.W., Suite 300
Washington, D.C. 20036-4505

The Special Counsel

October 24, 2001

06-4191223
35 OIG

The Honorable Ann M. Veneman
Secretary
U.S. Department of Agriculture
1400 Independence Ave., SW., Room 200A
Washington, DC 20250

Re: OSC File No. DI-01-0901

Dear Madam Secretary:

The U. S. Office of Special Counsel is authorized by law to receive disclosures of information from federal employees alleging violations of law, rule or regulation; gross mismanagement, gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety 5 U.S.C. §§ 1213(a) and (b). As Special Counsel, if I find, on the basis of the information disclosed, that there is a substantial likelihood that one of these conditions exists, I am required to advise the appropriate agency head of my findings, and the agency head is required to conduct an investigation of the allegations and prepare a report. 5 U.S.C. §§ 1213(c) and (g).

For the reasons set forth below, I have concluded that there is a substantial likelihood that information provided to the Office of Special Counsel by Dr. Thomas D'Amura, Doctor of Veterinary Medicine, discloses violations of law, rule or regulation and substantial and specific dangers to the public health and safety arising out of actions by the United States Department of Agriculture (USDA), Food Safety Inspection Service at Iowa Beef Producers, Inc., Amarillo, Texas. Accordingly, I am referring this information to you for an investigation of the allegations described below and a report of your findings within 50 days of your receipt of this letter.

The Information Disclosed

As noted, the relevant information was provided to the Office of Special Counsel by Dr. Thomas D'Amura, a former Veterinary Medical Officer, who has consented to the release of his name.¹ As a Veterinary Medical Officer, Dr. D'Amura

Dr. D'Amura's current address is 2418 Gilmer Avenue, Abilene, Texas 79606-3411, and his telephone number is (915) 698-1618.

The Honorable Ann M. Veneman

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served as a supervisor to a shift of 13 Inspectors. As the Veterinary Medical Officer, Dr. D'Amura also inspected utensils and machinery. Dr. D'Amura followed the disposition of suspicious meat product and carcasses once an Inspector identified the meat product or carcass as suspicious. Lastly, Dr. D'Amura was the only Veterinary Medical Officer at Iowa Beef Producers, Inc. (IBP) to conduct ante-mortem inspection of the cattle in the pens, also one of his job duties.

The USDA Food Safety Inspection Service at IBP, which is the subject of Dr. D'Amura's disclosures, inspects cattle as they are slaughtered and processed for consumption. Dr. D'Amura alleges a number of instances where Inspectors at IBP do not comply with the requirements of 9 C.F.R. Parts 307, 309, 310, 311, 312, 313, and 314, resulting in a substantial and specific danger to public health and safety.

As described in greater detail below, Dr. D'Amura alleges that Inspectors fail to perform ante-mortem inspections on the cattle and that no tagging of potentially sick animals is conducted. Dr. D'Amura also alleges that Inspectors often fail to conduct many of the inspections required during post-mortem inspection or that such inspections are conducted improperly. Moreover, Inspectors who are in attendance take frequent breaks and are not at their inspection stations while products continue to pass by those stations. During the inspection process, Dr. D'Amura states that livers and intestines are not inspected properly. He states that Inspectors fail to take samples to test for antibiotic residues and that they do not consistently use tags to identify problems with the carcasses. Dr. D'Amura also states that blood collection trucks are never inspected. In addition, because Inspectors are frequently absent from work, IBP does not have sufficient staff to perform proper inspections. Dr. D'Amura further alleges that carcasses that are condemned are not stamped condemned.

1. Improper Ante-Mortem Inspection Procedures

✖ Dr. D'Amura alleges that Inspectors do not conduct a proper ante-mortem inspection of the cattle before they are slaughtered. A failure to conduct an inspection of the animals while they are in their pens both on the day of their arrival and prior to slaughter violates the express provisions of 9 C.F.R. § 309.1. Moreover, absent an ante-mortem inspection, Inspectors would be unable to comply with the retaining provisions of 9 C.F.R. Part 309 and the provisions of 9 C.F.R. Part 313.

✖ Dr. D'Amura alleges that for a significant amount of the time, no ante-mortem inspection is conducted at all and that the inspections that are conducted fail to comply with federal regulations.

✖ Dr. D'Amura also alleges that Inspectors fail to properly tag cattle suspected of being diseased or contain parasites. Tags are used to identify cattle that may be diseased or containing parasites before and during the slaughtering process and

The Special Counsel

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*Dr. D'Amura alleges that at IBP they are seldom used. Because the animals are seldom inspected, it is impossible to comply with the requirements of 9 C.F.R. §§ 309.2 and 309.18. *Moreover, the few cattle that are tagged are not tracked to determine whether initial suspicions about disease or parasites were either confirmed or denied in the carcass.

2. Improper Post-Mortem Procedures

*Dr. D'Amura alleges that post-mortem inspections are also not performed properly at IBP. Initially, Dr. D'Amura noted that Inspectors at IBP are frequently absent, which results in inadequate staffing, and a failure to comply with 9 C.F.R. § 310.1 or with the remaining provisions of 9 C.F.R. Part 310. The lack of staff in attendance results in items not being inspected because production is not slowed down to compensate for the absent Inspectors. *Additionally, Dr. D'Amura specifically observed that Inspectors at IBP took frequent breaks and engaged in activity away from their inspection posts for prolonged periods of time. As a result, Dr. D'Amura alleges that items are not being inspected because actions are not taken to ensure that inspections stations are manned while Inspectors take breaks or while Inspectors are absent.

According to Dr. D'Amura's first hand observations, Inspectors at IBP also fail to properly inspect livers and intestines, in violation of 9 C.F.R. Part 310, including 9 C.F.R. §§ 310.1 and 311.31, and fail to take test samples in violation of 9 C.F.R. § 310.25. Dr. D'Amura alleges that Inspectors do not conduct any examination of the bile duct and the dorsal and ventral surfaces of the liver. Additionally, Dr. D'Amura alleges that the intestines are completely ignored, including the rumenoreticular junction and the lymph nodes. Moreover, samples are not taken from carcasses to test for antibiotic residues, and to test the liver and kidneys.

*Dr. D'Amura also observed that the use of official tags is inadequate and that Inspectors often fail to apply tags at all. Carcasses and parts are required to be identified with, in certain circumstances, specifically designed tags, pursuant to 9 C.F.R. §§ 309.16, 310.21, and 9 C.F.R. Part 312. According to Dr. D'Amura, the Inspectors at IBP often fail to use tags because tags are not made available and are specifically missing from the viscera tables. *In addition, IBP will sometimes issue paper tags to the Inspectors, which are ineffective and often fall off the meat after getting wet. Dr. D'Amura also alleges that the procedures for tagging carcasses for instances of tapeworm and other micro-organisms are not followed.

*Dr. D'Amura alleged that the tanker trucks used to haul blood products were also never inspected. Pursuant to 9 C.F.R. § 314.2, the tanker trucks must be inspected and a failure to inspect the truck could result in violations of various provisions of 9 C.F.R. Part 314. Dr. D'Amura observed that records at IBP were

The Special Counsel

The Honorable Ann M. Veneman

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fraudulently maintained so as to appear as though tanker trucks were regularly inspected. In fact, according to Dr. D'Amura, he observed many instances where inspection of the trucks was noted yet no inspection was performed.

*Lastly, Dr. D'Amura alleges that carcasses that were condemned were never stamped "USDA Condemned" because the stamp is not made available to Inspectors. Procedures regarding the processing of condemned carcasses are contained at 9 C.F.R. §§ 309.13, 310.5, and 9 C.F.R. Part 314. Dr. D'Amura alleges that because carcasses are not stamped as condemned, they cannot be tracked and the Inspectors do not know their final disposition at IBP.

The Special Counsel's Findings

As noted above, if I find that there is a substantial likelihood that information disclosed to my Office reveals violations of law, rule or regulation, an abuse of authority, or a substantial and specific danger to public health or safety, I am required to send that information to the appropriate agency head for an investigation and report. 5 U.S.C. § 1213. Given Dr. D'Amura's education and training, the detail he has provided, and his first hand knowledge of many of the incidents he has described, I have concluded that there is a substantial likelihood that he has disclosed violations of law, rule, or regulation, and a substantial and specific danger to the public health and safety at IBP.

Accordingly, I am referring this information to you for an investigation of the allegations described above and a report of your findings within 60 days of your receipt of this letter. By law, the report must be reviewed and signed by you personally. Should you decide to delegate authority to another official to review and sign the report, your delegation must be specifically stated. The requirements of the report are set forth at 5 U.S.C. §§ 1213(c) and (d). A summary of section 1213(d) is enclosed.

In the event it is not possible to report on the matter within the 60-day time limit, as the statute requires, you may request in writing an extension of time not to exceed 60 days. Please be advised that an extension of time will not be granted automatically, but only upon a showing of good cause. Accordingly, in the written request for an extension of time, please state specifically the reasons the additional time is needed.

After making the determinations required by 5 U.S.C. § 1213(e)(2), copies of the report, along with any comments on the report from the person making the disclosure and any comments or recommendations by me will be sent to the President and the appropriate oversight committees in the Senate and House of Representatives. 5 U.S.C. § 1213(e)(3).

The Special Counsel

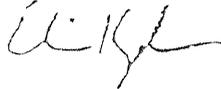
The Honorable Ann M. Veneman

Page 5

A copy of the report and any comments will be placed in a public file in accordance with 5 U.S.C. §1219(a).

Please refer to our file number in any correspondence on this matter. If you need further information, please contact Catherine A. McMullen, Chief, Disclosure Unit, at (202) 653-6005. I am also available to you for any questions you may have.

Sincerely,



Elaine Kaplan

Enclosure

Enclosure

Requirements of 5 U.S.C. § 1213(d)

Any report required under subsection (c) shall be reviewed and signed by the head of the agency¹ and shall include:

- (1) a summary of the information with respect to which the investigation was initiated;
- (2) a description of the conduct of the investigation;
- (3) a summary of any evidence obtained from the investigation;
- (4) a listing of any violation or apparent violation of law, rule or regulation; and
- (5) a description of any action taken or planned as a result of the investigation, such as:
 - (A) changes in agency rules, regulations or practices;
 - (B) the restoration of any aggrieved employee;
 - (C) disciplinary action against any employee; and
 - (D) referral to the Attorney General of any evidence of criminal violation.

In addition, we are interested in learning of any dollar savings, or projected savings, and any management initiatives that may result from this review.

¹ Should you decide to delegate authority to another official to review and sign the report, your delegation must be specifically stated.

Exhibit 2

Amarillo, Texas

June 26, 2002

I, Marcia L. Endersby, DVM, being first duly sworn on oath, make the following statement to Mr. Dan J. Willis, who has identified himself to me as a Personnel Misconduct Investigator, United States Department of Agriculture. I understand that this statement is not confidential and may be used as evidence.

My full name is Marcia L. Endersby. I am currently assigned as the Amarillo Circuit Supervisor, GS-701-13. I have been with since April of 1989; and in my current position since January 2001. On January 24, 2002 I provided a sworn statement to Mr. Willis regarding allegations of inspection irregularities at IBP, Inc., (USDA Establishment #245E). That statement is true and complete. This statement is an addendum to my previous statement.

As Circuit Supervisor in the Amarillo Circuit, I have direct responsibility of this plant and the supervision of Dr. Morris Truesdell, the Inspector in Charge. I visit this plant at least three times per month and I believe I have a good working knowledge of our inspection procedures here at IBP.

With regard to Ante Mortem inspection, I believe that the current inspection procedures are in full compliance with the regulations. The GS-7's are trained to do ante mortem in the early morning. They have been trained to do the inspection procedure, and Dr. Truesdell is thorough at training the inspectors who have occasion to perform the inspection. The inspectors rotate and take turns at the early morning ante mortem inspection duties, which are done prior to the start of slaughter operations. I have never personally accompanied any of the GS-7 inspectors as they perform their early morning ante mortem inspection duties. Dr. Truesdell has accompanied the inspectors on their duties to assure that they are doing the inspection in compliance with the regulations. I do not know how often Dr. Truesdell accompanies the inspectors.

MJE

This plant has been approved an alternate ante mortem inspection procedure where we look at 100% of the cattle at rest and 10% of the cattle in motion from both sides. The 100% at rest inspection is done in the holding pens. The 10% in motion inspection is done in the drive ways between the pens. The company also sorts animals that show signs of abnormalities on ante mortem. It is perfectly acceptable and in full compliance with the regulations for the company employees to sort animals independently.

All animals displaying abnormalities on ante mortem inspection are segregated and tagged. You will have to get the details of this procedure from Dr. Truesdell. There is a standard silver colored tag that is used to mark abnormal animals on ante mortem. All such animals are examined by a veterinarian before they are slaughtered. I do not know what percentage of these suspect animals are condemned on ante mortem inspection, but I am sure that it is a very small number because this plant slaughters only young market animals that do not generally display a high percent of pathology.

The suspect tags that identify suspect animals accompany the animals into slaughter and they are properly tracked. Again, I believe that the ante mortem procedures are in full compliance with the regulations. I am not aware of any problems with either the methods of ante mortem inspection or the manner of tagging animals during my tenure here; and I have never heard of any previous problems with this procedure. I believe that Dr. Truesdell fully understands the ante mortem inspection procedure and the tagging and tracking procedure; and I believe that he is motivated to properly carry out the procedures in accordance with the regulations.

All "downer" cattle and many "suspect" animals that are slaughtered are tested for anti-biotic residues and sulfa drug residues on premises. Those that test positive here on premises are further tested by sending tissue samples to an approved laboratory for further testing. I do not know precisely how many samples are done in this plant each week or month. Dr. Truesdell has records of the testing.

MJE

I feel confident that the intent of FSIS Notice 44-01 (Clarification of Cattle Residue Testing Procedures) is being fully followed in our residue testing procedures here at IBP. I also am confident that Dr. Truesdell understands the intent of the Notice and is motivated to carry out the guidelines in the Notice.

