

A SECOND HEARING ON ECO-TERRORISM SPECIFICALLY EXAMINING
STOP HUNTINGDON ANIMAL CRUELTY (“SHAC”)

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U.S. Senate, Wednesday, October 26, 2005, Committee on Environment and Public Works,
Washington, D.C.

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WEDNESDAY, OCTOBER 26, 2005

U.S. Senate,
Committee on Environment and Public Works,
Washington, D.C.

The subcommittee met, pursuant to notice, at 2:30 P.m. in room 406, Senate Dirksen Building, Hon. James M. Inhofe [chairman of the committee] presiding.

Present: Senators Inhofe, Thune, and Lautenberg.

OPENING STATEMENT OF HON. JAMES M. INHOFE, U.S. SENATOR FROM THE
STATE OF OKLAHOMA

Senator Inhofe. The Committee will come to order. We have a longstanding habit of starting on time, whether other members are here or not.

Today, the Committee on Environment and Public Works will discuss the Committee's investigation into eco-terrorism. This hearing is the second hearing we have had on this subject. We will focus on Stop Huntingdon Animal Cruelty, SHAC, a radical animal rights organization that relies on crimes of violence and a campaign of fear to convey their message of animal liberation. SHAC evolved with the purpose of ruining a contract research organization called Huntingdon Life Sciences. We will refer to that as HLS, also known as Life Science Research, a New Jersey based company that conducts EPA and FDA mandated testing on animals.

This testing may some day provide a cure for cancer, for AIDS, for blindness and the possibilities are endless, as we, the Congress has determined that this testing is necessary to ensure the safety of our consumers.

Our first two witnesses, John Lewis, Deputy Assistant Director of the Counterterrorism Division of the FBI, and Barry Sabin, Section Chief of the Counterterrorism Division of the Department of Justice are here to explain SHAC's revolutionary tactics used to pressure people through tertiary or third party targeting to stop any and all business with HLS. SHAC targets all HLS service providers and clients under the theory that without them, HLS cannot operate.

SHAC is able to effectively bully companies by using extremely dangerous and frightening tactics, including the use of bombs, arson, violence against people and property, intimidation and harassment. We have a chart that depicts the HLS CEO who was attacked with a baseball bat by SHAC. That is on my side of the two charts, you can see his head is bleeding profusely. He was near death at that time.

SHAC calls these tactics direct actions, and its level of violence and propensity for harm has led the FBI to include SHAC, along with the Animal Liberation Front and the Earth Liberation Front as the most serious domestic terrorist threat today, having committed over 1,200 acts of terror and over \$200 million in damages.

There is a need for tighter yet concise legislation to curb this criminal activity that up to date has been impervious to law enforcement authorities. Such legislation will close the gaps in the criminal code that have allowed SHAC, working with multiple other animal rights groups, the freedom to terrorize people.

Mark Bibi, general counsel for HLS, will inform us about not only the years of terror that HLS executives, scientists and other employees and their family members have endured as SHAC's primary targets, but also the costs associated with operating a research entity because of SHAC. Notice the chart that illustrates multiple scientists' homes that were attacked, coupled with the loss of research, loss of scientists and security costs of the interference with HLS' ability to compete in the financial markets.

Just last month, HLS was to be listed on the New York Stock Exchange. The Exchange refused to go through with the scheduled listing because of threats from SHAC. Here is a chart illustrating the SHAC web site threatening the New York Stock Exchange.

When this happened on September 7th, I sent a letter to the New York Stock Exchange cautioning them on such an important decision, expressing my concerns about setting a dangerous precedent. As I said in my letter, it seems to me unimaginable that this Country's world-wide symbol of the integrity of the capital markets, the New York Stock Exchange, would capitulate to threats or even the mere threat of threats from a single issue extremist group.

Appeasing these groups only validates the effectiveness of their tactics and inspires them to replicate this model of activism in some other venue. What then will happen when the activists move to the timber industry or the defense industry or some other controversial industries? Today we will seek information from the New York Stock Exchange about this decision.

One of my constituents, Skip Boruchin, from Oklahoma, endured several years of SHAC's terror, along with his family and employees. He is with us today to tell his story. Skip's home and office, notice these charts, were attacked by SHAC and ALF.

Finally, the Committee will hear from animal rights activist, Dr. Jerry Vlasak. Dr. Vlasak is highly controversial, since he has gone on record advocating the end of biomedical research using animals by any means possible, including assassination, that's murder, of scientists. In fact, Dr. Vlasak has been banned from the U.K. for such volatile statements.

We need to understand and assess the dangers associated with the research culture that is under attack. If researchers do not receive protection and the opportunities to fairly compete, will they leave the United States for places like China, places like India? These are questions we must seek the answers to in order to determine the best response to this troubling issue.

Consequently, I am introducing legislation today that will assist law enforcement in their plight to combat the criminally based SHAC campaign that targets innocent and necessary actors in an industry that promotes innovation and discovery.

Senator Lautenberg.

[The prepared statement of Senator Inhofe follows:]

Senator Lautenberg. Thank you very much, Mr. Chairman.

I don't know whether I need my sign before I make my speech.

Senator Inhofe. I don't have mine up. You don't need yours.

**OPENING STATEMENT OF HON. FRANK R. LAUTENBERG, U.S. SENATOR FROM
THE STATE OF NEW JERSEY**

Senator Lautenberg. Anyway, Mr. Chairman, thank you very much for holding this hearing today. The subject is very important, and I think it has to be apparent that there is nothing that we can say that justifies criminality. And among the subjects I know that we review in this Committee on a regular basis are subjects of terror and what if any involvement that we are aware of that takes place. We want to step up and defend people's rights to dissent, but also prosecute those, recommend prosecution of those who would break the law.

I served in the Army during World War II, and our rights as Americans are precious to me, including the right of free speech and political dissent. But one person's rights, where another person's safety begins, is often a delicate question. But nobody has the right to jeopardize the safety of anyone else. Anyone who believes that they have that right because their ideological beliefs are so strong is sorely mistaken.

I support the right, as I said, to free political speech that is not based on threats or harassment. Protests and demonstrations are legal and legitimate means of advocating for change. But I condemn violence and I support the prosecution of criminal behavior.

I believe that laboratory tests involving animals can be necessary and important for the advancement of science and medicine and the protection of public health. I would hope that that wasn't the case. But if that is determined that that is the only way to establish the safety and efficacy of a product that is going to be used on humans, unfortunately, so be it.

When such testing is necessary, it must be conducted under strict standards and subject to regular inspection and oversight. Even though I believe such testing can be necessary, I understand that some people don't share my views. These people have a right to engage in legitimate public debate on the topic. They have a constitutional right to speak their minds and even stage protests.

