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Betty J. Goldentyer, D.V.M.
Deputy Administrator
USDA-APHIS-Animal Care
4700 River Rd.
Riverdale, MD 20737

Via email animalcare@usda.gov and Betty.J.Goldentyer@usda.gov

Re: **Woody Wiley Certificate No 42-A-1676 and Steve Kruse Certificate No 42-B-0182**

Dear Dr. Goldentyer:

I am writing on behalf of the American Society for the Prevention of Cruelty to Animals (ASPCA) to request that the U.S. Department of Agriculture (USDA) immediately terminate the licenses provided to Woody Wiley (Certificate Number 42-A-1676) and Steve Kruse (Certificate Number 42-B- 0182), confiscate any dogs located on the properties, and seek additional penalties as appropriate.

In December 2021, USDA licensed Wiley to operate a commercial breeding facility at 13001 Highway 2 in Cantril, Iowa (hereinafter “Cantril”). Although there is no record of Wiley holding a USDA or state license prior to December 2021, at the prelicense inspection, USDA documented 321 dogs at the Cantril location. As USDA is aware, 13001 Highway 2 in Cantril was operated by another licensee, Daniel Gingerich, from approximately April 2021 through July 2021.

At all times referenced herein through the present, 13001 Highway 2 in Cantril has been owned by Steve Kruse.¹ Steve Kruse is a USDA licensed dog broker who operates a large facility in West Point, Iowa, approximately 35 miles from Cantril. In addition to the West Point location, inspection reports for Steve Kruse dated in 2015, 2016, 2017 and 2019 refer to a “site 002” where Kruse also housed dogs.² Although USDA only includes mailing addresses on inspection reports, this second site is believed to be Cantril.

¹ A search of Van Buren County Assessor website was conducted on 3/31/22 which demonstrates Steven Kruse as the Deed Holder of the Property Address 13001 Hwy 2, Cantril, IA, Parcel Number 000340927100100.

² See USDA Inspection Reports dated December 16, 2015, March 28, 2016, September 26, 2016, April 10, 2017, May 16, 2017, June 20, 2017, November 14, 2017, and November 4, 2019.

Kruse notified USDA in May 2021 that he had “leased” his Cantril agricultural property and transferred 600 dogs to a USDA licensed breeder, Daniel Gingerich in April 2021.³ Gingerich had been licensed by the USDA in 2019 to operate a dog breeding facility in Seymour, Iowa but was known by USDA to be housing dogs at various locations in the state. Based on Kruse’s representation, USDA no longer considered Cantril to be operated by Kruse but rather Gingerich. USDA directed Gingerich to apply to have the Cantril property approved as an additional site under Gingerich’s existing federal license.⁴

By “removing” Cantril from Kruse’s federal license, the facility became unlicensed. **Despite being aware that there were hundreds of dogs housed at Cantril, USDA did not visit Cantril in April, May, or June 2021.** USDA apparently reminded Gingerich to formally notify the agency and arrange a prelicense inspection, but Gingerich said it wasn’t ready or that he could not recall the address.⁵ USDA was aware that Daniel Gingerich repeatedly attempted to evade inspection by keeping and hiding dogs at various properties across Iowa, failing to disclose those sites, and/or failing to make them available to USDA once disclosed. Numerous and serious animal care issues were observed by the agency when inspectors accessed these properties. However, there is no indication the USDA considered accessing the property without an invitation from Gingerich, despite knowing the location and the owner of the property: Kruse.

A scheduled prelicense inspection of the Cantril location did not take place until July 9, 2021. The site, referred to by USDA as site 006, housed 346 dogs. Sixteen violations of a care were documented in July. Inspectors observed dogs living in dirty and dangerous conditions, with open wounds, eye injuries, skin conditions, and dogs who could not bear weight on their legs. USDA concluded their inspection on July 9th without taking any further action. A second, announced prelicense inspection took place on July 29, 2021⁶. Again, inspectors noted eye injuries, foot injuries and an emaciated dog. Again, the inspection was concluded without any further action.