With regard to post mortem inspection, I am in this plant and on the kill floor very often. Many of my visits are unannounced. I have never gone on the floor and seen an inspection position vacant when it should be manned. I am all over this plant and have never witnessed an inspector in some other place when he/she should be at their inspection station. I also regularly visit with the GS-7 inspectors and am confident that if some one was being delinquent at staying at their inspection station, one or more of the other inspectors would report it.

We have had occasional staffing shortages here at IBP, just like all the other plants across the country. Despite these occasional staffing shortages, we keep all inspection stations staffed at all times.

Dr. Truesdell is also on the kill floor a great deal of each work day as he gives work breaks or does veterinary dispositions of carcasses. He can tell of his observations with regard to inspectors being at their inspection stations.

Mr. Willis has advised me that it is alleged that the inspectors "fail to inspect livers and intestines." This is simply not true. In my observation, the GS-7 slaughter inspectors here are somewhat more experienced than in the other large plant in my Circuit (at Cactus, Texas). They know and do their jobs. I have often observed them at their stations and am very confident that they are diligent at fully inspecting the livers and intestines of each carcass presented for inspection. Dr. Truesdell has never reported to me any concern regarding GS-7 slaughter inspectors not fully performing their inspection duties. I believe that Dr. Truesdell would immediately correct any situation where he observed an inspector not properly performing their duties.

A handwritten signature in dark ink, appearing to be 'MFG', is located in the bottom right corner of the page.

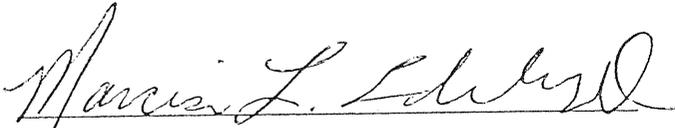
I do not understand what is meant by the company issuing "paper tags" that fall off the carcasses. For marking suspect cattle, we use USDA Retained tags, that are made of paper or card board. They work well and when properly applied they are not prone to fall off. I know nothing of the IBP people using "paper tags." Perhaps Dr. Truesdell can explain what this procedure is. Our procedures for tagging abnormal carcasses are the same for all abnormalities, whether its tape worm or any other abnormality. Of course, inspectors can not see micro organisms. They can see signs of abnormalities associated with tape worm and or any identifiable condition and they are expected to rail out abnormal animals for veterinary disposition.

We are only required to inspect tank trucks used to haul blood when the blood is saved as an edible product intended for human consumption. IBP used to save blood as an edible product. They no longer do so. I do not believe that IBP has saved blood as an edible product during my tenure here. I understand from Dr. Truesdell that they used to do so but stopped about two years ago. Again, we are not required to inspect tank trucks carrying outgoing inedible products.

Inspectors never stamp whole carcasses with "USDA Condemned" stamps. The USDA veterinarian is the only one authorized to stamp or supervise the stamping of whole carcasses. The Inspectors do use "USDA Condemned" stamps for use in stamping out offal (internal organs) that are condemned. Our inspectors are issued these stamps and do use them every day at their inspection stations to condemn parts or internal organs. To my knowledge we have never had a problem here at IBP where the stamps were unavailable to the inspectors.

MJE

I have read this statement, consisting of four pages and it is true and complete. I have made all necessary changes and additions and have initialed each page.

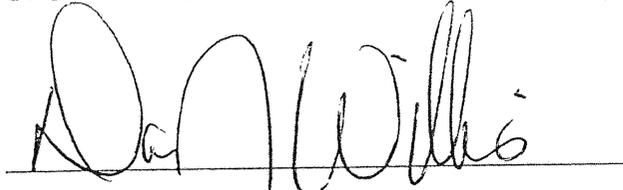


Marcia L. Endersby, DVM

6-26-02

Date

Sworn to and subscribed before me this 26th day of June 2002.



Dan J. Willis, Personnel Misconduct Investigator

Exhibit 3

Amarillo, Texas

June 26, 2002

I, Morris H. Truesdell, DVM, being first duly sworn on oath, make the following statement to Mr. Dan J. Willis, who has identified himself to me as a Personnel Misconduct Investigator, United States Department of Agriculture. I understand that this statement is not confidential and may be used as evidence.

My full name is Morris H. Truesdell. I am currently employed as a GS-701-12 Supervisory Veterinary Medical Officer at IBP, Inc. (USDA Est. # 245E) as the Inspector in Charge. I have been employed with USDA since January 1991 and the IIC at this plant since November of 1995. On February 4, 2002, I provided a sworn statement to Mr. Willis regarding allegations of inspection irregularities here at IBP. That statement is true and complete. This statement is an addendum to my previous statement.

In my tenure here at IBP, there have been no times when we have not done ante mortem inspection at all times. We have been understaffed from time to time here over the years, and there have been times when we have had to take short cuts regarding how things are done. This company is approved an alternative type of ante mortem inspection where we look at between 5 to 10% of the cattle from a few lots in motion.

There have been times when I have personally looked at cattle at rest as I went to the scale office, and observed cattle from a few lots in motion as they crossed the scales. I believe that this observation of cattle in motion fully complies with the regulations but I grant that under ideal circumstances it would be better to observe the cattle in the drive allies on from both sides. I observed the cattle across the scales when we were short staffed. To my knowledge my inspectors were using the same procedures during periods of short staffing. In other large plants, there are "cat walks" placed over the holding pens, and ante mortem inspection is done from these "cat walks." Since I assume this is

MHJ

an approved procedure, I feel that my performance of ante mortem inspection as the cattle cross the scales should also meet the requirements.

When the issue of Bovine Spongiform Encephalopathy (BSE) or "Mad Cow Disease" matter arose, I personally changed the ante mortem procedures to assure that we were observing 5 to 10% of the cattle from both sides while in motion, as well as 100% of the cattle at rest. On April 10, 2001 I wrote and posted an in-plant ante mortem inspection policy to assure that we were fully and completely complying with these procedures. I am providing Mr. Willis a copy of that posted procedure as an attachment to my statement. Since that time, all employees who perform ante mortem inspection are doing the procedure according to my posted procedures. I have often accompanied the GS-7 inspectors as they perform ante mortem inspection. I have not accompanied any of them in a few months, but have in the past. I remind them regularly of the procedures and I am confident that they are conducting the ante mortem procedures in accordance with the procedures.

Abnormal animals are segregated as suspects and slaughtered. We segregate them and then slaughter them separately as a lot. We use a white company provided tag that identifies them as suspects or "railers." To us, a "railer" is any animal that is segregated out on ante mortem inspection that requires special attention on post mortem inspection. These animals are tracked onto the slaughter floor as a separate group or pen of cattle. There is no time when we fail to properly tag animals identified as suspects. The company is involved in assisting in segregating abnormal animals. This is in accordance with the regulations. In my opinion, the company handlers are very careful to identify any abnormal animals.

We do testing for antibiotic residues on animals identified as "suspects" on ante mortem inspection and railed out on post mortem for veterinary disposition. We do these tests on site. If any test were positive, we would send tissue samples to an accredited laboratory for testing. We test an average of four or five carcasses per week for antibiotic residues. Staffing shortages sometimes make this testing difficult. I am providing Mr. Willis with

MW2

some records of our recent on-site tests for residue and a log we keep of the on-site tests we have done. All of these have shown negative results. Usually the GS-11 Veterinary Medical Officer is tasked with performing residue tests.

The inspectors assigned here under my supervision absolutely do not leave their inspection stations during the day without being properly relieved. They do not take frequent breaks or engage in activities away from their inspection stations. We have had staffing shortages from time to time but we keep the line fully staffed. Under the tenure of a previous supervisor, we allowed the inspectors to take "bath room" breaks and there were occasionally some abuses. We now control this more carefully. Now, we allow short bathroom breaks only when they rotate positions during the workday. They are instructed to return immediately to their positions. I am on the slaughter floor for a significant part of each day, say three to five hours, and I know that the inspectors are manning their inspection stations and doing their inspection duties.

The inspectors are fully inspecting livers, opening and inspecting bile ducts and properly palpating the dorsal and ventral sides of the livers as required. The allegation that they are not is absolutely untrue. Inspectors do not "ignore" the intestines, and are performing proper inspection on the viscera. I have a staff of good slaughter line inspectors and I know them to be competent and conscientious.

We have never had any problems with a supply of USDA retained tags or the use of the tags among the inspectors. We used to occasionally have problems with the company disposing of parts that were railed out before the final veterinary disposition. I worked with them and that problem was solved about a year ago.

IBP has never, to my knowledge, issued any "paper tags" to any of the inspectors. There is no company tagging system here. The only tags used are official USDA retained tags. When the inspectors observe an abnormality, they use a USDA retained tag. In cases where they observe "tape worm" or cysticercus bovis cysts, they are instructed to place the USDA retained tag on the actual cyst. I then make a veterinary disposition of the

MWJ

lesion. These are handled in accordance with the regulations. With regard to "micro organisms," the inspectors can not detect micro-organisms. They are instructed to rail out all abnormal animals for veterinary disposition.

IBP used to save blood for edible purposes. Blood is used for binders in edible sausage and perhaps some other products. There were occasions when we missed the inspection of a truck carrying edible blood. This was rare. The company had an excellent history of compliance with clean trucks when they were inspected. We kept a log of trucks leaving with edible blood, but none of those records were ever falsified. IBP quit saving blood for edible purposes in January of 2001. Now, inedible or condemned products go directly to rendering here on site.

We do not maintain a "Condemned Stamp" for carcasses to be stamped when they are condemned on final veterinary disposition. The condemned carcasses are cut down and placed for rendering directly under my supervision. When Dr. D'Amura was here, he used this same procedure. He never used a "USDA Condemned" stamp. There was and is no need for any "USDA Condemned" stamp for whole carcasses, and no way that these carcasses could somehow find their way into the food chain, since they go directly to rendering on the spot.

The inspectors do have "USDA Condemned" stamps for stamping out condemned offal (internal organs or heads). Those are supplied at each inspection station and the inspectors use them.

M#J

I have read this statement, consisting of five pages and it is true and complete. I have made all necessary changes and additions and have initialed each page.

Morris H. Truesdell, DVM

Morris H. Truesdell, DVM

6/26/02

Date

Sworn to and subscribed before me this 26th day of June 2002.

Dan J. Willis

Dan J. Willis, Personnel Misconduct Investigator

ANTEMORTEM INSPECTION POLICY

Due to the increased threat of Foot and Mouth Disease and Bovine Spongiform Encephalopathy it has become necessary to alter the way in which we perform Antemortem Inspection at this establishment. Plant management is in the process of installing additional lighting in the pen area in order to enhance the effectiveness of our inspection procedures. When the installation of this lighting is completed, all personnel performing antemortem inspection at this facility will be required to first inspect at rest, 100 percent of all cattle in each pen, followed by the inspection in motion and from both sides, of 10 percent of the cattle in each pen. As discussed in recent work unit meetings, you are advised to pay particular attention to those animals expressing central nervous signs, excessive salivation, or lameness. This policy takes effect immediately. If you have any questions regarding this policy, feel free to discuss them with your supervisor.

M.H. Truesdell, DVM

ANTIBIOTIC RESIDUE S.T.O.P. REPORT

ESTABLISHMENT NO.		REGION / STATE		INSPECTORS NAME (Print)						
21214151E		TX 40113		DRS TRUSDALL, HEY, WILLIAMS						
TISSUE SAMPLE RETAINED TAG NUMBER	SPECIES CODE	REASON FOR TEST CODE	INCUBATION		NS DISC ZONES (MM)	SWAB ZONES WIDTH (MM)	TEST RESULTS	LABORATORY CODE	CASE NO. AND / OR FSIS 10,000-2 SERIAL NUMBER	
			YEAR	TIME						
			DATE							
103911339	114	214	IN	6/10/02	0930		K	NONE	NEG	CASE NO.
			OUT	6-11-02	0830	210	M			FSIS 10,000-2
1039104816	112	211	IN	6/12/02	1230		K	NONE	NEG	CASE NO.
			OUT			119	M			FSIS 10,000-2
1039104817	112	212	IN	6/12/02	1230		K	NONE	NEG	CASE NO.
			OUT			119	M			FSIS 10,000-2
1039104174	112	212	IN	6/13/02	0800		K	NONE	NEG	CASE NO.
			OUT	6/14/02	0730	118	M			FSIS 10,000-2
1039104419	114	113	IN	6/13/02	1200		K	NONE	NEG	CASE NO.
			OUT	6/14/02	0730	118	M			FSIS 10,000-2
10391031910	112	212	IN	6/15/02	1000	20	K		NEG	CASE NO.
			OUT	6/17/02	0700	-	M			FSIS 10,000-2
1039104013	112	212	IN	6/15/02	1000	20	K		NEG	CASE NO.
			OUT	6/17/02	0700	-	M			FSIS 10,000-2
1039103015	114	212	IN	6/21/02	1350		K			CASE NO.
			OUT	6/24/02	0600	118	M		NEG	FSIS 10,000-2
			IN				K			CASE NO.
			OUT				M			FSIS 10,000-2
			IN				K			CASE NO.
			OUT				M			FSIS 10,000-2
			IN				K			CASE NO.
			OUT				M			FSIS 10,000-2
			IN				K			CASE NO.
			OUT				M			FSIS 10,000-2
			IN				K			CASE NO.
			OUT				M			FSIS 10,000-2
			IN				K			CASE NO.
			OUT				M			FSIS 10,000-2
			IN				K			CASE NO.
			OUT				M			FSIS 10,000-2

Set up	MDTng #	Step Results	YMO	Result Date	Disp.	Set up Date	MDTng #	Step Results	YMO	Result Date	Disp.
12/1/01	412652403	Neg	gear	12/2/01	Release	3/6/12	40389586	Neg	gear	3/7/12	Release
12/2/01	41265308 PM	Neg	gear	12/27/01	Release	}	40389585	}	}	}	}
12/26/01	41265312	Neg	gear	12/28/01	Release		40389580				
1/4/02	41265416	Neg	gear	1/5/01	Release	}	40389581	}	}	}	}
1/4/02	41265422	Neg	gear	1/5/01	Release		40389584				
1/3/02	41265400 PM	Neg	gear	1/4/01	Release	}	40389599	}	}	}	}
1/7/02	41265473 PM	Neg	gear	1/7/01	Release		40389631				
1/7/02	41265462	Neg	gear	1/7/01	Release	}	40389607	}	}	}	}
1/8/02	41265454	Neg	gear	1/9/01	Release		40389711				
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1/8/02	41265456	Neg	gear	1/9/01	Release		40390564				
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1/11/02	40390945	Neg	gear	1/12/01	Release		40390538				
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1/24/02	40390805	Neg	gear	1/25/01	Release		40390678				
1/29/02	40390929 PM	Neg	gear	1/31/01	Release	}	40391025	}	}	}	}
1/29/02	40390807	Neg	gear	1/31/01	Release		40391021				
1/30/02	40390856	Neg	gear	1/31/02	Release	}	40391111	}	}	}	}
1/31/02	40390878	Neg	gear	2/1/02	Release		40391033				
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	40389634	Neg	gear			}	40390449	}	}	}	}
	40389635	Neg	gear				40390449				
	40389636	Neg	gear			}	40390390	}	}	}	}
	40389588	Neg	gear				40390403				
	40389587	Neg	gear			6/15/02	40390403				

Exhibit 4

Amarillo, Texas

June 26, 2002

I, Muhammad A. Haq, DVM, being first duly sworn on oath, make the following statement to Mr. Dan J. Willis, who has identified himself to me as a Personnel Misconduct Investigator, United States Department of Agriculture. I understand that this statement is not confidential and may be used as evidence.