But they do not have a right to engage in violent, criminal or threatening activities, as some members an organization with the acronym SHAC, Stop Huntington Animal Cruelty have done. I deplore these actions for several reasons. Not only do these illegal actions victimize innocent citizens in my State, they are also used to tar with a broad brush anyone who supports the cause of animal rights or protecting the environment. I support animal rights. I am very careful about

that, and have been an advocate for safe transportation of animals and care of animals. I stand by that.

But while the actions of SHAC may fall within the statutory definition of terrorism, the fact is, our Nation faces much greater threats of terrorism from other sources, which does not mean that we should let this pass by unnoticed or not acted upon. SHAC's illegal acts should be prosecuted to the fullest extent of the law.

But they should not divert our attention from great, great threats to lives, health and safety of the U.S. citizens, including in New Jersey, such as the need for greatly increased chemical security. We have people at risk within the nearby vicinity of chemical plants that could conceivably kill millions if they are attacked with serious weaponry.

So Mr. Chairman, I thank you for the opportunity to present my views on this issue.

[The prepared statement of Senator Lautenberg follows:]

Senator Inhofe. Thank you, Senator Lautenberg. That was an excellent statement. I hope it is not inappropriate for me to say that I totally agree with your statement. I think it is the best statement I have ever heard you make in the 19 years we have been here. Thank you very much.

[Laughter.]

Senator Lautenberg. I thought I made one in my 18th year __

Senator Inhofe. My memory isn't that long.

[Laughter.]

Senator Inhofe. Thank you, Senator Lautenberg.

So that the witnesses will be aware, while we are short of members here, the members all have staff that is here. Members will be coming in and out. We have things that are going on on the floor. I even have an amendment myself on the floor right now.

So we will go ahead with opening statements. Mr. Lewis, we will start with you. Just try to stay within five minutes or so. Your entire statement will be made part of the record. But take what time you need to make, because your testimony and yours, Mr. Sabin, are very important. Mr. Lewis.

STATEMENT OF JOHN E. LEWIS, DEPUTY ASSISTANT DIRECTOR,
COUNTERTERRORISM DIVISION, FEDERAL BUREAU OF INVESTIGATION

Mr. Lewis. Thank you very much.

Good afternoon, Mr. Chairman, Senator Lautenberg. I am pleased to return before this Committee and continue discussions regarding the threat posed by animal rights extremists.

I am here today to speak to you about how members of the animal rights extremist movement advance their cause by using so-called direct action against individuals as well as companies. I see disturbing signs of success in what they are doing and legitimate business enterprises are suffering.

I will also touch on the limitations of existing statutes and the need to amend legislation of there is agreement that more needs to be done to address this problem.

When I was last here in May, I spoke of direct action taking many forms, to include harassment and intimidation of an escalating nature, vandalism also of an escalating nature, and more severe criminal actions, such as the use of improvised incendiary and explosive devices.

There are two types of targets today in the cross-hairs of animal rights extremists who are on the receiving end of the so-called direct action. The first includes individuals and companies which directly interact with animals, such as is the case with our medical research industry. And the second type is individuals and companies which do not directly interact with animals, but who have business ties with companies which do.

The direct actions carried out by those associated with the animal extremist movement are very definitely executed to harass, intimidate, destroy property, inflict economic harm, with the ultimate aim of terminating normal business operations. Within the animal rights extremist movement, we are currently seeing a significant amount of direct action activity that we are unable to effectively address given the Federal statutes we have to work with.

This activity involves the targeting of secondary or tertiary companies which have business or financial relationships with another principal target. This activity typically takes the form of and begins with harassment of employees through telephonic contact, e-mail or in person. This kind of harassment escalates if the desired effect is not reached and can quickly involve into intimidation and legitimate concerns for physical safety.

In other cases, we have seen vandalism used to make a point, followed by contact with business principals to make sure they understand there is more to follow if the animal rights extremists' demands are not met.

The point of this activity, very successfully executed in recent cases, I might add, is to force business owners to sever ties with the principal target, an act that disrupts business and one that can inflict serious economic damage. The Stop Huntingdon Animal Cruelty campaign, best known as SHAC, is best known for this tactic. SHAC, as you are aware, has since its inception, targeted Huntingdon Life Sciences, both in the U.K. and here in the United States. Their overriding goal is to put HLS out of business by whatever means necessary, to include violent means.

Although they have not been successful, there is no doubt that HLS has suffered significantly from a financial point. SHAC has made it their business to target companies that are affiliated with HLS, from pharmaceutical companies to builders to investors. It is not enough to say that SHAC targets companies, that is not personal enough. SHAC targets people, individuals in these companies, men and women who hold management positions and on occasion their family members. SHAC has used a variety of tactics to intimidate these affiliated companies, employees, family members, to include bombings, death threats, vandalism, office invasions, home visits with and without vandalism, phone blockades and denial of service attacks on their computer systems and the like.

I can report to you today that this strategy has been quite effective. SHAC has forced well over 100 companies to sever ties with HLS, including Aetna Insurance, CitiBank, Deloitte and Touche, Johnson and Johnson, Merck and others. Their current target list includes GlaxoSmithKline, Roche, Novartis, UPS, as well as multiple financial institutional investors.

Let me give you a couple of examples here, and I think we have gone over some of these before. In August of 2003, two explosive devices were detonated at the Chiron Corporation out in California. A month later, an improvised explosive device exploded at the headquarters of the Shaklee Corporation, also in California. The second device that detonated at Chiron was timed to go off later than the first, and in my view, an apparent strike at first responders.

At Shaklee, that device was constructed with nails, to significantly increase its lethality to anyone in the area at time of detonation. That claim of responsibility that followed indicated that all customers and their families are considered legitimate targets, no more will all the killing be done by the oppressors, now the oppressed will strike back.

In another more recent example, just last month an incendiary device was left on the front porch of a senior executive at GlaxoSmithKline in England. GlaxoSmithKline is one of SHAC's main targets. It was Animal Liberation Front in this particular case that claimed responsibility. In their message, they wrote "This is just the beginning. We have identified and tracked down many of your senior executives and also your junior staff. Drop HLS or you will face the consequences."

Last month, Huntingdon Life Sciences entered into a business relationship with the New York firm Carr Securities. Carr is a market maker and intended to market HLS stock. On the very day following its first series of transactions, SHAC vandalized the Manhasset Bay Yacht Club. The Yacht Club was vandalized because certain Carr executives are believed to be associated with that club. Three days after this incident, Carr Securities terminated its business relationship with HLS, and did so with a public announcement that is still on the internet today.

