

H\$U\$ WATCH

FUND-RAISING ON “FACTORY FARMING”, SIPHONING CASH AWAY FROM REAL ANIMAL ISSUES

Fur Commission USA commentary, by Teresa Platt, executive director, May 4, 2009

By now everyone in the U.S. who cares about animals, wild and domesticated, is aware of the animal rights movement and its 300-pound vegan gorilla, the Humane Society of the United States (HSUS).

While animal abuse is already illegal in all 50 states, HSUS's President/CEO Wayne Pacelle addressed a group of farmers and praised them, stating “Farmers are outstanding Americans and they know how to do their job.” He then enlightened them on how HSUS will allocate resources in its latest campaign, a crusade against cowboys, chicken farmers and modern-day animal agriculture which HSUS derisively calls “factory farming”, or even worse, “animal abuse industries”.

Just another battle in the animal rights war, HSUS relies on a highly effective blueprint developed in its zero-tolerance battle against the vital role animal research plays in our society. This blueprint has three components: **The Three R's: Refinement, Reduction and Replacement.**

Since HSUS recognizes that the overwhelming majority of Americans currently support raising animals for food and fiber, Pacelle reported that its “Factory Farming” campaign allocates over 95% of its campaign resources to the **Refinement** category. What this means in reality is that images of illegal animal abuse are being used to soften up the target, the farmers, “refining” how the farmers care for their animals, often forcing methods on them by an outraged public triggered by propaganda.

HSUS's **Refinements** don't have to make sense or be cost-effective. As the American Veterinary Medical Association (AVMA) noted in the Proposition 2 battle in California over housing systems for egg-laying hens, HSUS's **Refinements** threaten the health and well-being of the animals. And farmers noted that HSUS's nonsensical **Refinements** will also cost farmers a fortune, most of which can't be passed along to consumers able to buy cheaper eggs produced out of state in modern, safe and cost-effective facilities. Therefore Californians are saying adios to their egg farmers. HSUS counts this as a victory.

Once HSUS has eroded trust in animal ag by broadcasting images of illegally abused animals, it will allocate a higher percentage of its campaign resources to the second category, **Reduction**. It will argue that, morally and environmentally, it is better if humans eat less animal products. Nonsense. In 2000, the UN reported that producers need to double livestock production by 2020 to feed a growing and healthier global population. Reducing this goal will result in

malnourishment for many people.

Eventually the campaign against animal ag will be fully mature and HSUS will move along to advocating **Replacements**, offering the consumer alternatives to animal protein, arguing that humans should consume more protein from habitat-destroying soybeans than from free-range bison. With less than 3% of the planet's surface capable of supporting crops for food and fiber, this vegan agenda is also nonsense, of course. But HSUS is very, very good at propaganda.

Look at the long-running campaign against fur, for example. Both HSUS's wildlife and farming campaigners have attacked fur for decades.

Do you want animals to live completely natural lives, stretch their limbs and turn around? Wild fur is the ultimate in free-range product, but HSUS opposes it 100% no matter how “refined” the production process becomes. In 2009, Humane Society International/Canada stated, “We are opposed to commercial trade in wildlife products ...” Zero.

If you believe in cradle-to-cradle systems and want to recycle two tons of food production waste into biodegradable clothing, wear a farm-raised mink. But HSUS is opposed. And while HSUS says it supports farming standards, mink farmers and veterinarians established guidelines for raising mink way back in 1989, the earliest such program in U.S. animal ag. Again, HSUS remains opposed.

HSUS continuously misleads the public by disseminating images of animals illegally abused as if this is common farming practice (**Refinement**); urges a zero goal for the number of animals used by the fur clothing business (**Reduction**); and even actively works to close markets while promoting “alternatives” to natural fiber fur clothing to the public (**Replacement**) in the form of nonrewable, nonbiodegradeable, unsustainable, petrochemical-based synthetics. Again, it is all nonsense, but HSUS is very, very good at propaganda. It's what it does best.

HSUS's 990s

Second only to misleading people and dissemination of propaganda, HSUS excels at growing its reserves, now over \$200 million. For those trying to get a grip on HSUS, the 2007 tax return, “990”, for this “non-profit” “charitable” corporation is available on its website.

This tax return only covers HSUS and does not include the 13 other corporations it controls (Statement 19, page 71) as subsidiaries/affiliates nor the next layer, the subsidiaries/affiliates that these 13

<http://www.furcommission.com/resource/perspect999cl.htm>

corporations in turn control, or the next.