My full name is Muhammad A. Haq. I am currently employed as a Supervisory Veterinary Medical Officer, GS-701-12, assigned to the night shift at IBP, Inc. (USDA Establishment 245E), Amarillo, Texas. In my position, I supervise slaughter and off line inspectors in ante mortem and post mortem inspection. I have been employed with USDA since February 1982, and have been assigned to my current position for thirteen years.

In this plant, we are authorized to conduct ante mortem by checking 100% of the cattle at rest and 10% of the cattle in motion from both sides. We separate all animals that are abnormal and evidence signs of problems. The company also segregates out abnormal animals. I believe the company employees who identify abnormal animals are good and helpful. On the night shift, the off line inspectors are responsible for ante mortem inspection. I only occasionally go on ante mortem inspection when there are unusually large animals that the company wants to return to the feeder. Otherwise, the off line inspectors do the ante mortem.

We have posted the ante mortem procedures for all inspectors. I have also posted special procedure for animals that display symptoms of central nervous system (CNS) disorders. Dr. Truesdell posted the ante mortem procedures and I posted the special procedures for CNS. I am providing a copy of the notice as an attachment to my statement. To my knowledge all inspectors know and follow the posted procedures for conducting ante mortem inspection.

Haq

Cattle identified as abnormal on ante mortem inspection are tagged with a silver tag and separated out. These cattle are then slaughtered separately as a lot, either right before we go to lunch break or right at the end of the shift. With this method we can track those cattle that are identified on ante mortem as they are slaughtered.

The inspectors overall do a good job of properly inspecting livers--opening bile ducts and properly palpating and inspecting the dorsal and ventral sides of the livers. They also do a good job of looking at the intestines and palpating the rumino-reticular junction. I usually make a round out on the floor every 30 minutes. I also help give work breaks and am on the floor for approximately 5 hours per night doing that. I feel that I extensively observe the inspectors on the kill floor and I know what kind of job they are doing on post mortem inspection. We also have an average of 8 or 10 carcasses per night railed out for veterinary disposition. So I am on the slaughter floor a large portion of each shift.

We have no problems with inspectors abusing breaks or leaving the line. Years ago we had some problems with inspectors abusing breaks. Now we only allow a short bathroom break.

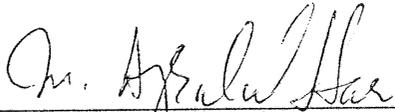
Our inspectors only use the USDA retained tags to identify abnormal carcasses. They use either the "gang tag" or the large USDA Retained tag for this. We do not use any company provided tags for any purpose. The inspectors also use the tag for cystersosis bovis (Tape worm).

I remember when IBP saved blood for edible products. I believe they stopped saving blood close to two years ago. We did inspection on all tank trucks intended for hauling the edible blood. When the inspector was not available, I checked them myself. We also did checks of the barrels or containers used for collecting the blood. We occasionally caught dirty containers and took appropriate ^{actions.} I recall finding dirty trucks only maybe once or twice in the years we did the inspections. IBP used stainless steel tank trucks and they were generally very clean. Har

When a carcass is condemned by the veterinarian, we used to use a 'USDA Condemned' stamp. Now, the veterinarian simply marks the carcass with a knife and the company cuts the carcass down and it goes into the denaturing tank on the spot. I personally supervise the cutting down of carcasses, especially those condemned for tuberculosis.

With regard to post mortem inspection, I provide copies of inspection procedures to all new incoming food inspectors that come to work here at IBP. These written instructions are illustrated and are fairly detailed. I also personally train these people on post mortem inspection procedures. I am confident that the inspectors are properly trained and carry out their inspection duties properly.

I have read this statement, consisting of three pages and it is true and complete. I have made all necessary changes and additions and have initialed each page.

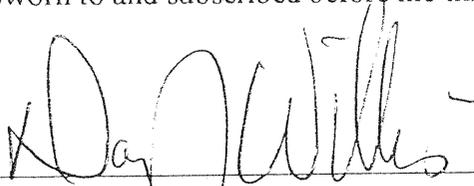


Muhammad A. Haq, DVM

06-26-02

Date

Sworn to and subscribed before me this 26th day of June 2002.



Dan J. Willis, Personnel Misconduct Investigator

CNS-DISORDERS: Animals with Central Nervous System Disorder have the following Symptoms:

1. Depression
2. Drowsiness
3. Weakness
4. Coma
5. Licking
6. Staggering
7. Circling
8. Muscular Tremors

SHALL BE CONDEMNED

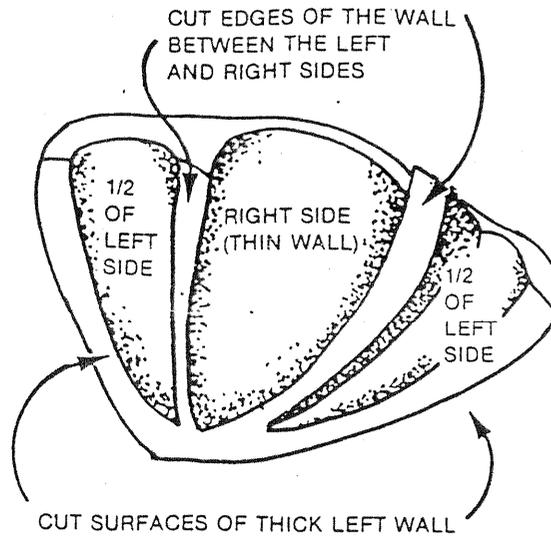
Such Signs could be indicative of Sporadic Bovine Encephalomyelitis, Infectious Thromboembolic Meningo-Encephalitis and various Poisonings (Metals, Salts, Plants, Fluorine and Pesticides).

VESICULAR DISEASES: Animals with a Vesicular Condition must be HELD and REPORTED immediately (By Telephone) to the NEAREST VS OFFICE. They will make the Final Diagnosis and instruct on DISPOSITION and FACILITY DISINFECTION.

Thankyou.

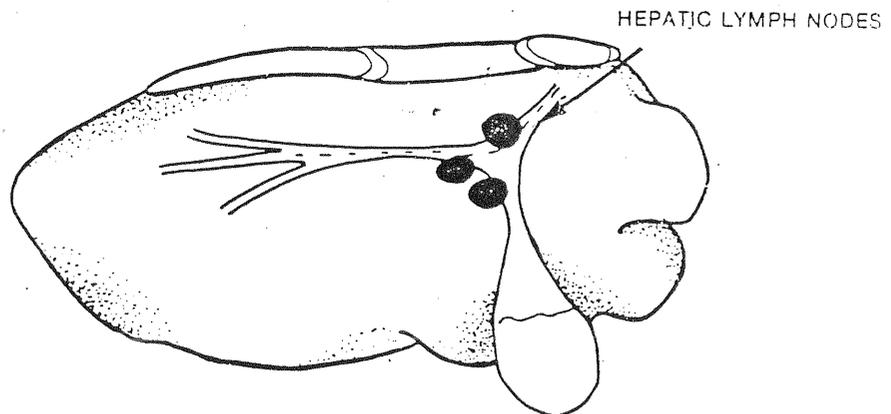
M. Aslam Haq
(Muhammad Haq). *Mu*
01/30/02

SIMPLIFIED DIAGRAM OF OPENED HEART
(THE TOP SMALL CHAMBERS HAVE BEEN REMOVED.)



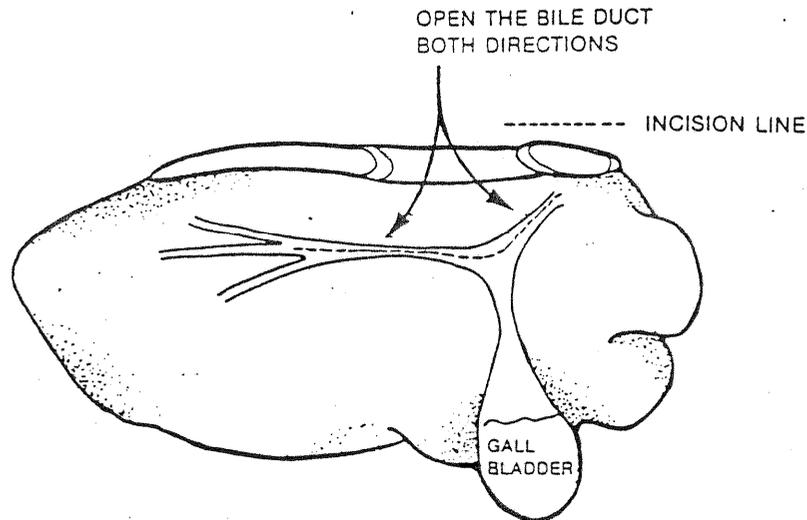
As necessary, longitudinal incisions are made in the cut edges of both the thick left heart wall and the thick wall that separates the two ventricles to detect specific diseases. Details of these procedures are outlined in the classroom sessions. Observe all the tissues for abnormalities in addition to making the specifically required incisions.

Routine Examination of the Cattle Liver. First the hepatic lymph nodes on the liver are carefully incised and observed.



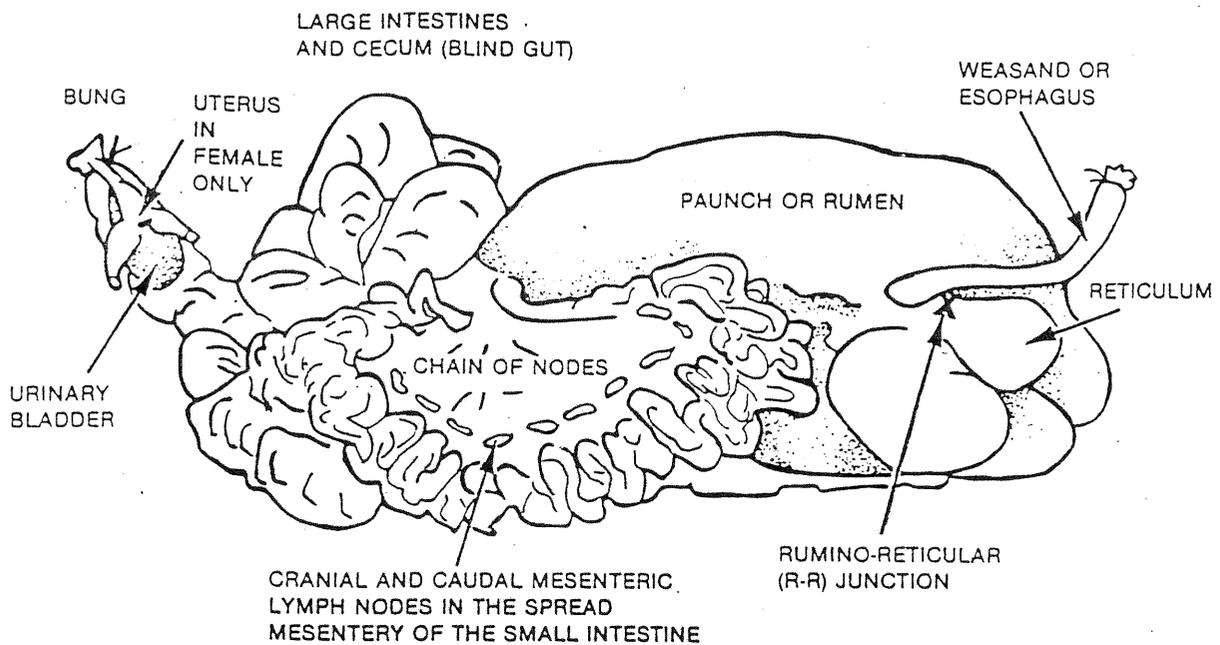
B.8.20
January, 1984

Second, the bile ducts are cut open in both directions as far as possible. Your trainer will demonstrate this technique.



Among the functions of the liver is the production of bile (gall), a thick greenish liquid that empties into the small intestine to aid in the digestion, primarily of fats. The individual microscopic liver cells produce the bile, and it collects through a network of progressively larger and larger tubes resembling blood vessels, and finally empties into the gall bladder. Here the bile fluid awaits the stimulation of fatty foods in the small intestine, at which time it is emptied into the intestine by contractions of the gall bladder. The bile ducts (collection tubes between the liver cells and the gall bladder) are examined for diseases that, if present, make the liver unfit for human food.

Visualize the inspection of the abdominal viscera and the location of the R-R junction from this diagram.



THE RUMINO-RETICULAR JUNCTION—LOCATED BY THE AREA
IN WHICH THE ESOPHAGUS JOINS THE STOMACH (PAUNCH)

The sequence of inspection of the various structures will be different according to the plant layout and what parts are saved as edible. Inspectors receive instructions from their supervisors at each new plant to which they are assigned so that they will know exactly what to do.

Routine Inspection of Other Visceral Parts. Again, this varies from plant to plant. The spleen (melt) is always carefully observed. If the kidneys and sweetbreads or other parts are placed with the rest of the viscera, they are examined also. The uterus is observed and the testicles from bulls are inspected if they are to be saved for use as human food.