An investigation is being conducted by us at several institutional investment firms around the Country today who either now own or have had HLS stock. Several of them have been targeted, some of this is currently going on as we speak and others not yet. In some cases, these firms have sold their shares in order to bring an end to the harassment and intimidation. SHAC's web site features a statement attributed to a CEO of one such company: "Please be advised that as of today Cortina Asset Management does not own any shares of Huntingdon Life Sciences

Research. We have sold all of our shares in LSRI today. This will confirm that we have no intention of dealing with HLS stock at any time in the future.”

Existing statutes make it relatively easy for the FBI to pursue direct actions that include arsons and bombing. It is a different story with respect to the harassment via telephone, e-mail, office and home visits, vandalism to property, intimidation and the like. The existing Animal Enterprise Terrorism statute, set forth at 18 U.S.C. 43, does provide a framework for prosecuting the individuals involved in animal rights extremism. However, in practice, this statute does not cover many of the activities SHAC routinely engages in on its mission to shut down HLS.

Investigating and preventing animal rights extremism is one of our highest domestic terrorism priorities, as you know. We are committed to working with our partners to disrupt and dismantle these movements, to protect our fellow citizens and to bring to justice those who commit crime and terrorism in the name of animal rights.

We are also committed to working with the Congress to develop statutes and amend those statutes that will allow us to accomplish this mission.

Chairman Inhofe, Senator Lautenberg, I appreciate the opportunity to come back here and would be pleased to take any questions when we are finished here.

[The prepared statement of Mr. Lewis follows:]

Senator Inhofe. Thank you, Mr. Lewis.

Mr. Sabin.

STATEMENT OF BARRY M. SABIN, CHIEF, COUNTERTERRORISM SECTION,
CRIMINAL DIVISION, UNITED STATES DEPARTMENT OF JUSTICE

Mr. Sabin. Mr. Chairman, Senator Lautenberg, thank you for providing me the opportunity to testify before you concerning the Department of Justice’s efforts to investigate and prosecute entities and individuals who commit criminal acts in the name of animal rights.

In order to ensure that the Department has all the necessary investigatory tools, legal authorities and appropriate penalties, the Department supports amending Title 18, United States Code, Section 43 to include, among other things, economic disruption to animal enterprises and threats of death and serious bodily injury to associated persons. The proposed modifications provide a clear and constitutional framework, consistent with the First Amendment, for timely, effectively and justly addressing prohibited criminal conduct that will ensure that victims’ rights are respected and preserved.

As this Committee well knows, animal rights extremists have not hesitated to use violence to further their social and political goals. In those cases where individuals have used improvised incendiary or explosive devices, Federal prosecutors are well equipped to prosecute and punish such individuals using the tools provided in Title 18, United States Code, Section 844.

Domestic violence by animal rights extremists is not limited, however, to the use of arson and the use of explosives. As Mr. Lewis has described in his testimony, Stop Huntingdon Animal Cruelty and other animal rights extremist organizations and entities are engaging in a campaign of criminal conduct which is calculated to aggressively intimidate and harass those who have been identified as targets, including Huntingdon Life Sciences.

The personal and economic consequences of this campaign have been and will continue to be significant. In the past, this kind of criminal conduct was prosecuted as a violation of the Hobbs Act, codified in Section 1951 of Title 18 of the United States Code. In *Scheidler v. National Organization for Women*, however, the United States Supreme Court held that in order to commit the extortion that is the gravamen of the Hobbs Act violation, a defendant must actually obtain property, that is, he or she must take a tangible thing of value from his or her victim.

On the other hand, the Animal Enterprise Protection Act, codified at Section 43 of Title 18, is still an important tool for prosecutors seeking to combat animal rights extremists. The Department has used Section 43 to charge SHAC and individual defendants in Federal district court in New Jersey.

While Section 43 is an important tool for prosecutors, SHAC and other animal rights extremists have recognized limits and ambiguities in the statute and have tailored their campaign to exploit them. Accordingly, the Department supports the draft bill to amend Section 43 in order to address several gaps in the law that keep prosecutors from using it in the most effective manner possible.

First, the statute's definition of the type of animal enterprise that it protects is not broad enough to include some of the entities that are now targeted by SHAC and other animal rights extremists. These include pet stores and even animal shelters. Second, the statute's use of the phrase "physical disruption" to describe the conduct it proscribes unnecessarily suggests that it covers a narrow scope of conduct.

Third, the proposal would include this type of criminal conduct as a predicate for seeking electronic surveillance authority. Fourth, in its current form, the statute fails to address clearly the consequences of a campaign of vandalism and harassment directed against individuals as opposed to the animal enterprise itself. The proposal would remedy this ambiguity by clearly stating that committing the proscribed conduct against an individual, including an employee of an animal enterprise, or of an entity with a relationship with an animal enterprise, is equally illegal.

Finally, the proposal provides a range of penalties, including imprisonment, fines and restitution that are tailored to reflect the nature and severity of the criminal conduct. It is important to underscore that this Congress and the Justice Department have taken significant steps to assist and protect victims of crime. The Justice For All Act passed with overwhelming bipartisan support one year ago, and is codified in Section 3771 of Title 18. And the attorney guidelines on victim and witness assistance, as revised in May of this year recognize the rights of crime

victims and the importance of reasonable protection for victims from defendants or those persons acting in concert with or at the behest of suspected offenders.

The proposed legislation seeks to build upon this foundation. The criminal conduct of animal rights extremists is directed against individuals and companies in order to intentionally place these victims in reasonable fear of death or serious bodily injury. These victims suffer, often mentally, physically, monetarily when extremists threaten them, damage their property and affect their livelihood.

This is not First Amendment protected speech, but rather criminal conduct that is within the traditional realm of statutes prohibiting threats, violence or injury to innocent victims. In seeking to meet the challenge of these changing forms of criminal conduct by animal rights extremists, the Department is acutely aware of the importance of protecting the First Amendment rights of those who protest any cause they believe right, including the testing and other use of animals.

Let me be clear: the Department does not seek to prosecute those who enter the arena of debate seeking to persuade their government or private businesses and individuals of the merit of their viewpoints. This proposal would not, indeed could not, criminalize such protected activity. We seek to prosecute criminal conduct, including conduct that places a person in reasonable fear of death or serious bodily injury.

The First Amendment is not a license for the use or threatened use of violence or for the commission of other crimes. Those who cross the line from free speech to criminal conduct should be prosecuted and if convicted, they should be punished appropriately. As it has done in other contexts, the Congress must give prosecutors the tools to do so fairly and effectively.

Mr. Chairman, members of the Committee, thank you for your leadership on this issue and again for inviting us here and providing us the opportunity to discuss how the statutes are being used consistent with our constitutional values to fight violent extremism. Together, we will continue our efforts to secure justice and defeat those who would harm this Country.