On the same day, USDA inspected Gingerich’s licensed location in Seymour, Iowa. USDA reports that Kruse was present for that inspection. **Despite observing serious, uncorrected animal care issues categorized as “direct” at both Cantril and Seymour, USDA did not confiscate any animal, USDA did not notify law enforcement, and USDA did not initiate any other action against Gingerich or Kruse.** Instead, USDA, Gingerich and Kruse “agreed”

³ Exhibit B, Declaration of Kelly Maxwell at page 4, “Gingerich said the new dogs were from Steve Kruse. Disposition forms acquired from Kruse showed that Gingerich purchased 612 dogs from him between April 1st and 30th, 2021 and that Gingerich leased Kruse’s site in Cantril, Iowa (Site 006). Gingerich planned to house adults at Site 006, move the dogs to his main site to whelp, and then move them back to Site 006.”

⁴ Exhibit B, Declaration of Kelly Maxwell at page 6, “On May 19, 2021, I called Gingerich to inform him Kruse removed the Cantril site from his license and that Gingerich needed to add it to his license.”

⁵ Exhibit B, Declaration of Kelly Maxwell at page 5, “I requested the addresses for the sites in Lamoni and asked about Kruse’s site in Cantril. Gingerich represented that he was unable to remember the addresses and that Kruse’s site was not ready for a new site inspection, and that he would send the addresses to the Fort Collins, Colorado office as soon as possible.”

⁶ USDA conducted a focused inspection, limited to 13 dogs on July 19 and said there were no non-compliant items identified.

that 340 dogs located at Cantril would be “returned” to Steve Kruse along with 53 dogs located at Seymour.⁷

After July 29, 2021, there is no record of any subsequent inspection of the Cantril location to ensure it wasn’t operating and there is also no indication that USDA sought to evaluate the conditions of the hundreds of dogs “returned” to Kruse even though USDA reported that Kruse shared that some dogs were sick and had to be euthanized.

Just a few months after Cantril was inspected and dogs were “returned” to Kruse, USDA approved a new license to Woody Wiley to operate a commercial breeding facility at the same Cantril location and inventoried over 300 dogs on the property.

The USDA may terminate a license for any reason that would require it to deny an initial license. 9 C.F.R. § 2.12. Those reasons include, inter alia, if the licensee "is or would be operating in violation or circumvention of any Federal, State, or local laws" or "[h]as made any false or fraudulent statements or provided any false or fraudulent records to the Department or other government agencies, ... has been found to have violated any Federal, State, or local laws or regulations pertaining to the transportation, ownership, neglect, or welfare of animals, or is otherwise unfit to be licensed and the Administrator determines that the issuance of a license would be contrary to the purposes of the Act." Id. § 2.11(a)(5)(6).

1. Inspection reports indicate Wiley did not meet the conditions for licensure.

Section 2.3 (b) of the regulations state that “each applicant for a license must be inspected by APHIS and demonstrate compliance with the Act and the regulations and standards.”

On December 10, 2021, USDA conducted a prelicense inspection of the Cantril breeding location as part of Wiley’s application for licensure. The APHIS Inspection Guide⁸ described the procedures for the prelicense inspection necessary for the licensee to demonstrate compliance. The pre-license inspection is announced and follows a pre-license phone call where the inspector reviews what will be required.

According to the relevant sections of the Guide, the inspector will:

Discuss the required documents for a compliant Pre-license Inspection:

- Record of Acquisition of Dogs and Cats on Hand (APHIS Form 7005) or Record of Animals on Hand (APHIS Form 7019 or equivalent):
 - For a new applicant, there should be as much detail as possible, such as name and address, phone number, directions to seller’s facility, some way to contact seller.

⁷ Exhibit B, Declaration of Kelly Maxwell at page 13, “On July 29, 2021, I conducted another focused inspection at Gingerich’s Site 001 with Dr. Janecke. Kruse was present during the inspection and informed me that two of the dogs he took from Gingerich the day before tested positive for heartworm disease and were humanely euthanized by Kruse’s veterinarian. At the end of the inspection, Gingerich asked if he could give all the dogs at Site 006 as well as the location itself back to Kruse. We agreed.”