Cattle Viscera Inspection— Summary

First, observe the carcass inside and outside as required by the procedure followed at this plant.

Second, glance over the viscera for obvious abnormalities.

Small Carcass Inspection— Complete Carcass Inspection

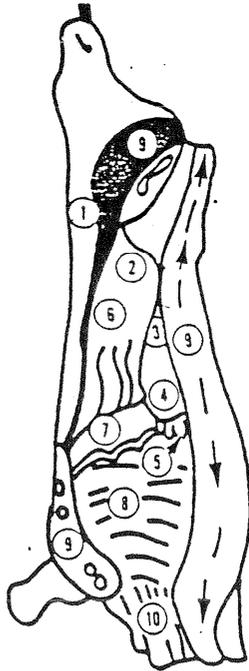
Hindquarter and forequarter carcass inspections are performed at one time. It is used when there is a separate carcass inspection station on a continuously moving line. It is performed after the carcass is split in half, but before the carcass halves are washed by plant employees.

1. Palpate the scrotal (superficial inguinal) or mammary (supramammary) and medial (internal) iliac lymph nodes.
2. Observe lumbar region.
3. Observe and palpate the kidneys.
4. Observe diaphragm's pillars and peritoneum.
5. Observe and palpate diaphragm.
6. Observe the pleura, cut surfaces of muscles and bones, and carcass exterior.

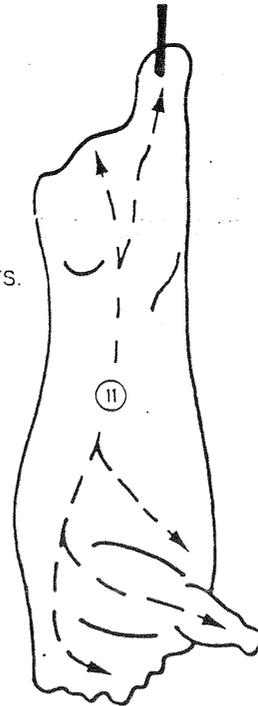
Follow the diagrams to visualize the procedures used in inspection.

COMPLETE CARCASS INSPECTION ROUTINE

LEFT HALF OF CARCASS
—INSIDE VIEW



LEFT HALF OF CARCASS
—OUTSIDE VIEW



1. PALPATE THE SCROTAL (SUPERFICIAL INGUINAL) OR MAMMARY (SUPRAMAMMARY) LYMPH NODES.
2. PALPATE THE MEDIAL (INTERNAL) ILIAC LYMPH NODES.
3. OBSERVE THE LUMBAR REGION.
4. OBSERVE AND PALPATE THE KIDNEYS.
5. OBSERVE THE PILLARS OF THE DIAPHRAGM.
6. OBSERVE THE PERITONEUM.
7. OBSERVE AND PALPATE THE DIAPHRAGM.
8. OBSERVE THE PLEURA.
9. OBSERVE THE CUT SURFACES OF MUSCLES AND BONES.
10. OBSERVE THE NECK MUSCLES.
11. OBSERVE THE OUTSIDE OF THE CARCASS.

SAME HALF — INSIDE AND OUTSIDE

Surveillance for Bovine TB in the United States

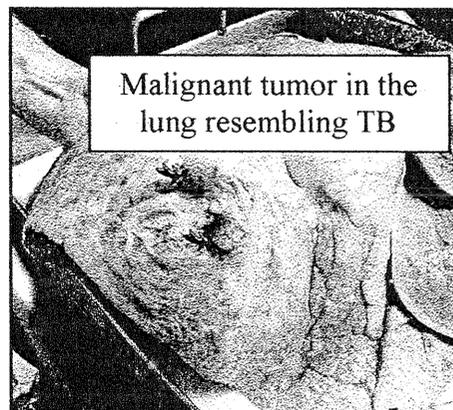
By

Robert M. Meyer DVM, MS
USDA APHIS Veterinary Services
April 1, 2001

TB Surveillance in Cattle at Slaughter

Primary surveillance for bovine tuberculosis (TB) in cattle today is largely conducted in slaughter plants as part of federal and state meat inspection programs. New cases of TB may be detected when cattle move to slaughter and are inspected for evidence of disease by federal or state meat inspection personnel. Cattle showing gross signs or lesions of disease suspicious of being TB in lymph nodes or the lungs are sampled, and tissue samples are sent to the laboratory for a definitive diagnosis. Samples found to be positive for TB at the laboratory are then traced by animal health personnel to their herds of origin, and the herd is tested and restricted from further movement.

Surveillance by tuberculin skin testing, including periodic TB testing of cattle on farms throughout the United States, now plays a relatively minor role in detecting TB-infected herds in most parts of the United States. However, periodic skin testing of herds can be a very effective method of detecting infected herds early when it is known that repeated exposure of cattle to TB is occurring. Such is the situation that now exists in northeastern Michigan where the disease is known to be endemic in free-ranging whitetail deer.



The use of slaughter surveillance as the primary method of detecting new cases of TB is economical and effective as long as all suspicious lesions are submitted

to detect TB at the very low prevalence that exists today in the national herd. Inspectors in some plants are doing a good job of submitting samples to the lab, but others have become complacent in their support of the program. In recent years the overall numbers of suspicious lesions being submitted for diagnosis from adult slaughter cattle (i.e. cattle over 2 years of age) nationally has decreased. This decrease has led to concern that the current submission rate from adult cattle may not be sufficient to identify the few remaining TB-infected herds in time to reach the national goal of TB eradication in domestic livestock by December 31, 2003.

Since last October, 31 cases of TB have been detected in all classes of slaughter cattle nationwide. This includes 3 cases found in adult cattle (2 years of age and older), and 28 cases in fed or immature cattle. One of the cases found in adult cattle has been determined to be caused by *Mycobacterium avium*. Therefore, investigation of this case has been concluded. Another case in adult cattle is PCR positive for *M. tuberculosis complex*, and testing of possible source herds in South Dakota is now in progress to try to find the herd of origin for this animal. The third adult TB case is in a Holstein cow found at slaughter recently in Michigan. Investigation as to the origin for this animal is in progress in both Indiana and Michigan since the cow carried an Indiana backtag at the time it was slaughtered.

Investigations conducted to date in the 28 immature cattle cases have shown that 8 cases likely originated in feeder cattle imported from Mexico. Two cases were determined to be in steers previously used for roping events, and investigations as to their origin and exposure potential continue. One extensive case of TB was found at slaughter in Pennsylvania in a fed heifer originating from northeastern Michigan, and 17 other cases from immature cattle are still under investigation.

The fed heifer from Michigan recently detected during slaughter inspection in Pennsylvania requires additional comment. Extensive lesions of tuberculosis

Bovine TB in the lung of a MI-origin heifer recently detected during slaughter inspection in Pennsylvania



Animals with lesions such as these threaten the health of our country's livestock industry & present a public health risk!

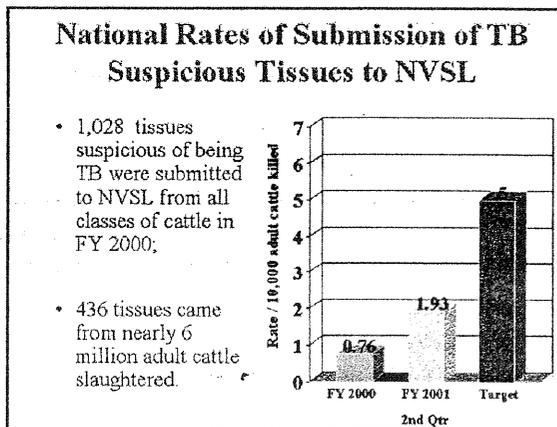
were found in the lungs and thoracic lymph nodes of this young, 18 month old heifer. There can be no argument that this animal could effectively spread TB. Animals with lesions such as these represent a significant threat to the health of our country's livestock industry and to the public health. One can only imagine the severe damage that this heifer would have caused to other herds had it gone into breeding channels rather than to a terminal feedlot. Epidemiologic

investigation of the source for this case to date has led to at least 2 Michigan herds infected with TB.

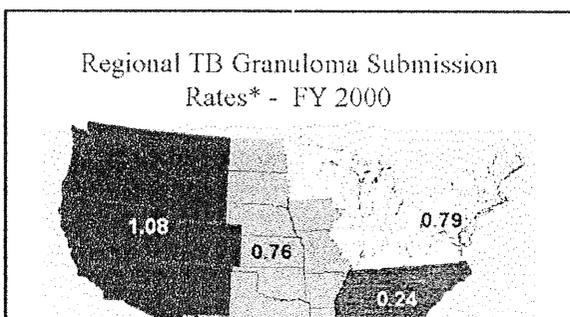
It is imperative that the submission rate of all suspicious granulomas found at slaughter be increased significantly if newly infected herds are to be detected early. Completion of the national bovine TB eradication program depends on it. Of equal importance is the need to test all herds in northeastern Michigan that are receiving continued exposure from infected deer if TB infection in cattle is going to be contained within the area. It is quite obvious that extensive lesions of TB can develop within months, and if herds are not regularly tested, the disease will spread. Disease investigations now underway in northeastern Michigan suggest that the finding of more infected herds will continue.

The collection and submission of all identification devices along with suspicious samples is key to tracing TB positive samples to their correct herds of origin. Of the 31 TB cases detected so far this year, only 10 (32%) had official eartags or backtags that would allow accurate tracing to herds of origin. Eleven cases in fed cattle presented with plastic bangle tags that allowed tracing to the feedlot only. Tissues for 10 cases (32%) arrived at the laboratory without any identification devices whatsoever. Obviously, this is an area that great improvements need to be made to enhance all of our disease surveillance efforts.

During last year, 1,028 lesions suspicious of being TB were sent to USDA's National Veterinary Services Laboratories for diagnosis from all classes of cattle slaughtered at plants throughout the United States. 436 of these submissions came from nearly 6 million adult cattle slaughtered. Last year's national lesion submission rate of 0.76 per 10,000 adult cattle slaughtered is less than 1/5th of what program officials feel is adequate to detect the few remaining TB herds quickly.



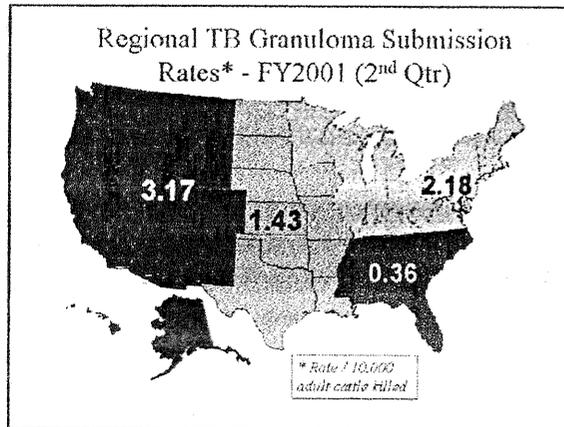
The lesion submission rate from adult cattle so far this year of 1.93 is encouraging, and suggests that efforts now being made to improve this rate are beginning to work. The submission of 555 tissues from adult cattle so far this fiscal year already exceeds last year's total, but the submission rate is still less than half the target of 5 submissions for every 10,000 head of adult cattle killed.



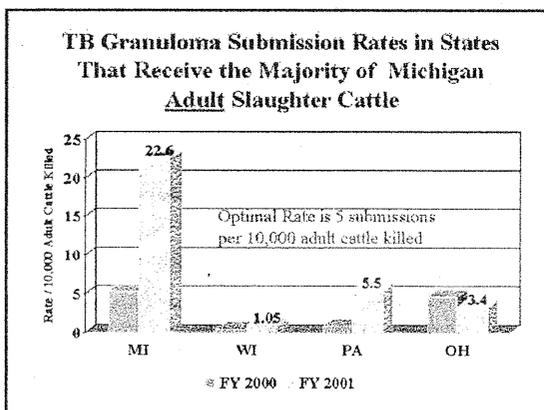
Regional differences in the suspicious lesion submission rate for adult cattle exist. Last year adult submission rates per 10,000 adult cattle killed ranged from

1.08 in the western portion of the U.S. to 0.24 in the southeast.

So far this year, regional submission rates for adult cattle have improved in the western, central, and northeastern portions of the U.S. to 3.17, 1.43, and 2.18 respectively. But more improvement is needed for surveillance in adult cattle to be considered optimal. The rate of .36 in the southeastern portion of the country is significantly different from other parts of the country ($p < .0001$), and certainly does not give one much confidence of an effective surveillance program in that region.



In relation to the continuing bovine TB outbreak in Michigan, it is critical to examine the efficacy of slaughter surveillance being conducted in those states that receive Michigan cattle. Adult cattle originating from Michigan are mostly killed in plants located in Michigan, Wisconsin, Pennsylvania, and Ohio. Submission rates for adult cattle slaughtered in plants in each of these states range from 22.6 per 10,000 adult cattle killed in Michigan to 1.05 in Wisconsin. Considering that the majority of Michigan-origin, adult cattle go to 6 large slaughter plants in Wisconsin and Pennsylvania, it is imperative that rates of suspicious lesions being submitted be improved if infected herds are to be found.

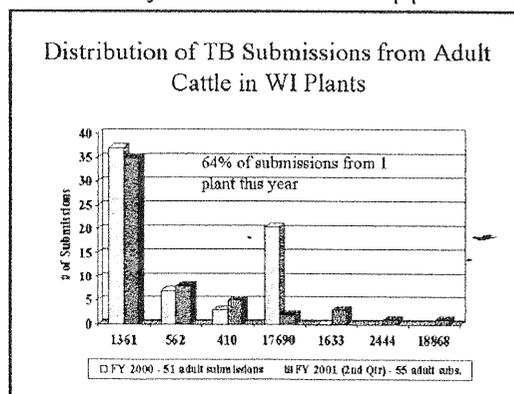


suspicious lesions being submitted be improved if infected herds are to be found.

Since the finding of the infected heifer at slaughter in Pennsylvania, efforts in that state have been intensified to increase the lesion submission rate by placing animal health personnel in plants to assist meat inspectors with the packaging and shipping of samples to the lab. As a result, the sample

submission rate for adult cattle is now 5.5 in Pennsylvania. APHIS appreciates the good efforts that most FSIS personnel in Pennsylvania are now making to enhance surveillance.