Thank you.

[The prepared statement of Mr. Sabin follows:]

Senator Inhofe. Thank you, Mr. Sabin.

Senator Thune, Senator Lautenberg and I have already given opening statements. If you would like to make an opening statement, you are recognized to do so.

OPENING STATEMENT OF HON. JOHN THUNE, U.S. SENATOR FROM THE STATE OF SOUTH DAKOTA

Senator Thune. Thank you, Mr. Chairman. I don't have a long statement, but I appreciate your willingness to examine this issue and am obviously anxious to hear the perspective that the

Department of Justice and others have about the law enforcement implications of this issue, and also to hear the testimony of the panelists with respect to some of the threats that they face.

I hope that in shining a light on some of these terrorist activities we will be able to form some basis or foundation that hopefully will lead us to a course of action. I am not sure what that is at this point, Mr. Chairman, but I think it is important to have this discussion, to invite these witnesses to testify about what they are experiencing out there, and to look at what we can do to help address and keep people in this Country safe.

Thank you.

Senator Inhofe. Thank you, Senator Thune. That comment leads me into the first question for you, Mr. Lewis, you heard Mr. Sabin talk about the recommended specific changes by title. Have you had a chance to review the recommendations of Mr. Sabin? What is your response to that?

Mr. Lewis. Yes, I have. I endorse what the Department of Justice has put forth. It will allow us to reach through our investigative activity those actions as directed at both property and persons of secondary or tertiary companies that happen to do business with companies like HLS, something we have great difficulty finding now through the statutes that we have.

Senator Inhofe. I think in your written testimony you said that there are some 100 companies that have been identified that have been subjected to this type of abuse. Is that accurate?

Mr. Lewis. Not that have just been identified, sir, but that have quit doing business with HLS at some cost to that company, I might add.

Senator Inhofe. Why do you think the companies are so quick to back out? It is a terrorist organization. Why do they so easily respond to the demands?

Mr. Lewis. Sir, in my view, these companies give in to SHAC, at least in part if not in whole because they believe that their business, their customers, their employees, their employees' family members, can all become targets of what has become fairly well known from SHAC, their harassment, intimidation, violence in the form of vandalism at their homes, at their business or worse. There are far too many examples of this for these businesses not to be aware of it.

I am certain these companies are well aware of this radical movement of which SHAC is clearly a part. I am certain that they are well aware that there are many arsons throughout the Country attributed to this movement. I am sure they are aware, for instance, that there has been use of improvised explosive devices, that you can go on these web sites that the animal extremists, people who are associated with that movement, the web sites that they go to, you can find recipes for making these types of devices.

The fact of the matter is, when a management official is faced with this kind of thing, when he is associated with a company that is doing business with HLS and is all of a sudden contacted by SHAC, all these things I have described I know are going through his head. He knows what their

successes are. I am sure he knows what to some extent how successful law enforcement has been, and we haven't been that successful at all.

I believe these companies make a bottom line decision at the end of the day: do I want to go through all this and have my employees and family members and customers put up with this, or do I want to take a step back at some small expense to me and I will let HLS pick up somewhere else.

Senator Inhofe. Mr. Lewis, you testified before this Committee last April or May when we had a similar hearing with ALF and ELF, the Animal Liberation Front and the Environmental Liberation Front. Will you share with us how you see SHAC in relationship to ALF and ELF?

Mr. Lewis. Within the animal extremist movement, there are three principal organizations that concern me on a daily basis. SHAC is one of those. There are three entities that concern me most on a daily basis in the work I do associated with animal rights extremism and environmental extremism: ELF, ALF and SHAC. From time to time there are others that come up on the scope. Some of these are associated with the three that I have just mentioned. But these names cross my desk on a daily basis.

Senator Inhofe. Mr. Sabin, in your testimony you said to terrorize people effectively, the SHAC web site lists 20 terrorist tactics to use on people and companies. How do they use the web sites or the internet in getting their message out?

Mr. Sabin. They use that kind of communication device which is not just for the local cell, but for nationwide and even international audience, so that they can take it from a local to a national level. It is low cost, it has controlled readership, it enables them to conduct training or communications rather than traveling from one location to another, which would inhibit a law enforcement response, a disruptive response because of their traveling or other kinds of interaction. It provides a secure method for them to communicate on a cheap and effective large scope basis.

It is something that is not just promoting its views, but organizing a direct action campaign. So they link it to specific terror tactics that are articulated on the web site and set forth in the indictment in New Jersey and SHAC, that criminal case, to explain the manner in which they use that technology.

Senator Inhofe. Thank you. This afternoon I am going to introduce legislation that we put together. I want you guys to realize, we want to untie your hands. What I would like to ask of you is if you would take the legislation that we are going to be introducing, it will be assigned to the Judiciary Committee, and tell us if there are any imperfections on that. Because even though it will not be assigned to this Committee, we can certainly have an impact and plan to be there as witnesses when the hearing is held. Can you do that?

Mr. Sabin. We would be happy to do so.

Senator Inhofe. That's good.

Senator Lautenberg.

Senator Lautenberg. I am a little confused about whether or not the conventional law enforcement codes don't protect people from the kinds of activities that you described, harassment, intimidation, boycotts that are other than just a demonstration, physical boycotts. Isn't there protection for citizens within the code, the law enforcement codes as we know it?

Mr. Sabin. There are some protections. But we could do better in terms of making it a more nuanced response to the campaign that SHAC and animal rights extremists are presently undertaking. So you could, for example, charge as we have charged in the case in your State, Senator, interstate stalking as a criminal violation.

But Section 43, which is addressed specifically to the animal enterprise terrorist activities, as presently drafted only addresses physical disruption, is the term. So the nature of the conduct, attacks both by SHAC and other groups inspired by their activities, goes not only against physical disruption, but the language that we would suggest would be economic damage, economic disruption and threats against the person.

So you are not only going against the property of individuals and animal enterprise or those associated with the animal enterprise, but the threats, force or violence that is inflicted upon an innocent victim who somehow is associated with that animal enterprise in legitimate business conduct.

Senator Lautenberg. It sounds like a fine line to me. I want to do what we can to protect people's rights to operate safely under the law or to go about their normal living. And I have no sympathy for those who would use felonious criminal methods to bring a goal or an objective across. What we ought to do is, if it is illegal, if the activity that the company or the individual is doing is illegal, well, then we ought to fix that also.

But as long as it is a legal operation, then I don't see any reason why we would tolerate anything that smacks again of intimidation, harassment, talk about harming children, harming your family, destroy a business where people go that has nothing to do with the operation of the company in mind. It is just totally unacceptable.