⁸ https://www.aphis.usda.gov/animal_welfare/downloads/Animal-Care-Inspection-Guide.pdf

- Exercise Plan for Dogs:
 - Must be in writing and accurately reflect the conditions at the facility must be approved by the attending veterinarian.

During the inspection of animals and the facility:

- Be sure to inspect all animals used for regulated purposes.
- For dealers with dogs, you must:
 - Have the applicant pull all dogs showing signs of medical issues so that you can evaluate whether veterinary attention is needed and/or is already being provided.”

The December 2021 inspection report, prepared by USDA Veterinary Medical Officer William Janecke, indicates that “No non-compliant items were identified during this Pre-License inspection.”

Two months later, USDA conducted a routine inspection. This time, a different federal inspector, Robert Bacon, documented several violations of the standards including:

- No written exercise plan for the 237 adult dogs at the time of inspection.
- The licensee did not have records of acquisition or disposition for the dogs.
- The licensee did not have medical records for the dogs.
- The inspection report also documented a direct violation for failing to provide evidence that 5 dogs that had medical conditions were not receiving veterinary care.

Either the initial pre-license inspection was insufficient to determine compliance or compliance was mischaracterized. Specifically, if Wiley had an exercise plan and acquisition records in December, it would have been produced for inspection in February. **USDA’s determination that Wiley demonstrated compliance with the AWA was false, and Wiley likely failed to meet the condition for licensure.**

2. Neither Kruse or Wiley appears to hold a permit or license to operate Cantril in apparent violation of Iowa State Law.

Iowa Code Section 162⁹ sets forth the requirements for operating as a commercial dog breeder or dealer in Iowa. Although Wiley, based on his application for a federal license, represents himself as the operator on Cantril, he has failed to obtain a permit to operate.

Section 162.2A (1C) requires that a federal licensee must apply for and be issued either a permit or a state license in lieu of a permit. There is no record of any permit or license issued by Iowa under the name, Woody Wiley.

According to the same section, Kruse as the “owner” of a commercial breeding establishment, must be licensed by the state. Section 162. 2A(2) states a person must be issued a separate state license, certificate of registration, or permit *for each commercial establishment owned or operated by the person.*

⁹ <https://www.legis.iowa.gov/docs/ico/chapter/162.pdf>

Steve Kruse currently holds one Iowa permit for his federally licensed dog brokering facility (Kruse Kennel) in West Point and holds a license for a commercial breeding facility, licensed as Elkhound Acres in Ogden, Iowa.¹⁰ There is no record of any license or permit issued for Kruse for the Cantril facility.

3. Woody Wiley's application appears to have been made to circumvent federal law.

Although the source of Wiley's dogs is not public, Kruse leased both the property and "transferred" dogs used for breeding to the prior "operator" of Cantril, Daniel Gingerich. There, the USDA appears to have agreed with Kruse, that Cantril should no longer be licensed under Kruse's license and instead the operations and conditions at Cantril were solely Gingerich's. It is not clear what authority USDA relied on to make such a concession.

Section 2.1(3) of USDA's regulations state that no person shall have more than one license. Kruse already holds a Class B, federal dog broker license. Cantril is licensed under Wiley as a Class A facility, on land owned by Kruse, likely using Kruse's own dogs as breeding stock.

A licensee should not be able to pick and choose which animals and properties they are accountable simply by installing someone on his property, supplying them dogs to breed and calling it a separate business. And an applicant should not be permitted to apply and receive a license, as Wiley has, simply as a pass through.

If the USDA determined the operation's ownership and source of the more than 300 dogs was properly disclosed during the application and prelicense inspection and the relationship between Kruse and Wiley and Kruse and Wiley's dogs, at minimum both parties should be responsible for any violations of care. Otherwise, Kruse appears to be creating business arrangements for his financial benefit with no obligation to his animals, the state of Iowa or USDA.