In Wisconsin, efforts of a few inspectors have significantly increased the submission of samples in plants where they have been assigned. However, others appear to be reluctant



to support the submission of all granulomatous pathology unless they are truly convinced it is TB. One Wisconsin plant accounted for 72% of all submissions made from all Wisconsin plants last year, and 65% so far this year. It is clear that more uniformity in sampling is needed among these Wisconsin plants.

Submission of suspicious lesions from adult cattle provides epidemiologists with the best opportunity for locating new herds infected with TB. Older cattle often have official eartags or other types of individual identification that greatly assists with tracing to their herds of origin. Therefore, it is understandable and important that emphasis be placed on enhancing the lesion submission rate in plants killing this type of cattle. Only 40 plants kill over 90% of the nearly 6 million adult cattle slaughtered in the United States today. Special efforts to enhance surveillance are now focused particularly on these plants.

To date, these efforts have included personal visits to the plants by animal health personnel to discuss the TB slaughter surveillance program, meetings with USDA's Food Safety Inspection Service to communicate program needs & concerns, training programs for meat inspectors, and the development of a TB surveillance newsletter. Improvements have also been made to APHIS' TB Performance Awards program that rewards federal meat inspectors who make significant efforts and contributions to the TB slaughter surveillance program.

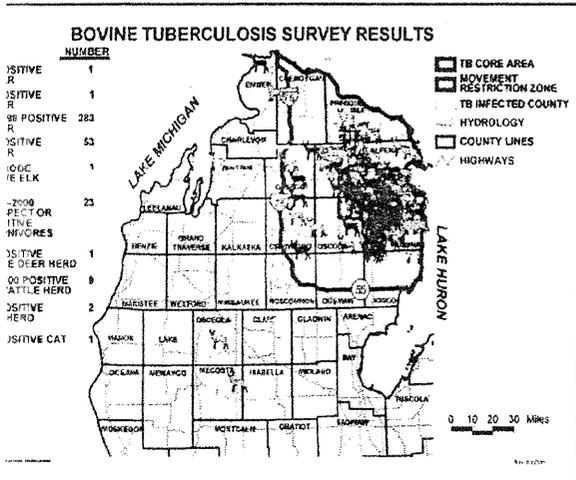
With time and with more attention to certain constraints that now affect program operations and progress, surveillance for TB in cattle at slaughter should continue to improve. However, APHIS will need to provide FSIS with continual feedback and support, and FSIS will need to better communicate to their field offices that TB surveillance is an activity for which they have a great responsibility.

Attention and commitment to improving TB surveillance is long overdue. And, it certainly suggests the need to critically review other animal disease surveillance methods and activities.

Surveillance for TB in Free-Ranging Wildlife in Michigan

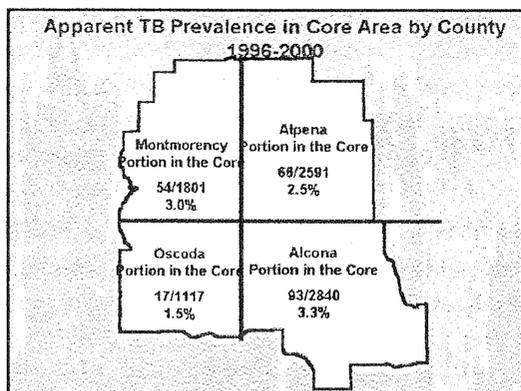
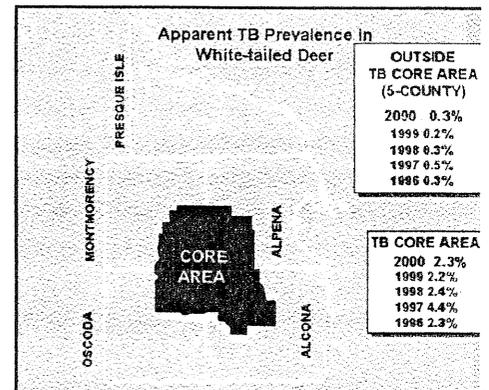
Since disclosure of bovine tuberculosis in a hunter-killed whitetail deer in northeastern Michigan in 1994, the Michigan Department of Natural Resources has conducted statewide surveys to determine the extent of their tuberculosis

problem. 340 cases of bovine TB have been found in nearly 64,000 free-ranging whitetail deer examined since 1995. Twenty-three (23) cases have been discovered in such scavenger species as bear, coyote, fox, raccoon, bobcat, and opossum. One case each was also disclosed in an elk and a semi-feral, domestic cat last year. At least 13 cattle herds and one captive cervid herd to date have become infected as a result of exposure to infected, free-ranging whitetail deer.



Seventy five percent (75%) of all positive deer cases have been found in portions of four

counties that are considered to be the core area for the outbreak. However, cases of TB in deer have been found in outlying counties that are a considerable distance from the core.



Since 1996, the apparent prevalence of TB in free-ranging deer within the core area generally ranged from 1.5% to 3.3% depending upon which particular part of the core area that was sampled. However, targeted sampling in certain townships has shown that several "hot zones" for the disease exist with prevalence levels over 7%.

Surveillance for TB in Free-Ranging Wildlife in States Other Than Michigan

During the past 10 years, surveys looking specifically for bovine tuberculosis in wildlife, mainly free-ranging deer and elk, have been conducted in various states outside of Michigan. Many of these reports have been somewhat anecdotal in nature, and no effort, to date, has been made to consolidate the information. In

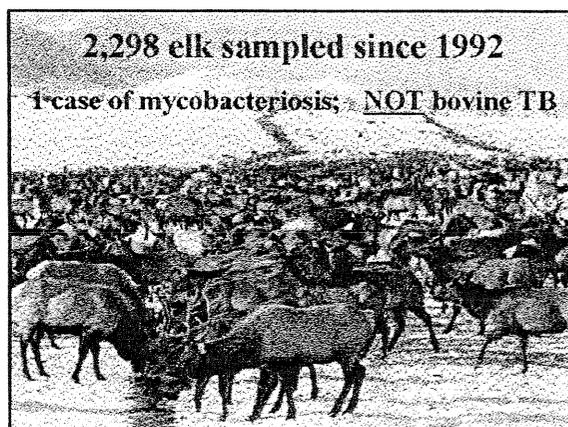
preparation for this meeting, I asked state and federal animal health officials and certain wildlife officials to provide information regarding details of wildlife surveys looking specifically for TB that have been conducted in their states in the past 10 years. Responses have been obtained from 36 states to date. Therefore, this report should be considered a "work in progress" at this point since all the information from all states may not yet be in. But, I will attempt to report to you today what information I have received to date.

Previously I have reported on the results of an epidemiological investigation for bovine TB in wildlife on the island of Molokai, Hawaii. This investigation has continued during this past year, and, since 1998, a total of 389 axis deer, 276 feral swine, 72 feral goats, and 41 mongoose have been sampled. No additional cases of bovine TB have been found in any animal species on Molokai since my report last year.

Since 1992, annual surveys for TB have been conducted in Wyoming in free-ranging elk originating from the southern portions of Yellowstone National Park and Grand Teton National Park.

Samples from 2,298 elk shot by hunters have been collected by wildlife biologists with the Wyoming Game & Fish Department and the National Park Service as the elk migrated from their traditional summer ranges in the parks to their winter range at the National Elk Refuge in Jackson, Wyoming.

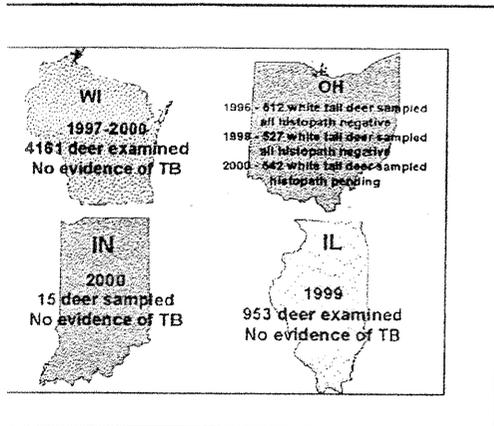
Microscopic examination of tissue submitted from these elk has been conducted at the Wyoming State Diagnostic Laboratory in Laramie. To date, only 1 case of mycobacteriosis has been found in samples examined, and further tests conducted on tissues from this elk have shown that it is not bovine-type TB.



In November, 2000, a buffalo taken from this same area (Teton County, WY) showed granulomatous pathology with acid-fast organisms in the lung. However, PCR tests conducted at USDA's National Animal Disease Laboratory indicated that the lesions were caused by *Mycobacterium avium* – not bovine TB. There is no evidence to suggest that bovine TB exists in wildlife in the Greater Yellowstone area at this time.

Surveys for TB have been conducted in free-ranging Wisconsin deer each year since 1997. Lymph nodes in the heads of 4,161 hunter-killed deer have been examined for evidence of TB over the past 4 years, and no evidence of TB has been detected.

Ohio has conducted three surveys in whitetail deer during 1996, 1998, and 2000. A total of 1,581 deer have been sampled, and no TB has been detected in samples examined to date.

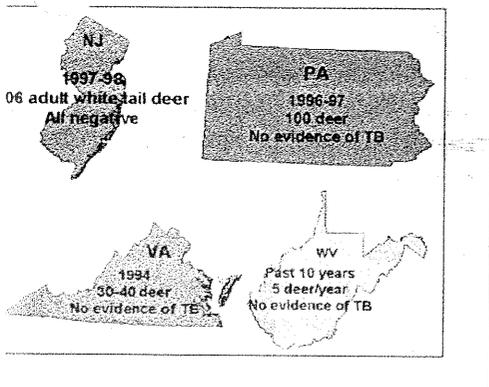


In 1999, 953 deer in Illinois were examined, and no lesions of bovine TB were detected.

Indiana initiated a program during the past year that is based on the recognition of suspicious pathology found by workers in deer processing plants or by taxidermists. Fifteen deer were reported as having suspicious pathology, and samples from 13 of these deer were submitted for laboratory examination. No TB has been detected in results received to date.

During the 1997-98 New Jersey hunting season, 506 whitetail deer more than 1.5 years of age were examined for evidence of bovine TB. Forty-five exhibited lesions determined to be actinobacillosis or actinomycosis, and 3 deer showed granulomas and microgranulomas in lymph nodes not caused by bovine TB.

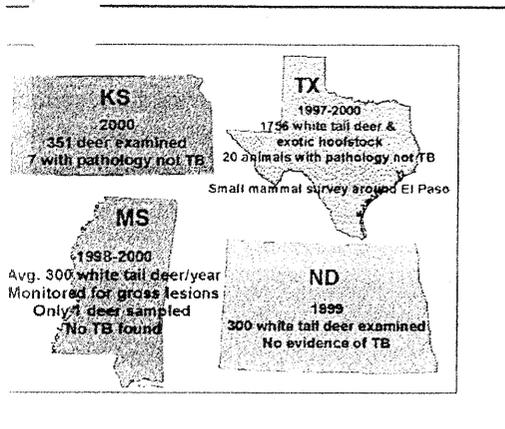
Tissue samples from 100 deer from Gettysburg National Park in Pennsylvania were collected as part of deer population reduction efforts, and examined both histologically and by culture in 1996-97. All samples tested negative for bovine TB.



In 1994, a TB survey involving 30-40 whitetail deer was conducted in Virginia. These deer were taken from areas surrounding a farm containing cattle that had recently been diagnosed with TB. No evidence of TB was found in this relatively small sampling of deer.

Five deer per year for the past ten years have been examined grossly for evidence of TB in West Virginia. No suspicious lesions have been noted.

From 1997 to 2000 a total of 1,756 whitetail deer and certain species of exotic hoofstock have been surveyed for TB in 5 large hunting ranches and 6 state wildlife management areas located in 12 counties throughout Texas. Only 20 animals exhibited any gross pathology that was later determined not to be bovine TB by laboratory examination. Smaller land mammals and birds have also been examined around dairies near El Paso, Texas that have historically had problems with TB, and no evidence of bovine TB has been found in these animals either.

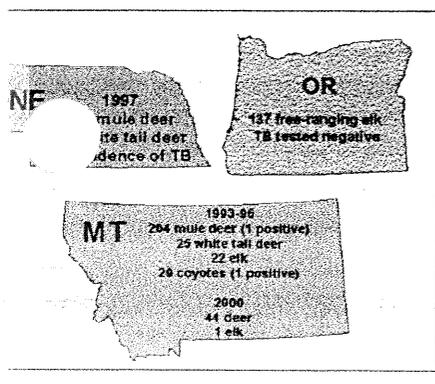


During the 2000 hunting season in Kansas, 351 deer heads were examined for evidence of disease. 218 heads came from whitetail deer and 133 heads from mule deer. Seven whitetail deer heads showed granulomatous pathology in the cervical lymph nodes and were examined in the laboratory. No evidence of TB was detected.

In 1999, North Dakota collected samples from 300 whitetail deer taken from areas adjacent to a dairy that was found to have *M. bovis* infection that same year. All deer tested negative for TB by examination on culture.

From 1998-2000, nearly 300 wild deer have been examined for gross evidence of TB by animal health and wildlife personnel in Mississippi. No evidence of TB has been noted.

In 1997, 231 mule deer and 96 whitetail deer originating mostly from 28 counties in western Nebraska were examined for evidence of TB. No TB was found.



Montana wildlife and animal health officials have conducted several TB surveys over the past several years in wildlife surrounding previously infected captive cervid facilities located mostly in eastern Montana. From 1993-96, 204 mule deer, 25 whitetail deer, 22 elk, and 29 coyotes were sampled. *M. bovis* was cultured from one mule deer and one coyote both of which would have had likely exposure to animals on the TB-infected game farm. Forty-four deer and 1 elk were sampled in follow-up surveys conducted in 2000.

One hundred thirty-seven free-ranging elk have also been tuberculin tested negative in Oregon before being trans-located to the eastern United States.