These layers of subsidiaries/affiliates pay millions in expenses and millions more to fundraisers every year. This is odd since most of their funds are simply transferred from HSUS. So one must ask why fundraisers are needed when a subsidiary is “raising” virtually all its income from the main corporation? Perhaps one day the IRS will require consolidated financial statements of all these affiliates/subsidiaries. Without it even Enron-style bookkeeping is hard to track.

The Golden Goose

HSUS declared \$101 million in total revenue (page 1, line 12 of the 2007 tax return) of which \$85 million was from direct public support (page 1, line 1b), down from \$91 million in 2006. Out of this \$85 million in funds from the public in 2007, over 11%, almost \$10 million, came from four donors (page 18).

HSUS owned \$83 million in corporate stocks, \$21 million of which was in foreign corporations (Stmt 12, page 65). In 2007, in a challenging market, HSUS racked up an impressive \$5.6 million profit on about \$55 million in securities traded (Stmt 2, page 20).

HSUS, which constantly promotes oil-based synthetic cold weather clothing over natural fibers, is in the oil business. It earned \$676,499 on an oil and gas lease (page 1, line 7).

HSUS closed 2007 with over \$200 million in net assets, even after a downward adjustment of \$31 million (line 20, page 1). Of this amount, \$5.4 million reflects an adjustment to recognize long-term retirement liabilities for pensions. Another \$25.8 million dropped off the balance sheet as an “adjustment to reflect changes in reporting entity and transfers” (Statement 4, page 21).

Hands-On Animal Care and Better Documentation

The good news revealed by HSUS’s tax returns is that some of HSUS’s money is actually going to help animals, which is a nice shift.

After HSUS declared it had raised \$34.6 million for relief for homeless animals in the Hurricane Katrina disaster, the Louisiana Attorney General took note and opened an investigation. HSUS was forced to actually spend some of its money on hands-on animal care in Louisiana and Mississippi. You can see it in some of its 2007 outgoing grants.

The bad news? It’s still a tiny fraction of what HSUS declares was raised on that disaster, and just 4% of its total income goes to hands-on animal care. It is, however, a record, the highest level since 1970 when HSUS abolished its commitment to share 60% of all income with local chapters for use in humane shelters.

Another step forward, after at least a decade of HSUS and its subsidiaries/affiliates using Share Group, Inc.

as its telemarketing firm, HSUS has finally actually listed it on its tax return as required by tax code. Share Group, Inc. is among the top 5 contractors receiving over \$50,000 (page 10). Share, HSUS reports, received \$1.7 million in fees in 2007. But it could be more. The *Los Angeles Times*, among others, has commented on the fact that each time HSUS uses Share Group, Inc., this telemarketer keeps over 90% of the funds raised, far beyond the normal ratios paid to telemarketers.

Members Go Missing

HSUS regularly claims it has 10 million members and constituents. In 2009, HSUS’s President Wayne Pacelle clarified this, stating that 10 million Americans are “associated with” HSUS, whatever that means.

But HSUS’s 2007 tax filings tell a much different story, revealing that membership is nowhere near even one million (Statement 9, page 62):

Membership services handles tens of thousands of public and member/donor communications annually.

Common sense says this volume is far too low for any group with 10 million members, reflecting the activity generated by just a few hundred thousand people. And further review of the tax returns (page 62) confirms it:

Publications produces ... a quarterly magazine sent every other month to 420,000 members.

HSUS has 420,000 members, just 4.2% of what is commonly reported or 0.15% of the US population of 280 million, or one out of every 666 people, not the 1 out of 30 bantered about.

And even while HSUS’s income rose from \$21 million in 1991 to \$101 million in 2007, the HSUS membership actually declined. In 1991, HSUS President/CEO John Hoyt stated:

I am happy to report that during this past year our voting membership has increased from 397,385 to 458,378 persons.

So HSUS apparently lost 38,378 members between 1991 and 2007.

Perhaps some members discovered how little HSUS supports local humane shelters and left in disgust. And many of the remaining members are those engaged in animal ag and wildlife pursuits who reluctantly join HSUS simply to monitor what it’s up to.

That said, with membership numbers this low, HSUS does not have a mandate to impose a nonsensical vegan lifestyle on the world’s omnivores and pet owners.

It’s time to demand accountability from HSUS for its exploitation of abused animals for financial gain, for diverting hundreds of millions from humane shelter resources over to advancement of a vegan agenda while ruining the lives of hard-working people around the world.

Omnivores of the World, Unite!