My son lives in Colorado, and he lives in an area called Vale, Colorado, where they burned down a lodge there, a beautiful place that the company had put up, according to the law. It was just destructive, just destructive, to go ahead and burn it down. It wasn't just the economic cost, it was the threat against people who are conducting their lives, making their living by working in that company, not doing a thing wrong. It was outrageous and we had the FBI, they just unfortunately it was always a suspicion that it was an environmental group, but it was never proven. So therefore we can't assess the blame.

But these things, let me ask you something, Mr. Sabin. If a boycott was threatened and the company's stock dropped on the Exchange or in the marketplace, would that be included in a

recommended statute, loss of economic value? And again, if the activity is wrong, it's wrong. There is no sympathy coming from me.

Mr. Sabin. It would depend upon the specific facts and circumstances of the matter. The ability to engage in the marketplace of ideas as affecting the market of the financial district is something that could be within protected First Amendment activity. Phoning your Senator's office, writing a letter, depending upon what the letter said, depending upon the nature of the activity, could fall within the parameters of legitimate First Amendment conduct.

But when that becomes as articulated in our concern over a course of conduct, where it goes beyond mere speech to actual conduct in connection with not an isolated event but a number of events, that is something that would fall outside the First Amendment. So we can get into specific facts and circumstances relating to an event, or a number of events, and we would look at that in the scope of our activities as to whether it is appropriate to open a criminal investigation and then to actually charge and prosecute that.

Senator Lautenberg. Mr. Chairman, I am not sure that I see the fine line. But if there is an open question, I think we ought to close it. Thank you both.

Senator Inhofe. Thank you, Senator Lautenberg. Senator Thune?

Senator Thune. Mr. Chairman, it sounds like there is pretty broad support for addressing this in the form of your proposed legislation. I just have a couple of questions, and forgive me if this is ground you covered in your testimony.

What is the trend line with respect to these sorts of incidents of domestic terrorism, eco-terrorism in the past several years? Is it spiking up? Is it gradual, flat? Has it always been the case? And then the follow-up question to that would be, in addition to any legislative authorities that you might need that are not available to you today, in the form of enabling legislation, is funding an issue when it comes to enforcement and making sure that you are appropriately cracking down on people who commit these types of acts?

Mr. Lewis. Sir, funding is not an issue. We can take that off the table. It is simply not an issue.

With respect to the trend, there is no doubt that over the last several years, by virtue of the successes that continue to pile up in the absence of strong statutes that enable me to pull the rug out from under their feet, so to speak, or the Bureau, I should say, not just me, the trend is that they are becoming very effective at disrupting legitimate business. If we are talking about SHAC, the disruption is of course aimed at Huntingdon Life Sciences. As the weeks and months go by, more and more companies are forced to submit to their will and quit doing business with HLS.

We also see continuing use of the internet to advocate what we consider to be increasingly violent activity. We have seen rhetoric on there of late as has been mentioned here that includes assassinations and murders as a way of bringing about change if they can't do it otherwise.

In short, the trend is, I believe this is on the rise. There is an abundance of this activity which I am looking at right now. I don't feel, with the tools that I have to use today that we can be as effective as we otherwise might. I believe that this piece of legislation that we have all looked at and I know that you all have worked with is an excellent piece that will give us what we need.

Mr. Sabin. I would agree that there is an increasing spike in the activity. I would also agree that the tools as discussed with respect to the loss of the Hobbs Act, because of the Supreme Court decision, causes this need for a gap to be filled, specifically in Section 43 of Title 18. We have a budget with respect to resources, a budget request that we would be happy to work with Congress in order to address this in the coming weeks and months.

I never say no to resources, as long as we can articulate and justify the appropriate ability to use them effectively in our terrorism program and work with the FBI to achieve what we need to achieve to address the mission.

Senator Thune. The principal issue then is not funding, it is statutory authority, and the baseline authority that you have today enables you to deal from a law enforcement standpoint with physical violence, like under any circumstance you would have, but the authorities that you are seeking have to do more with the hazing, these types of intimidation activities and sort of economic terrorism, so to speak. It looks like that is the principal mode of attack for people who are behind these types of acts.

Mr. Sabin. Yes, the definition of what would constitute economic damage or economic disruption based upon the monetary amount. One of the things that we would underscore is the ability to use it as a wire tap predicate, as an investigatory tool.

So going back to the Chairman's original question as to the use of the internet, the ability to use that to intercept communications that are being conducted through that mechanism or other communication mechanisms, is often an important means of getting competent evidence that we can use, either to prosecute an individual or prosecute a group.

With the additional penalties in a proposed statute, you combine those investigatory tools, the overall understanding of what we are trying to do in our terrorism program, which is prevent rather than respond to an incident. Then you have the leverage of increased penalties to get cooperators that can then provide the modus operandi, the manner and means by which an organization or movement is conducting its criminal activities.

Senator Thune. It looks, Mr. Chairman, like we need some deterrence to this sort of activity and clearly, there is, it looks like to me, a basis for action on the part of the Senate to deal with this. So I appreciate your effort to do that, and I thank the gentlemen for your testimony.

Senator Inhofe. Senator Thune, you might be interested to know that the U.K. is really ahead of us here. They have had this problem in a more severe way for a longer period of time than we have. And in fact, it is my understanding that the company that we are talking about, HLS, actually was a U.K. company and they moved here because of all the threats and the violence that was taking place over there.

What I have, and I think this is a good place to do it, put into the record at this point the bill that was passed in the U.K. dealing with this. We are taking a lot of things from this bill, since they had this problem before we did. And that is influencing the type of legislation that we are introducing. So without objection, I will have this as part of the record at this point.

[The referenced document follows:]

Senator Inhofe. We thank both of you for coming today and we will in fact invite you, either yourselves or your staff to stay and hear the next panel, because we are going to be dealing with this issue, and I think it would be good for you to hear them. You are dismissed.

We would ask the next panel to come forward. The next panel is Mark Bibi, General Counsel for the Huntingdon Life Sciences, from New Jersey; Skip Boruchin, of the Legacy Trading Company in my State of Oklahoma, Edmond, Oklahoma; Richard P. Bernard, Executive Vice President and General Counsel of the New York Stock Exchange; and Dr. Jerry Vlasak, the Stop Huntingdon Animal Cruelty, or SHAC, from Santa Monica, California.

What we are going to do is start our testimony with Mr. Bibi and we will work across the table here. As I instructed the first panel, your entire statement will be made a part of the record. We invite you to try to limit your remarks to about five minutes. Mr. Bibi, you are recognized.

STATEMENT OF MARK L. BIBI, GENERAL COUNSEL OF LIFE SCIENCES RESEARCH, INC. AND HUNTINGDON LIFE SCIENCES, INC.