Nineteen of the 36 states that have responded with information to date indicated that no surveys have been conducted with the express purpose of looking only for TB. These states include Alabama, Delaware, Maryland, Washington, North Carolina, Minnesota, Oklahoma, Missouri, Tennessee, Louisiana, Idaho, New York, Arizona, and the six New England states. However, several of these states did indicate that animals are often examined by wildlife agencies as part of other types of wildlife disease surveys.

For example, since 1990 the Southeastern Cooperative Wildlife Disease Study in Athens, Georgia has performed 184 necropsies of deer to determine their cause of death and has examined 902 more as part of regular deer herd health checks.



Figure 7

TONGUE-OUT BASE DOWN PRESENTATION

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ne disease is caused by a microscopic disease-
producing virus. The virus has a remarkable capaci-
ty for remaining viable in carcasses, in animal
byproducts, in water, in such materials as straw and
bedding, and even in pastures.

There are at least seven separate types and many
subtypes of the FMD virus. Animals may be affected
by one or more of these at the same time.
Recovered animals may suffer repeated attacks of
the disease because immunity to one type does not
protect an animal against the others.

Signs

Vesicles (blisters) in the mouth, on the tongue and
lips, on the teats, or between the toes—and the
resulting excessive salivation or lameness—are the
best known signs of the disease. Blisters may not be
observed until they have ruptured.

Some of these other signs may appear in affected
animals during an FMD outbreak:

- Temperatures rise markedly—especially in young
animals—then usually fall in about 48 hours.
- Ruptured vesicles discharge either clear or cloudy
fluid and leave raw, eroded areas surrounded by
ragged fragments of loose tissue.
- Sticky, foamy, stringy saliva is produced.
- Consumption of feed is reduced because of painful
tongue and mouth lesions.
- Lameness with reluctance to move is often
observed.
- Abortions often occur.
- Milk flow of infected cows drops abruptly.
- Conception rates may be low.

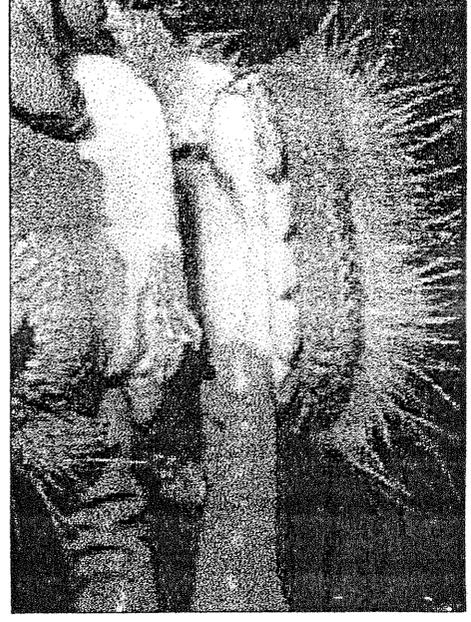
FMD rarely kills animals; however, meat animals do
not normally regain lost flesh for many months.
Recovered cows seldom produce milk at their former
rates. Death from FMD occurs most often in new-
born animals and with variable frequency in older
animals.



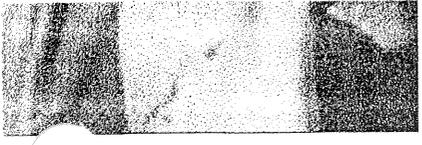
Recently ruptured vesicle (blister)
above the dental pad.



Ruptured vesicle producing
erosive lesion of the gum.



Ruptured vesicle on the dental pad.



Tongue vesicle
and begun to



Newly formed
area) on a ho



A ruptured ve

Exhibit 5

Amarillo, Texas

June 27, 2002

I, Dennis L. Stephenson, being first duly sworn on oath, make the following statement to Mr. Dan J. Willis, who has identified himself to me as a Personnel Misconduct Investigator, United States Department of Agriculture. I understand that this statement is not confidential and may be used as evidence.

My full name is Dennis L. Stephenson. I am currently employed as a GS-1862-9 Consumer Safety Inspector assigned to IBP, Inc. (USDA Est. #245E), Amarillo, Texas. My primary functions are to conduct HACCP inspection duties in the processing and fabricating areas of this plant. I also assist in slaughter inspection, helping provide work breaks on the slaughter floor and conducting ante mortem inspection. I am engaged in slaughter functions regularly enough to have a good feel for how the slaughter staff is conducting their functions.

As far as I know, we are conducting ante mortem inspection on all cattle presented for slaughter in this plant. We have approved an alternative ante mortem inspection procedure where we observe 100% of the cattle presented at rest and 10% of the cattle in motion from both sides. I have the cattle to be observed in motion driven in the drive alley so I can observe them from both sides. I have not personally accompanied any of the other USDA staff members to do ante mortem, but I have no reason to believe that other inspectors are doing ante mortem inspection any differently. Dr. Truesdell posted the alternative ante mortem procedures some time ago and I have reviewed those procedures and follow them. To my knowledge, the other inspectors are all following the posted procedures and conducting ante mortem inspection in accordance with those instructions.

This company kills young market animals here and about the only "abnormal" animals I see are those with broken legs or downers. These cattle are identified and brought up



separately for slaughter. We normally tag them with a large USDA retained tag so we can identify them and track them through slaughter. I do not remember observing any "diseased" suspects recently. Again, this company kills only young market animals that are generally disease free.

When Dr. Truesdell first took over as the Inspector in Charge here about seven years ago, there were some inspectors who took long restroom breaks. Dr. Truesdell has corrected that. Dr. Truesdell's break policy is that if the slaughter line employees have an emergency bathroom need, they are to obtain relief before leaving the line. If no relief is available and it is an emergency, they are allowed to hurry to the bathroom and immediately return. Other than that, the slaughter line inspectors are not allowed to leave their line positions without proper relief. I have never observed any of the inspectors engaged in any activities away from their inspection stations when they should have been at their stations.

I assist on the slaughter floor to give breaks and when employee absences cause staffing shortages. Within the past year or two, I have not had to spend as much time filling in for absent inspectors. We were short staffed for a while, but staffing has improved in the past two years.

I have worked regularly with all of the slaughter inspectors assigned to this plant. I have never seen any USDA Inspector intentionally fail to inspect a liver. Once in a while, a liver might be missed but it would be accidental. They open the bile ducts, and palpate the dorsal and ventral sides of each liver as required by the regulations. I have never observed any of the inspectors ignoring the intestines.

We have a large supply of official USDA Retained tags and the slaughter inspectors use the tags to identify abnormal animals. IBP does not issue any tags to inspectors. They do use some tags for their own purposes. This has nothing to do with inspection.



I recall one time, years ago when we temporarily ran out of USDA Retained tags and had to improvise using a blank tag that we got from the company. We wrote "USDA" on these blank tags and used these for a short time until a supply of USDA tags was received. I do not recall how long we used the tags, but we used them for a few days until we could get a supply in here. To my recollection, that is the only time we have ever used any tags other than official USDA tags for identifying retained carcasses.

I am not really involved in conducting on-site tests for antibiotic residues on suspect animals. I do regularly observe tests being conducted by the veterinarians.

Any diseased animals identified on post mortem inspection are properly tagged for veterinary disposition. The inspectors use the four-part "USDA Retained" tags for this.

I am aware that IBP has saved blood for edible purposes. If I was over working on the slaughter operation and I was assigned to a truck hauling blood, I did those inspections. Basically I would be checking the truck for proper sanitation before it's loaded with the blood. The trucks hauling the products were not IBP trucks. I only performed this function occasionally, but I never observed a dirty truck or rejected a truck for sanitation. I am not aware of any truck ever coming in that USDA failed to inspect. I have never seen any evidence that any of the records of truck inspections were falsified. IBP is no longer shipping blood for edible purposes.

Condemned carcasses are not stamped "USDA Condemned." There is no need to stamp a condemned carcass. The veterinarian condemns the carcass and it is immediately cut down and put down the denaturing tank under USDA supervision. We do know the final disposition of these condemned carcasses.



I have read this statement, consisting of four pages and it is true and complete. I have made all necessary changes and additions and have initialed each page.


Dennis L. Stephenson, Consumer Safety Inspector

6-27-02
Date

Sworn to and subscribed before me this 27th day of June 2002.

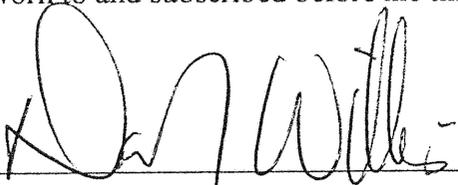

Dan J. Willis, Personnel Misconduct Investigator

Exhibit 6

Amarillo, Texas

27
June 26, 2002
DJ

I, David L. Morehead, being first duly sworn on oath, make the following statement to Mr. Dan J. Willis, who has identified himself to me as a Personnel Misconduct Investigator, United States Department of Agriculture. I understand that this statement is not confidential and may be used as evidence.

My full name is David L. Morehead. I am currently employed as a GS-1862-8 Consumer Safety Inspector assigned to IBP, Inc. (USDA Est. #245E), Amarillo, Texas. I have been employed with USDA since June 1982 and have been in my current assignment since October 2001. In my current assignment, I am responsible for off-line slaughter inspection duties, and I assist on the slaughter line giving breaks and manning a position as needed. I also assist in doing ante mortem inspection as needed. On February 5, 2002 I provided a sworn statement to Mr. Willis regarding allegations of inspection irregularities at IBP. That statement is true and complete. This statement is an addendum to my previous statement.

Having been assigned to this plant in October of 2001, I can only address things that I have observed here since that time. There is no time in this plant where we do not do ante mortem inspection. The procedure here is that we observe 100% of the cattle presented for inspection at rest; and we observe 10% of the cattle presented for inspection in motion. I personally do ante mortem inspection regularly during the work day. I and the company drive supervisor will go into the pens and observe the cattle from both sides in the pens. I always observe the animals in motion from both sides and I generally look at a good deal more than 10% of the cattle in motion. Dr. Truesdell does ante mortem only when I am tied up on some other function. I generally do ante mortem when available.

DJ

Generally, the GS-7's do only the first ante mortem inspection at 6 a.m. and they observe only enough cattle to get the kill started. I do ante mortem inspection at 7 a.m., at 9 a.m. and at 10:30 a.m. and another one at noon. Generally, the company has all the cattle that they intend to slaughter on our shift here on the premises by noon. So under normal circumstances, I look at most of the cattle on ante mortem inspection.

The company segregates abnormal animals and they run them just before the lunch break or at the end of the shift. If I observe an animal that I consider US Suspect, I notify Dr. Truesdell for an ante mortem veterinary disposition. The company's pen handlers are also very dependable to contact Dr. Truesdell if they observe an abnormal animal and let him decide if a veterinary disposition is necessary. Other animals that are not a US Suspect (like an animal with a hurt leg or a prolapse or an animal giving birth), are segregated and killed separately or are not allowed to go the kill floor; but they are not tagged. I feel that we have good control of all animals observed as abnormal when they are slaughtered.

Since my assignment here I have observed that all of the inspectors are at their inspection stations. Other than an occasional very short bathroom break when necessary, the inspectors are at their stations and doing their jobs. I have never observed any of the inspectors away from their inspection stations for extended periods of time or in other parts of the plant when they should be at their inspection stations. If I were to observe such behavior, I would let Dr. Truesdell know about it.

The GS-7's here at IBP are professional and do their inspection procedures. They inspect the livers, opening the bile ducts and palpating the dorsal and ventral sides of all livers. They never ignore their inspection responsibilities. If I were to see any such activity, I would let somebody know about it.

Recently, we ran some show cattle and Dr. Truesdell tested 10% of them for anti biotic and other residues. This is in accordance with the regulations for testing show cattle. Dr.

me

Truesdell also regularly takes samples for in-plant residue sampling. I do not know his precise criteria for selecting carcasses for testing, but I know that he is regularly testing.

I am responsible for taking samples for the National Residue Monitoring Program. The forms are computer-generated and sent to us. I take the tissue samples according to the schedules and send to the designated laboratories in the shipping containers provided. I take all required samples as required.

Our inspectors always use the official USDA Retained tags when marking suspect animals railed out for veterinary disposition. This includes symptoms for cystercosis bovis. These are rare, but they are properly tagged and railed out for veterinary disposition.

IBP used to save blood for edible purposes but stopped doing so before I was assigned here.

When a carcass is condemned on veterinary disposition, they are clearly marked with a knife that they are condemned. The company employees then push the carcass off to the side and under USDA observation, the carcass parts are put down the inedible chute for denaturing and tanking. There is no way that these condemned carcasses or parts can be placed into the food chain.

The inspectors use the standard "USDA Condemned" stamps for marking condemned viscera.

To me, the allegations I have been made aware of infer that the USDA staff here is intentionally not performing their ante mortem and post mortem inspection duties. That is not the case. I take pride in doing a good job here at IBP and I believe that the inspectors here are doing the job properly.

I have read this statement, consisting of four pages and it is true and complete. I have made all necessary changes and additions and have initialed each page.

David L. Moorhead

David L. Moorhead, Consumer Safety Inspector

6-27-2002

Date

Sworn to and subscribed before me this 27th day of June 2002.

Dan J. Willis

Dan J. Willis, Personnel Misconduct Investigator

Exhibit 7

San Angelo, Texas

June 28, 2002

I, Bradley L. Williams, DVM, being first duly sworn on oath, make the following statement to Mr. Dan J. Willis, who has identified himself to me as a Personnel Misconduct Investigator, United States Department of Agriculture. I understand that this statement is not confidential and may be used as evidence.

My full name is Bradley L. Williams. I am currently employed as a GS-701-11 Veterinary Medical Officer assigned to IBP, Inc. (USDA Est.#245E), Amarillo, Texas. I have been employed with USDA since January 13, 2002. My assignment is the IBP plant, but I have also performed relief duties in other plants. As such, I have only worked in Amarillo for approximately eight weeks since joining USDA.

In my assignment, I share daily responsibilities for performing ante mortem inspection on cattle presented for inspection at IBP. I share those duties with the off-line inspectors or the Inspector in Charge. I probably average going out to perform ante mortem inspection two or three times during a normal workday at IBP.