4. USDA should find that Steve Kruse's extensive history of violations makes him unfit to hold a license.

Kruse was not and is not simply a naïve, absentee landlord. Kruse has been involved in the commercial breeding and dealing of dogs for decades. The property is located only about 35 miles from his brokering facility. As the property's owner, he would likely be the one entering into any arrangements with breeders using his property and dogs. USDA staff routinely referred to Cantril as "Steve's" or "Kruse's" in conversations relating to Daniel Gingerich's activities.¹¹ Kruse is at minimum partially responsible for the conditions at Cantril past and present, but his role has never been investigated, no dogs were ever confiscated from him, no fines levied and has faced no other enforcement from USDA.

¹⁰ https://data.iowaagriculture.gov/licensing_lists/animal_welfare/

¹¹ See emails provided to ASPCA in response to a Freedom of Information Act (FOIA) request, acknowledgment number 2021-APHIS-05709-F. Email dated July 28, 2021, from Heather Cole, "That being said, Kelly and Bill can't do the Daniel Gingerich inspections and check on the dogs at *Steve's place* in the same day." Also see Exhibit B, Declaration of Kelly Maxwell at page 4, "...that Gingerich leased Kruse's site in Cantril, Iowa (Site 006)."

By operating with and through other dog breeders and dealers, Kruse has obscured much of his business from public scrutiny. Despite operating as a dog broker housing 600 dogs at just one facility (in West Point) and likely financing and/or facilitating others, there is virtually no record of Kruse exporting dogs from Iowa for sale to pet stores, auctions, or anyone else in the pet trade. Such export documents are required to be filed with the state, but regularly no puppies or dogs appear to be sold and/or shipped by Kruse.

Kruse has an extensive history of flouting the spirit and letter of the federal law. As far back as 2004, USDA inspectors cited Kruse for “Interference with APHIS Officials,” noting Kruse was “immediately argumentative and verbally abusive” to inspectors so much so that inspectors had to stop the inspection due to the anger, verbal abuse, and yelling. **In 2015, Kruse threw a clear plastic bag containing two dead puppies at inspectors, prompting them to immediately leave. The supervising inspector noted in the report that “harassment, verbal abuse, and other acts of intimidation by the licensee... would not be tolerated.” An Iowa State Trooper had to be present for the inspection.**

Kruse has a troublesome record of failing to provide humane care to the dogs he profits from. In the inspections leading up to and including the throwing the dead puppies incident in 2015, Kruse was cited for having sharp wires on enclosures, a Bulldog shaking its head with fresh blood on its ear, another Bulldog with an abnormal skin condition showing large patches of hair loss and a reddened rash-like appearance, a Mastiff with hair loss on its shoulder, leg and ears and a sore on its leg with fresh blood, a dog with moist, pink tissue on its abdomen that had a surgical procedure a week prior but had not been seen by a veterinarian, a poodle with a 2 inch long and 1 inch wide laceration on its leg, a dog with swollen tissue around both eyes, several dogs with eye issues including colored discharge and crust, and a dog with over 30 percent of its body covered in matting. Other issues found in this time period include enclosures that were too small for dogs, no written exercise plan for dogs, and fecal material mixed into food bowls.

Kruse was reportedly suspended for 21 days on January 11, 2016, but the agency took no further action, and Kruse continued to violate the law.¹² In 2016, Inspectors observed dogs with untreated injuries including a Bulldog with a 1.5-inch-long neck wound, an adult Golden Retriever unable to use its back legs, Wheatons with overgrown toenails causing the nails to pass through the wire floors, enclosures with rusty, broken wires creating sharp points, a Shiba Inu that hopped around to avoid using its front leg, a Lhasa Apso with green-yellow discharge coming from both eyes, a Bulldog with abnormal tissue growth in its eye, a Labrador with several lacerations on its ear and ear canal, two dogs with open wounds to their abdomens which are deep and “create a hole through several layers of tissue,” a dog with a cloudy left eye with a “lesion,” a Bulldog with a deep wound on its right foot “through several layers of tissue,” a puppy vomiting yellow liquid, a female dog holding her foot off the floor because of a wound, a dog with a growth between its toes that was warm to the touch, red and swollen, a Shiba Inu with a purple growth in between her toes, a Bulldog with a severely swollen growth between its toes, dogs with excessively long toe nails, yellow Lab with large swelling on her chest, and a Bulldog with watery fecal material staining her rear end.