Mr. Bibi. Thank, you, sir. Good afternoon, Chairman Inhofe and members of the Committee. My name is Mark Bibi. I am General Counsel of Life Sciences Research and our operating subsidiary, Huntingdon Life Sciences.

Thank you for this opportunity to appear before you today to discuss the dangers posed by SHAC, as you have just heard identified by the FBI as one of the Nation's leading domestic terrorism organizations. It is a serious matter and deserves a serious response.

LSR is a publicly-traded company headquartered near Princeton, New Jersey. An important part of our work is to conduct Government-required animal testing on drugs and chemicals to identify risks to humans, animals and the environment. Because of these efforts to make sure products are safe, HLS and those who do business with us have been relentlessly terrorized by SHAC.

As I awoke on a chilly November morning and looked out my window, the fears that had been building ever since I was first targeted by SHAC a few months earlier were realized. My car's front windshield had been smashed with a large boulder. The car was covered with animal rights graffiti. Warning messages were spray painted all over my house: "Quit HLS, quit now, puppy killer, close HLS." I immediately knew that I had been the victim of a SHAC attack. The impact of this violence and the implicit threat of future violence is a terrifying, life-changing event.

A few months earlier SHAC had identified me as a target in their newsletter and on their web site. They posted my name, home address and phone number, with the exhortation, “go get ‘em.” Almost immediately, the harassment and intimidation had begun, nasty phone calls in the middle of the night, threatening letters and e-mails, protesters at my home, screaming through bullhorns that I am a murderer. And now, the sanctity and safety of my home had been violated.

Other SHAC targets have suffered beatings, acid attacks, car and letter bombings.

SHAC uses these terror tactics not only against HLS and its employees, but also against third parties to force them to sever their business relationships with Huntingdon. Time and again, in dozens of cases, both customers and HLS’ providers, from accounting firms to banks, to law gardeners and even remarkably our security firm, have been forced by fear to capitulate to SHAC’s demand that they cease working with us, deciding it is safer for them and their employees to give in rather than to suffer the personal harassment and intimidation.

SHAC is now attacking the integrity and independence of the U.S. stock market system. LSR stock trades on the OTCBB market. SHAC targets and harasses any market maker that dares to trade in LSR stock, and more than 40 market makers have caved in to SHAC’s intimidation.

Senator Inhofe. Let me interrupt for just a moment, for the purpose of my colleagues here, when you use LSR and HLS, we are talking about the same organization?

Mr. Bibi. LSR, sir, is the parent holding company.

Senator Inhofe. Thank you very much.

Mr. Bibi. Only one of those market makers, Legacy Trading, from whom you will be hearing shortly, currently consistently makes a market in our stock. SHAC has a current campaign against LSR’s institutional investors, taking advantage of public SEC filings to identify those investors. SHAC has intimidated most of them into selling their LSR stock, causing significant dislocation in the market.

But perhaps the most shameful apparent capitulation to date, and that which I believe poses the greatest threat to the U.S. economy, is that of the New York Stock Exchange. In the summer of this year, we entered into listing discussions with the Exchange. We met all the financial requirements to list our stock on the Exchange, and we told them right up front about the SHAC campaign. The New York Stock Exchange dismissed the potential risks, pointing out that since 9/11 they had been a target of the most dangerous terrorists in the world, assuring us they would not be scared off by SHAC.

We spent a number of weeks completing all the necessary paperwork and interviews, keeping in regular contact with NYSE staff throughout. On August 27th, the Stock Exchange told us that we had been authorized for listing. We issued a press release announcing that approval, and reporting that we expected to begin trading on September 7th. That press release was approved in advance by the New York Stock Exchange and the President of the Exchange, Catherine Kinney, even included a quote in that release welcoming us.

On the morning of September 7th, our senior management team went to the New York Stock Exchange's Wall Street headquarters for the original listing celebration. But only minutes before we were to go down to the trading floor to watch the first trade in LSR stock, Ms. Kinney told us that they would not be listing LSR stock that day and that our listing had been postponed.

One of my LSR colleagues and I spent the next hour or so meeting with senior NYSE officials, including Ms. Kinney and Margaret Tutwiler, their press secretary. They asked us and we spoke only about the animal rights campaign against the company. It was patently clear to me that the only reason the Stock Exchange had postponed our listing was because of concerns about the SHAC campaign.

All Americans took pride when the New York Stock Exchange reopened for business only four business days after the 9/11 terrorist attacks. Yet apparently purely on the basis of a perceived threat from SHAC, the NYSE postponed plans to list our stock. A handful of animal extremists had succeeded where Osama bin Laden had failed.

We have received no information from the New York Stock Exchange since September 7th. They have never raised with us any question of our eligibility or suitability to list. They have not asked us for any further information. We seem to have been indefinitely postponed, with no indication as to when, if ever, the NYSE will tell us anything.

The risks posed by SHAC should not be underestimated. As Chairman Inhofe has stated in his public statements, SHAC is but the tip of the iceberg. They are the test case for a whole new brand of activism through personal intimidation. Other activist campaigns are no doubt waiting in the wings to see how SHAC is dealt with. Imagine the impact if SHAC tactics were used by those opposed to any myriad of other industries.

SHAC's greatest impact has come in targeting third parties doing business with or providing services to HLS. I urge the Congress to adopt more effective laws that can be used to control this type of third party targeting, and I am gratified to have heard this afternoon that that type of legislation is in fact being introduced.

We cannot allow the domestic terrorism practiced, fostered and encouraged by SHAC to flourish in our own back yard. Thank you for your time. I would be happy to answer any questions you may have.

[The prepared statement of Mr. Bibi follows:]

Senator Inhofe. Thank you, Mr. Bibi.

Mr. Boruchin.

STATEMENT OF SKIP BORUCHIN, LEGACY TRADING COMPANY

Mr. Boruchin. Good afternoon, Chairman Inhofe, Senator Lautenberg, Senator Thune. Thank you for this opportunity to testify before this Committee today.

For the last few years, I have been living a somewhat captive existence, held hostage by members of Stop Huntingdon Animal Cruelty, SHAC, an animal rights activist/terrorist group. As you have heard, SHAC is an underground group that uses fear and terror to force their viewpoints upon others.

I am a NASDAQ market maker, lawfully working in the State of Oklahoma, making a market in the common stock of many companies. I have been targeted by SHAC because of my job. I am a market maker, that is, I am continually prepared to buy or sell shares of these companies thereby providing a liquid ready market for those who desire to buy or sell shares. Huntingdon Life Sciences, also known as Life Sciences Research, Inc., ticker symbol LSRI, is one of the companies I make a market in.