IBP is approved an alternate ante mortem inspection procedure because of the nature of the cattle they slaughter (young market animals that are generally healthy). Under this alternate procedure, we observe 100% of the cattle at rest; and we observe at least 10% of the cattle in motion from both sides. Sometimes, I observe more than 10%. The procedure is in writing and posted in our office.

The pen employees at IBP are also very good at noticing animals that appear abnormal on ante mortem inspection, and often point out animals as they accompany me during ante mortem inspection.

BWL

Animals that are considered "suspects" on ante mortem inspection are not tagged. Rather, they are segregated out and slaughtered as a group, usually right before lunch or right at the end of the shift. In my opinion, the procedures we use assure that we do not lose track of these animals when they come to the slaughter floor and they can be handled as "suspects" when necessary.

The GS-7 inspectors perform some ante mortem inspection on a rotating basis. An inspector comes in early each morning and performs ante mortem on enough cattle to get the shift started. I have never accompanied any of them when they perform these duties, as my start time begins after theirs. However, I have never seen or heard anything that would cause me to doubt that the GS-7 inspectors follow the posted ante mortem inspection procedures.

Part of my duties at IBP include assisting in providing relief breaks for the slaughter line inspectors and performing veterinary dispositions on carcasses that the inspectors identify as abnormal and rail out. As such, I spend a significant amount of each workday on the slaughter floor working with and around the slaughter inspectors. I have never seen any of the inspectors at IBP taking extended breaks or engaged in activities away from their line positions for extended periods of time. Other than an occasional bathroom break when they rotate positions, they are on the line performing their duties unless properly relieved.

The inspectors properly inspect the livers and intestines of the carcasses. They open the bile ducts and observe and palpate the livers and other viscera. I have never observed any of the inspectors ignore or neglect their viscera inspection duties.

We use official "USDA Retained" tags to identify carcasses needing trimming or rail out for veterinary disposition. I have never seen or heard of our inspectors using any company provided tags for any reason.

I understand that IBP used to save blood for edible purposes, but they have not done so during my tenure at the plant.

We do not stamp condemned carcasses with a "USDA Condemned" stamp. There is no need. When a carcass is condemned, the veterinarians mark it with deep knife cut "X's" on the surfaces to clearly identify it for denaturing and tanking. This is probably better identification than simply stamping the carcass because the cuts go deep into the tissue whereas the stamp can only be applied to the surface and would be easy to trim off. The condemned carcass is then cut into pieces by company employees and put down the tanking chute on the spot. Generally this is done in the presence of USDA personnel. Using this procedure, we can properly track the condemned carcasses and assure that they are not used for human consumption.

I have read this statement, consisting of three pages and it is true and complete. I have made all necessary changes and additions and have initialed each page.

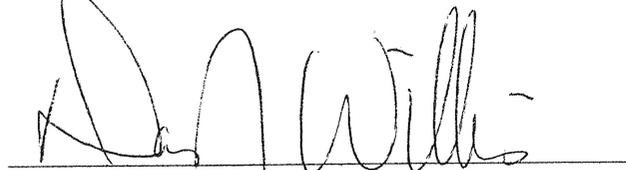


Bradley L. Williams, DVM, Veterinary Medical Officer

6/28/02

Date

Sworn to and subscribed before me this 28th day of June 2002.



Dan J. Willis, Personnel Misconduct Investigator

B/W

Exhibit 8

July 2, 2002

To Whom It May Concern:

On June 26th and 27th, 2002, I accompanied Mr. Dan J. Willis, Personnel Misconduct Investigator, to Est. 245E (IBP, Inc.) in Amarillo, TX. The purpose of this visit was to take statements from inspection personnel concerning allegations of inspection irregularities at Est. 245E. The allegations were made by Dr. Thomas D'Amura, who was previously employed by FSIS and worked at Est. 245E. The following individuals, who are assigned to Est. 245E, provided sworn statements on this matter:

Dr. Marcia L. Endersby, Amarillo Circuit Supervisor – GS-13
Dr. Morris H. Truesdell, IIC (SVMO)– GS-12
Dr. Muhammad A. Haq, SVMO (night shift veterinarian) – GS-12
Mr. Dennis L. Stephenson, Consumer Safety Inspector (processing)– GS-9
Mr. David L. Moorehead, Consumer Safety Inspector (slaughter)– GS-8

The following subjects were discussed:

Antemortem inspection
Tagging procedures
Residue testing
Postmortem inspection
Control of condemned carcasses at the veterinarian disposition rail
USDA Condemned Stamps
Abuse of breaks
Inspection of edible blood tank trucks

After listening to the sworn statements given by the above individuals, I concluded that inspection personnel are performing their duties, for the most part, as required by the regulations. And I did not ascertain that any serious irregularities occurred.

However, there are two areas that I believe had slight discrepancies in how these activities are being performed: antemortem inspection and selection of animals/carcasses for residue testing.

1. Concerning antemortem inspection, it appears that there is variance or misunderstanding among inspection personnel, who are performing antemortem inspection, as to the appropriate procedures that should be followed. FSIS has granted the establishment permission to use the Alternative Antemortem Inspection Procedure (as clarified in FSIS Notice 37-95) and it appears that application of FSIS responsibilities is not uniform among the inspection personnel. Dr. Truesdell said that he might have taken shortcuts on a few days when the inspection force was short-staffed. Indicating that he examined animals for that day's kill, but used methods that may not be in line with agency guidelines.
2. Also, residue tests for antibiotics are being performed at this establishment, but my understanding of how carcasses/animals are selected for testing is not totally in line with agency policy. The residue testing that occurs at this establishment needs to be guided by FSIS Notice 44-01, Clarification of Cattle Residue Testing Procedures.

This notice lists many conditions of cattle that are considered to be at higher risk for antimicrobial residues, therefore, animals/carcasses should be selected based on these criteria.

Finally, before leaving Est. 245E, I met with Drs. Marcia Endersby and Morris Truesdell. We discussed appropriate antemortem inspection procedures based on FSIS Notice 37-95 and selection of animals/carcasses for residue testing based on FSIS Notice 44-01. But I believe that further correlation on these issues would serve everyone's interest. Within each district office are District Veterinary Medical Specialists (DVMS), these individuals need to be involved in correlating in-plant inspection personnel on antemortem and residue issues. An in-plant correlation with the VMOs and CS would go a long way in bringing uniformity to the application of these procedures.

Dr. Kurt D. Schulz
Slaughter Operations Staff
Technical Service Center

Exhibit 9



United States
Department of
Agriculture

Food Safety
and Inspection
Service

FSIS Directive
10.530.1

NATIONAL RESIDUE PROGRAM

NOV 31 '01

NATIONAL RESIDUE PROGRAM

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FSIS DIRECTIVE

10,530.1

8/11/87

NATIONAL RESIDUE PROGRAM

PART ONE -- BASIC PROVISIONS

I. PURPOSE

This directive identifies FSIS responsibilities in planning, evaluating, supporting, and implementing the National Residue Program which is designed to monitor, detect, reduce, and control residues of drugs, pesticides, and other chemicals and contaminants in meat and poultry products designated for human consumption.

II. (RESERVED)

III. REASON FOR ISSUANCE

The National Residue Program is an essential part of the total inspection efforts to identify and control adulterants in the meat and poultry supply. The effective implementation of the National Residue Program requires thorough planning and timely coordination among numerous FSIS units. This directive establishes and describes functions and relationships of these units.

IV. REFERENCES

Federal Meat Inspection Act
Poultry Products Inspection Act
Parts 309, 310, 311, 318, and 327 of the Federal meat inspection regulations
Section 354.130 of the voluntary inspection and certification regulations
Sections 381.60, 381.70-381.80, 381.91, 381.95, and 381.197 of the poultry products inspection regulations
FSIS Directives 8080.1, 8150.1, 9050.1, 10001.1, 10012.1, 10110.1, 10130.1, 10220.1, 10600.1, 10600.2, 10610.1, 10620.1, and 10625.1

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Plant Management, T/A Plant Management, Science
and Compliance Offices, IFO, AID, R&E, TRA, ABB

to the investigation and control of the movement of suspected and known adulterated product and to the identification of producers marketing animals with adulterating residues. When a potential or known residue crisis is identified under the NRP, CRS is activated. The CRS utilizes the resources of all relevant FSIS headquarters and field units through an interdisciplinary team whose goal is immediate action for problem resolution.

The NRP demands a concerted effort by all programs within FSIS. The following parts identify the responsibilities of FSIS units to assure that all aspects of the NRP are well managed and fully integrated.

PART TWO--NATIONAL RESIDUE PROGRAM

SCIENCE PROGRAM RESPONSIBILITIES

I. OVERVIEW

SCI provides the Agency with scientific guidance and planning for the NRP. Included in these functions is the development of the **Compound Evaluation and Analytical Capability; Annual Residue Plan** which ranks compounds that may be present in meat and poultry (including criteria and methods for setting priorities), lists analytical methods for detecting those compounds, and presents FSIS's sampling plans for the coming year. SCI's support services also include the analyses of meat and poultry samples, the reporting and interpreting of such analytical results, and collaboration with other agencies as defined in relevant MOUs.

II. RESPONSIBILITIES

A. The **Deputy Administrator, SCI**, has the overall responsibility for managing scientific activities within FSIS, including the planning, evaluation, and reporting of the domestic and import activities of the NRP.

B. Under the direction of the Deputy Administrator, SCI, the units listed below shall perform specific duties under the NRP.

1. **The Director, CD:**

a. Maintains technical capability of chemistry sections of FSLD.

b. Maintains accreditation program of FSIS accredited laboratories.

c. Develops new, expanded, or improved screening, confirmatory, and in-plant methodology.

d. In cooperation with REPD, ascertains and develops analytical capabilities for each year's annual plan.

e. Participates in IP's SRC.

f. Directs CD support activities involving CRS.

2. **The Director, MD:**

a. Maintains technical capability of microbiology sections of FSLD.

c. Assists with the design of data QC procedures and implements these activities associated with MARCIS.

d. Participates in IP's SRC.

e. Directs MSD support activities involving CRS.

6. **The Director, REPD:**

a. Develops plans for and evaluates the results of residue programs designed to control and eliminate the presence of undesirable substances, the use or presence of prohibited substances, or quantities of authorized substances exceeding the permitted levels in meat and poultry products.

b. Encourages the development of effective residue control programs by States and private industry, both on a cooperative and independent basis, and interacts with FDA, EPA, and other Federal agencies in the development of programs to control and eliminate violative concentrations of residues in meat and poultry products.

c. In consultation with other SCI divisions, MPIO, and IP, designs the annual residue sampling plan and publishes the approved plan by December 15 of each year as the **Compound Evaluation and Analytical Capability; Annual Residue Plan**.

d. Routinely consults with MPIO on matters that could impact on the annual plan such as laboratory resources, methods development, staffing, and procurement of supplies and equipment.

e. Receives documented notification of laboratory results when violative findings occur in domestic and import samples.

f. In cooperation with MPIO, evaluates each residue violation incident both as an individual occurrence and for a possible pattern in time, geographic distribution, or species. Uses violation data to evaluate the effectiveness of the National Residue Program and to plan and develop new or improved portions of the program.

g. Upon receiving FSLD test results, immediately notifies, as appropriate, MPIO, IP, PED, and FDA and EPA of the occurrence of violative or unusual findings.

h. Serves as the focal point within FSIS for receiving, evaluating, and providing residue-related information and for giving scientific support to MPIO, IP, and MPITS regarding procedures, development, and training for residue control activities.

PART THREE--NATIONAL RESIDUE PROGRAM

MEAT AND POULTRY INSPECTION OPERATIONS RESPONSIBILITIES

I. OVERVIEW

MPIO is responsible for carrying out the inspection requirements specified in the FMIA and PPIA for domestic meat and poultry products and for administering compliance activities to assure regulatory standards are properly enforced at domestic meat and poultry operations. Cooperative interactions with other government agencies are defined in relevant MOUs. Under the NRP, MPIO directs, coordinates, and executes all field inspection activities to assure an effective residue control program for domestic meat and poultry products. In addition, MPIO coordinates the FSIS response under CRS to emergency situations where product is contaminated with residues and other adulterants affecting the wholesomeness and safety of such products.

II. RESPONSIBILITIES

A. The **Deputy Administrator, MPIO**, has the overall responsibility for managing all field operations, including the timely, effective, and uniform execution and maintenance of the NRP.

B. The **Assistant Deputy Administrator, Regional Operations**, provides guidance, through the Director, ROS, to the Regional Directors on directing and coordinating field inspection activities necessary to provide and execute effective monitoring, surveillance, and CRS functions under the domestic NRP. Under the direction of the Assistant Deputy Administrator, the units listed below shall perform specific duties in implementing the NRP.

1. **The Director, ROS:**

a. In consultation with REPD, provides guidance to MPIO field personnel to implement appropriate responses to residue contamination incidents and coordinates these actions with other FSIS units.

b. Participates with Extension Services (field representatives) and professional organizations to increase producer awareness of the need to include residue controls in their management programs.

- r. Provides support for CRS.
- s. Participates in IP's SRC.

2. The Director, EPS:

a. Maintains a permanent headquarters-based CRS Control Center.

b. Acts as focal point for reporting contamination problems that are identified by MPIO field personnel, other FSIS programs, other Federal and State government agencies, and industry.

c. Coordinates the FSIS response under CRS to emergency situations affecting the acceptability of meat and poultry products for human consumption.

d. Declares a CRS Residue Action Condition, with concurrence of the Administrator, for control, evaluation, and resolution of large scale chemical contamination emergencies.

e. Directs and coordinates the CRS Residue Action Condition Headquarters and Field Level Response teams which provide expertise in resolving emergency contamination problems and provides guidance to MPIO field personnel in determining the critical nature of contamination situations.

f. Focuses on situations where meat and poultry products are adulterated with drug or other chemical residues which would require the recall of affected products.

g. Manages and accounts for resources utilized in response to CRS and other emergency situations.

3. Field Personnel.

a. The Regional Residue Staff Officer:

(1) Correlates, coordinates, and monitors field activities to assure proper implementation of the residue control program.

(2) Monitors sample collection, supplies, equipment, and residue rates.

(3) Assesses field reports to determine appropriate action.

(4) Assures field personnel receive proper training in residue management.