¹² USDA did not release or publicly post the Notice of Suspension.

In 2017, Kruse was found to be putting hot sauce in a dog's open wound, to prevent her from licking it. At this inspection, Kruse was also cited for a dog with yellow colored discharge in the eye. Kruse continued to amass federal violations throughout 2017. Kruse was cited for many dogs with veterinary issues including a Bulldog with a "thickened" foot lesion, a Cavalier with creamy yellow eye discharge, a Woodle with a swollen, red sore between its toes, and a Shar-pei with a 4x8 inch neck sore.

In 2018, USDA issued Kruse two "teachable moments," a program implemented by the USDA that allows inspectors to document "minor" violations separately from the official inspection report.¹³ In 2019, Kruse was cited for at least six dogs that had lameness in their leg, inflammation of their foot, an abnormal appearance when they walked or failure to bear weight on their limb at all. In 2020, Kruse was cited for a repeat violation of a mini-Golden Doodle having hair loss, moist and reddened skin around her eye with brown crusted material. This condition was untreated, and she had not been evaluated by a veterinarian.

In 2021, Kruse was cited for veterinary issues including a Wheaton with poor dental health including a broken tooth, excessive saliva, dark brown colored teeth and red gums, an emaciated Boston with backbone, ribs and hip bones visible and "little fat and muscle" covering them, a Bulldog with an abnormal leg condition preventing it from bearing weight on it, a Samoyed with red gums and discolored teeth showing a "pain response" when her eye was touched, a Husky with a protruding eye and swollen tissue, and a matted Wheaton with matts "thickened and tight." Kruse was also cited for incompatible housing where there was a four-month-old puppy housed with an adult dog an inspectors observed the adult dog acting aggressively and growling at the puppy when he approached the food. The puppy responded with fearful and timid behaviors. In a May 2021 inspection report, two months before the agency allowed the transfer of dogs to Kruse, his facility was cited for yet more veterinary issues including a dog with poor dental health, with its teeth encased in dark brown color material with "grey, milky, pus-like material" located along the gum line, a dog with thick yellow to brown colored material on its teeth and red gums, a dog with an abnormal appearance to her face with complete hair loss, dry and crusty skin and inflammation with eye discharge, and a dog with an abnormal leg condition who could not bear weight on the leg with lower leg inflammation.

Not only has USDA failed to stop Kruse from violating the law at any point in his 20 years plus reign, **APHIS seems determined to cast him as a partner.** Agency communication provided to the ASPCA in response to Freedom of Information Act requests, show that after documenting 18 violations during the July 2021 inspections of Daniel Gingerich's "operation" at Cantril and observing conditions that undoubtedly would have justified confiscation, USDA, Gingerich and Kruse "agreed" instead that dogs would be "returned" to Kruse. Facilitating the transfer of dogs from one facility to another in order to respond to direct violations of care is improper and USDA has no authority to broker or approve such an arrangement, yet alone one that leaves the dogs ultimately in the care of Steve Kruse.

In July of 2021, Heather Cole, APHIS-USDA Supervisory Animal Care Specialist indicated she had "no concerns" about Kruse removing dogs and that "he has the room and will ensure they are taken care of." She also said, "They will be in a much better place there than where they

¹³ The USDA has not posted 2018 teachable moments to the USDA database.

currently are.”¹⁴ Steve Kruse is not simply the poster child for USDA’s failures, APHIS has now inexplicably embraced this serial violator, **who once threw a bag of dead puppies at an inspector**, as a someone the agency’s personnel declare with “ensure” that animals “are taken care of”.

For the foregoing reasons, USDA should exercise its discretion to terminate the licenses issued to Woody Wiley and Steve Kruse immediately.

Sincerely,

A handwritten signature in black ink, appearing to read "R. G. Hensley, Jr.", written in a cursive style.

Robert G. Hensley, Jr., Esq.
Senior Counsel
Legal Advocacy & Investigations
ASPCA

¹⁴ See emails provided to ASPCA in response to a Freedom of Information Act (FOIA) request, acknowledgment number 2021-APHIS-05709-F.