Roughly three and a half years ago, my employer, Legacy Trading, became the target, the proverbial bullseye for SHAC. This bullseye on my life is solely due to the fact that I have been and remain the only market maker in Life Sciences Research. SHAC launched an all-out terrorist attack on too many other market makers, Merrill Lynch, Charles Schwab, Goldman Sachs, to name a few. They were terrorized by SHAC's "direct action campaigns" specifically to influence and control the market in Life Sciences Research.

I am the only holdout of dozens of market makers who all capitulated to SHAC's demands and dropped, that is, ceased trading LSRI stock. Viewing me as the sole provider of a market for LSRI, SHAC launched a campaign of sheer terror on me and my family, destroying our privacy, causing dramatic changes in our daily lives now, and I'm sorry to say, forever.

SHAC's attempt to force me to stop trading the LSRI stock included local, national and international harassment, intimidation and terror. Personal information of my family, names, addresses, social security numbers, home phone numbers, as well as those of 19 of my neighbors were published on the SHAC web site. "Run him out of town, tell him to drop the stock, or we will publish credit card, medical and other personal information about you." Daily, thousands of obscene and threatening phone calls to home and office at all hours, day or night. Outright slander, calling me a child pornographer in the media and all over the internet.

When these threats and actions did not work, SHAC moved to far more dangerous and insidious tactics. Describing me as the "dreaded Legacy," SHAC brought their crimes of terror to my home, office and family. One day I awoke to find that SHAC had been in my yard. They spray-painted large messages like puppy killer, drop HLS, all over the entire house. They wrote "Skip is a murder, 9 million dead" on my garage door.

In addition to defacing my home, they cut all the lines of communication. The next day, the SHAC web site bragged that this was the beginning, "more direct action will come if you don't drop LSRI."

On four occasions, Legacy's office has been terrorized. The criminals have shattered the front office windows, incendiary devices thrown in, red paint over everything in the office including computers, furniture, floors and walls. Office equipment was sabotaged and spray-painted

messages were left for me to know that I suffered this felony for exercising my right to make a living: “Drop HLS, quit making a market.”

If tactics like this were not enough, SHAC also targeted my relatives and even my 90 year old mother. In December of 2004, SHAC posted my mother’s name, her address at her assisted living residence and her phone number on the internet with specific instructions to have her put pressure on me as I spoke and visited with her frequently. I quote the SHAC web site: “Send her sex toys, have an undertaker arrive to pick up her dead body and call her collect in the middle of the night, pretend to be a friend of Skip’s, ask for his cell number in order to place it on the internet.”

Although my mom passed away in January, the magazine subscriptions sent, the billing statements and the credit problems remain. The SHAC torment of my family did not stop with my mother. My family has been targeted and terrorized in neighboring States with SHAC’s action tactics.

I have chosen only to tell you just a few of the harrowing, traumatic events I have gone through and go through at the hands of SHAC. It is difficult to describe the emotions that accompany actions such as I have described. I feel violated. I am vulnerable, angry and gravely frightened for my family. This is precisely SHAC’s goal, to leverage your love of your family, your value of safety, your pursuit of life, removing my freedoms to advance their beliefs, because I go to work each day as a market maker. It is apparent for most people facing this dilemma, the decision is simple: drop LSRI, drop Huntingdon Life Sciences, stop making a market.

Well, I did not, and I do not intend to. I fundamentally believe in the rights that we receive as Americans: the right to liberty and privacy; the right to participate in government and even the right to disagree with government; the right to free speech. The healthy right to free speech should not hold others captive nor force them to do anything.

SHAC inexcusably promotes the lives of animals over the lives of the humans they target. I do not confuse SHAC’s tactic with a noble cause nor should anyone else. Huntingdon is a company that performs a role in the world of developing technology. But more importantly, they perform a lawful function, as do I.

Respectfully, I ask what would you do if your mother, brother, sister, niece, nephew just went to work and were fanatically terrorized. I urge this Committee to simply evaluate the consequences of such unchecked activism. Please do not allow people to force their causes, ideas or opinions upon others using fear, threats or criminal acts.

Thank you very much for the opportunity to be heard today. I am available to answer any questions.

[The prepared statement of Mr. Boruchin follows:]

Senator Inhofe. Thank you so much. I appreciate your courage very much.

Mr. Bernard.

STATEMENT OF RICHARD P. BERNARD, EXECUTIVE VICE PRESIDENT AND
GENERAL COUNSEL, NEW YORK STOCK EXCHANGE

Mr. Bernard. Good afternoon, Mr. Chairman, Senator Lautenberg, Senator Thune. My name is Richard Bernard, I am the General Counsel of the New York Stock Exchange, and the Exchange appreciates the opportunity to facilitate this hearing. I will try to do that by briefly explaining our listing process and touching on the postponement of LSR's listing.

As Mr. Bibi suggested, the Exchange has various blackline material going to the financial well-being and the corporate governance of a company that seeks to list on the New York Stock Exchange. It also, however, has broad discretion to take into account any number of other factors that the Exchange in its judgment may think is relevant to whether a company's stock trades on the New York Stock Exchange.

The other thing I want to mention is that this process, with this notable exception, is always done in confidence. The typical case is that kinds of considerations that go into the listing process are discussed long in advance of any formal announcement, and then the matter is announced. This allows us to avoid creating any negative impact on a company, shareholders on its stock, based upon decisions we may make about whether we wish to list the company or not. They may have nothing to do with the underlying value of the company or its business or its business model.

In the case of this company, LSR, which is how we know it because we would be listing the holding company, we got our cart before our horse. We announced the decision before in fact we had what we needed to make that decision. It resulted in, as far as I know, an unprecedented event of Mr. Bibi and others coming to the Exchange that Wednesday after Labor Day and learning only then that we were deferring this decision. The Exchange regrets that. I will apologize here to Mr. Bibi for that. And I sincerely wish it hadn't happened.

We continue to consider the application of this company. As you might imagine, because of the publicity that our decision and events around it have attracted, it is obviously rather difficult to do this process in a confidential way. But we will continue to seek to do that. Thank you very much.

[The prepared statement of Mr. Bernard follows:]

Senator Inhofe. Thank you, Mr. Bernard.

Dr. Vlasak.

STATEMENT OF JERRY VLASAK, M.D., PRESS OFFICER, NORTH AMERICAN
ANIMAL LIBERATION PRESS OFFICE

Dr. Vlasak. Senator, before I begin, I would respectfully request to be able to put a couple of posters on the board there. I noticed a couple of others have been put up throughout the meeting.

Senator Inhofe. That's perfectly acceptable.

Senator Lautenberg. Mr. Chairman, why do we have to permit this?

Senator Inhofe. Oh, yes, I think Senator Lautenberg has brought up a point. We have a Committee rule that unless the testimony or pictures or charts are submitted in advance, they will not be used in the hearing. So your request is denied.