(5) Conducts on-site assessment of residue programs and violation incidents through contacts including feedlots, farms, and auction markets, as necessary.

(3) Monitors and evaluates the appropriate maintenance and control of supplies, incubators, and other equipment at plant level.

(4) Maintains current material on residue control.

(5) Assures field personnel receive proper training

in residue management.

(6) Provides support for CRS.

d. The VMO/SVMO:

(1) Implements and conducts in-plant residue control program, including CRS.

(2) Sets priorities to assure adequate residue monitoring and surveillance is undertaken.

(3) Assures inspectors and, when appropriate, establishment employees receive proper training in residue monitoring and control.

(4) Properly utilizes in-plant tests.

(5) Maintains current regulations, issuances, and other relevant material on residue control.

(6) Initiates sampling based on ante-mortem and post-mortem information and findings.

C. The Assistant Deputy Administrator, Compliance Program, is responsible for providing guidance, through Field Operations Division, to Compliance field area offices regarding direction and coordination of activities necessary to execute investigative action under the NRP. Under the direction of the Assistant Deputy Administrator, Compliance Program, the Director, Field Operations Division:

1. Conducts field investigations, including on-site reviews of violators referred by Regional Operations.

2. Directs the collection and documentation of evidence necessary to support legal actions against alleged violators by FDA or other agencies, including actions defined in interagency MOUs.

3. Directs support activities involving CRS.

4. Monitors compliance with the provisions of MOUs between FSIS and livestock or poultry producers with approved residue control systems.

PART FOUR -- NATIONAL RESIDUE PROGRAM
INTERNATIONAL PROGRAMS RESPONSIBILITIES

I. OVERVIEW

To be eligible for importation into the United States under the FMIA and PPIA, meat and poultry products must be prepared in certified establishments operating under inspection systems that ensure compliance with requirements at least equal to those applied to domestic establishments and their products. Therefore, imported meat and poultry products must, among other things, comply with applicable U.S. residue standards. Each eligible country is required to provide IP with an annual plan for controlling residues of drugs, pesticides, and other chemicals in products exported to the United States. The SRC, comprised of representatives from IP, SCI, MPIO, and FDA, reviews annual residue plans from eligible exporting countries. After review by the SRC and acceptance of the plan, IP conducts two broad sets of activities to assure that statutory requirements are met: (1) continuing on-site reviews of each inspection system and (2) reinspection of product upon arrival into the United States (POE).

Using the information contained in the country's annual plan, IP tailors on-site reviews to each country's residue status and planned activities. POE testing procedures are designed to verify the continuing successful operation of the country's residue program.

II. RESPONSIBILITIES

A. The **Deputy Administrator, IP**, manages all activities dealing with foreign inspection systems and exported and imported meat and poultry products. These activities include participation in the NRP which consists in general of cooperating with SCI in developing the annual IRSP for imported meat and poultry products, managing the implementation of the IRSP, reporting data generated by the IRSP, and initiating necessary actions to assure adequate residue control in foreign origin meat and poultry products.

B. Under the direction of the Deputy Administrator, IP, the units listed below shall perform specific duties in executing the NRP for imported products.

1. The **Director, FPD**, is responsible for the initial and continuing review of foreign inspection systems.

a. Obtains annual residue plans from each foreign inspection system.

b. Manages the review of the annual residue plans by the SRC.

4. The IFO Supervisor:

- a. Immediately notifies inspectors of laboratory results for products on hold,
- b. Notifies IID headquarters and monitors the disposition of product which is refused entry because of residue violation,
- c. Assures that copies of the laboratory results forms received from headquarters are filed in the appropriate import case file, and
- d. Establishes a retrieval system for residue results data received via AIIS.

5. The inspector:

- a. Takes, prepares, and sends samples in accordance with standard operating procedures,
- b. Issues refused entry notice on product which is found to be violative,
- c. Releases product on hold that has passed laboratory analysis, and
- d. Retains any product from a lot still available in the import establishment for product having passed inspection and is subsequently found to be violative.

PART V (RESERVED)


Administrator

Acting.

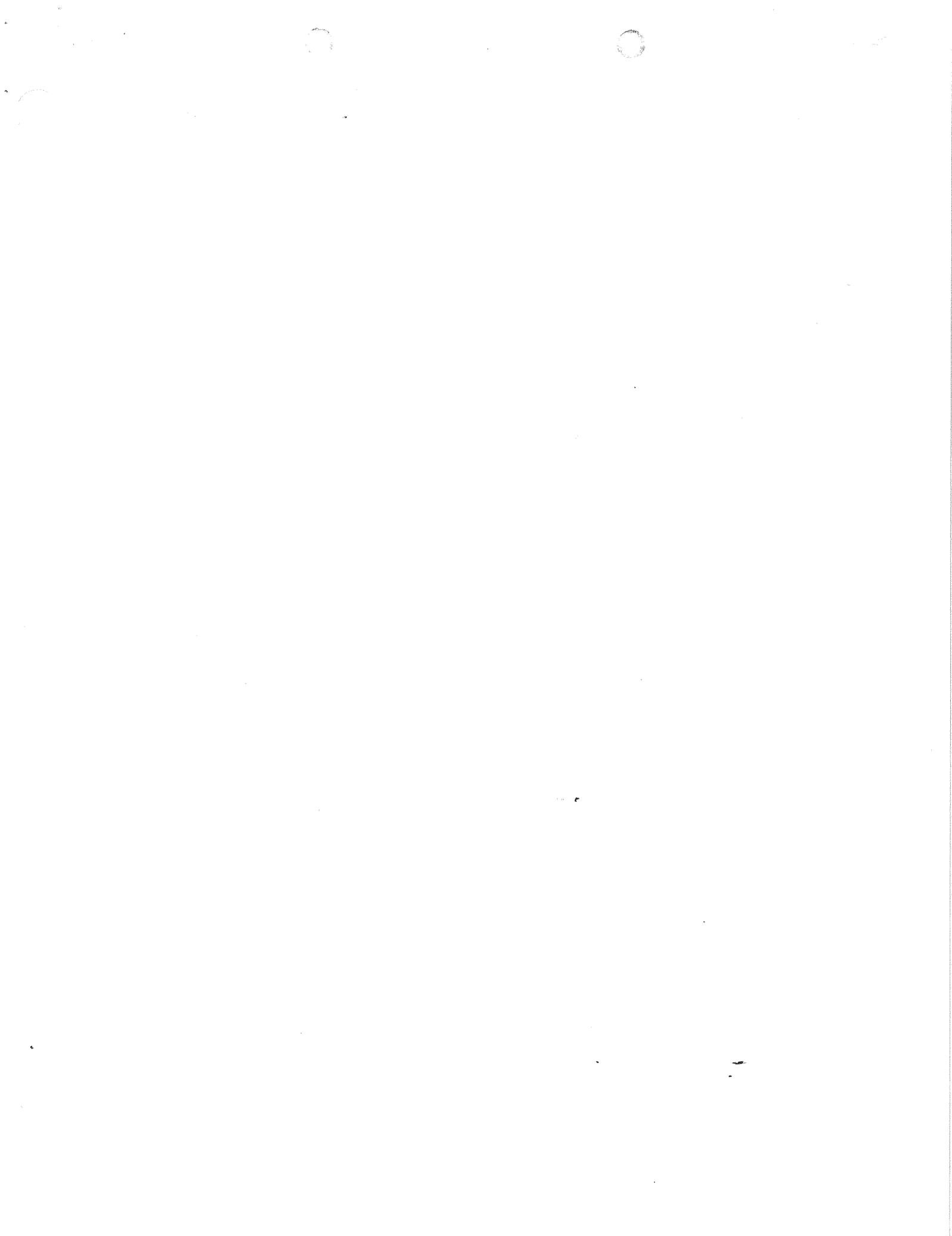


Exhibit 10

FSIS NOTICE

44-01

10-11-01

CLARIFICATION OF CATTLE RESIDUE TESTING PROCEDURES

Why is FSIS issuing this Notice?

FSIS is issuing this Notice to ensure that Veterinarian Medical Officers (VMO) continue to have clarification of FSIS's policies regarding when to use rapid in-plant tests (i.e., Swab Test on Premises (STOP) or Fast Antimicrobial Screening Test (FAST)). The information in this Notice is the same as that found in FSIS Notice 24-00.

USE OF RAPID IN-PLANT TESTS

When do VMOs conduct rapid in-plant residue tests?

FSIS has trained all VMOs to conduct rapid in-plant tests on carcasses with the types of pathologies or conditions listed below and to retain the tested carcasses until the test results are received. Carcasses with such pathologies or conditions are at risk for residue violations. However, there are no instructions that effect this training. This Notice serves that purpose.

The following is a list of the pathologies and conditions that warrant retention and testing of carcasses. Symptoms are described to help VMO determine when to retain and test carcasses.

1. Mastitis – carcasses with inflammatory ventral edema in the perineal area resulting from mastitis. Hemorrhages and yellow serous infiltrate, located ventrally, are typically present.
2. Metritis – carcasses with acute metritis. Associated pathology includes enlargement of the uterine body, distension of the uterine horns with a fetid brown, red brown, or black fluid; thinning of the uterine wall; and lack of evidence of normal uterine involution (no lines of contracture in the myometrium).
3. Peritonitis and surgery – carcasses with active peritoneal inflammation associated with fibrinous exudate or fetid ascitic fluid, no matter

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how limited the extent of the lesions or with ventral abdominal cellulitis secondary to percutaneous abomasal surgery. Findings of surgical devices (suture, toggles, fistula devices, etc.) are only significant if they are associated with active (i.e. the presence of fibrin as opposed to chronic peritonitis with fibrous adhesions) peritoneal inflammation.

4. Injection sites – carcasses with lesions associated with injections. Injection sites are likely to be found in a variety of locations including the neck, shoulder, thorax, axilla, ventral abdomen (along the subcutaneous abdominal vein), flank, hindquarter, pelvic area (perirectal) and tail. Also, look for cellulitis that is away from pressure points (e.g., tuber ischi, hip joint, stifle joint). These are generally found in the semimembranosus and semitendinosus muscle.

5. Pneumonia – carcasses with acute, subacute and chronic active pneumonias; with pleural cellulitis resulting from reticulo peritonitis complex; or with embolic pneumonia.

6. Pericarditis – carcasses with fibinous or fibrinosuppurative pericarditis.

7. Endocarditis – carcasses with endocarditis and acute pulmonary, renal or other embolic lesions. Also, test carcasses that are condemned due to septicemia, pyemia, or other reasons.

8. Abomasal disease – carcasses with recent abomasal displacement and abomasal torsions or with intussusceptions, mesenteric torsions, and cecal torsions.

9. Septicemia and pyemia – carcasses that are being condemned for septicemia, pyemia, or other inflammatory/infectious conditions.

10. Downers - carcasses of any animal that was non-ambulatory.

11. Animals identified during ante-mortem inspection that were determined to be U.S. Suspect for residues.

12. Carcasses with acute cellulitis or other acute inflammations associated with a fibinous or fibrino suppurative exudate in any location on the carcass or viscera.

Philip S. Derfler

Deputy Administrator
Office of Policy, Program Development
and Evaluation

Exhibit 11



United States
Department of
Agriculture

Food Safety
and Inspection
Service

Field
Operations

Dallas District Office
1100 Commerce Street
Room 5F-41
Dallas, Texas 75242-0598

July 10, 2002

Mr. Dan J. Willis
Personnel Misconduct Investigator
FSIS, LERD
Dallas, Texas

RE: OSC File No. DI-01-0901
Corrective Action Plan
Inspection Procedures at IBP, Inc.,
Amarillo, Texas

Dear Mr. Willis:

This will document our June 28 and July 3, 2002, discussions during which we reviewed your findings relative to a recent supplemental personnel misconduct investigation conducted at IBP, Inc., (USDA Establishment 245E), Amarillo, Texas. The investigation was conducted to look into allegations of inspection irregularities in response to the above referenced Office of Special Counsel request. Dr. Kurt Schulz, Slaughter Operations Staff, Technical Service Center accompanied you on this investigation and supplied a written assessment of his observations, which you shared with me.

As evidenced in the interviews you conducted and the accompanying assessment provided by Dr. Kurt Schulz, ante mortem and post mortem inspection at IBP is being conducted generally in compliance with 9 CFR, Parts 307 through 314. However, there are apparent inconsistencies in the conduct of ante mortem inspection; and in the conduct of certain aspects of on-site residue sampling that we feel must be addressed.

With regard to ante mortem inspection, it is evident that there are inconsistencies in the methods used by the Inspector in Charge in conducting inspection; and there is also evidence that the IIC may have occasionally failed to view all required cattle from both sides while in motion. I have directed Dr. Raymond Dilland, District Veterinary Medical Specialist, to travel to Amarillo to correlate with Dr. Marcia Endersby, Dr. Morris Truesdell, and his staff to assure that ante mortem inspection is conducted in strict accordance with the Regulations.

There is also evidence that the criteria for selecting subjects for on-site residue sampling may be inconsistent with Agency policy. I have also directed that Dr. Dilland review the on-site residue sampling procedures with Dr. Endersby and Dr. Truesdell to assure that the criteria for selecting sampling subjects complies with Agency policy as prescribed in FSIS Notice 41-01.

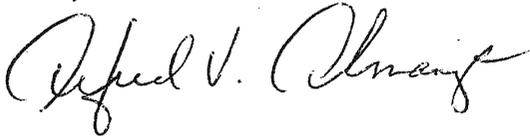
Dr. Dilland will travel to Amarillo to conduct the correlation the week of July 15, 2002. He will report to me his findings; and I have directed that he provide you with a brief synopsis of his correlation and his observations upon his return. You may expect to have Dr. Dilland's report by approximately August 1, 2002. I have also directed that Dr. Dilland conduct a follow up visit to the inspection staff at IBP within approximately the next 120 days to further assure that Agency policies and procedures are being followed.

Mr. Dan J. Willis
July 10, 2002

Page 2

I believe that our action plan will be effective in correcting the inconsistencies detected in your investigation. If you have any questions or need any further information on our plan, please contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Alfred V. Almanza". The signature is written in black ink and is positioned below the word "Sincerely,".

Alfred V. Almanza
Acting District Manager