Dr. Vlasak. My request is denied?

Senator Inhofe. That's correct. Right. Prior to any witnesses coming in, we sent a notice out saying what the rules of the Committee are, and there are certain things that must be submitted in advance. Charts are among those things. You are recognized, Dr. Vlasak.

Dr. Vlasak. I think it only provides an insinuation that we are not hearing both sides of the story. I assume and I have been told by Ms. English that I was invited here to answer questions and try to provide some balance to this hearing. I'm disappointed that I'm not able to use those visual aids.

I received a fax on Friday afternoon which unfortunately was too late for me to be able to provide the posters in advance to this Committee and have them approved.

Senator Inhofe. Well, first of all, I don't agree with that, because if you knew Friday afternoon that you wanted to do this, we would have had a chance to review those. We are going to treat you like everybody else.

Dr. Vlasak. Good afternoon. My name is Dr. Jerry Vlasak. I am a practicing trauma surgeon, but more importantly, for today's purpose, I am here as a press officer with the North American Animal Liberation Press Office.

The actions of activists who care enough about animals to speak out in no uncertain times and at times to risk their own lives and freedom have a message that is most urgent and one that deserves to be heard and understood. Often, acts of animal liberation either go unreported in the media or are uncritically vilified as violent or terrorist, with no attention paid to the suffering the industries and individuals gratuitously inflict upon animals. The Press Office seeks to clarify the motivation and philosophy behind these actions taken in defense of our animal brothers and sisters.

Huntingdon Life Sciences kills 500 animals a day. That is over 180,000 animals per year. They carry out experiments which involve poisoning and torturing animals to death with household products, pesticides, drugs, herbicides, food colorings, sweeteners, oven cleaner and cosmetics. HLS is a contract testing company that operates facilities in the U.K. and New Jersey. They have been infiltrated and exposed in undercover investigations five times in recent years by journalists and animal rights campaigners. Each time, horrific evidence of animal abuse and staff incompetence has been uncovered, including workers punching beagle puppies in the face,

simulating sex with animals in their care, dissecting primates while they are still alive and falsifying experiments to get their client's product on the market.

Two brief examples of the horrific and unscientific testing done at Huntingdon Life Sciences include the following. An estimated 12,800 animals died in the research of the sugar substitute, Splenda, including pregnant rabbits, beagle dogs and primates. Splenda was forced down the throats of beagles who were then killed by insanguination, having their throats slit.

A 2003 experiment on a refrigeration component that has long been banned from production forced seven month old beagle puppies to inhale the pollutant, eventually leading to their deaths. On a daily basis, animals used in vivisection at places like HLS are drowned, suffocated, starved to death, they have their limbs severed and their organs crushed, they are burned, exposed to radiation, used in experimental surgeries, they are shocked, raised in isolation, exposed to weapons of mass destruction and rendered blind or paralyzed.

They are given heart attacks, ulcers, paralysis, and seizures. They are forced to inhale tobacco smoke, drink alcohol and ingest various drugs, such as heroin and cocaine. And in my very own town of Los Angeles, primates are now being forced to ingest the drug ecstasy.

The campaign to stop Huntingdon animal cruelty was set up at the end of 1999 by a group of activists who had successfully closed down numerous other facilities that bred cats and dogs for experimentation. It's important to realize that SHAC is not just one group or a hierarchical entity, but it is an ideology, a paradigm shift, if you will, in the way the public views the atrocities perpetrated by companies such as HLS. Tens of thousands of people worldwide have joined to protest the evil perpetrated upon innocent animals in HLS labs.

While some groups like SHAC USA are legal, incorporated, non-profit organizations, other groups are just loosely knit, caring individuals of like mind. It's ridiculous to think that SHAC is one group with a top-down organization that controls all activities in the 18 countries worldwide where it is currently active.

In summary, there are thousands of physicians like myself worldwide who realize there is no need to experiment on animals in order to help humans, the vast majority of whom get sick and die because of already known preventable lifestyle variables such as diet, smoking, drugs, and environmental toxins. In a country where 45 million people have no access to medical care, in a world where 20,000 children are dying from lack of clean water every single week, there is no reason to waste hundreds of millions of dollars doing unscientific drug testing and experimenting on animals.

Huntingdon is the poster child of an abhorrent, unnecessary and wasteful industry that not only murders millions of innocent, suffering animals, but dooms countless humans to their own unnecessary suffering, because scarce health care dollars are wasted on useless animal research and testing. The struggle for animal liberation needs to be seen in an historical context, like the Boston Tea Party ignited a revolution, like Nelson Mandela and his fight against apartheid, like the suffragettes and John Brown, all of these noble and historical figures fought the governmental powers of oppression, slavery and exploitation.

Today, groups like SHAC USA and other SHAC activists around the world fight legally to end these needless atrocities and the ALF and other groups fight underground for the same purpose. This struggle will go down in history as one of the most moral ever fought.

And regarding the proposed legislation that I heard Mr. Sabin and others mention, I remind you of the quote by John F. Kennedy, "Those who make peaceful revolution impossible will make violent revolution inevitable." Thank you.

[The prepared statement of Dr. Vlasak follows:]

Senator Inhofe. I will start with you, Mr. Bibi. Something that was going through my mind during your testimony is, it would appear to me that we could be subjecting ourselves, if this type of behavior would continue, with losing some of our top scientists, researchers and others to countries, as I said in my opening statement, like China and India and other places. Do you have any thought about that?

Mr. Bibi. I would tend to agree with you, sir. Scientists deserve the right to conduct their vital research in a safe and secure environment. If proper protections are not afforded by our Country to permit that, I have little doubt that unfortunately they would look elsewhere.

Recent developments in the U.K. are perhaps instructive in this regard. It's been reported in the press that as the animal rights terrorism issue grew significantly worse over the past couple of years, the CEOs of a number of leading British pharmaceutical companies confirmed directly to Prime Minister Blair that they would not spend one additional dollar on research facilities in the U.K. until the matter was brought under control.

In fact, I read in the newspaper just this week that a number of African countries, including South Africa, have made an affirmative effort to reach out to the scientific community in the United Kingdom and the United States to say, come work here, it is going to be safer for you to do so.

Senator Inhofe. That's interesting.

Mr. Boruchin, we hear about this type of perverted terrorism, and you never think about it being close to home, at least I don't, until I read your testimony before this hearing. I think you and Mr. Bibi have both been personally subjected to something that's just__it's hard to believe that that could happen in Oklahoma.

I would ask you, you mentioned free speech. Having been the target of this for the last three years, do you think that SHAC's form of activism is protected by free speech? You may not have the background to respond to that, but I'm sure you have talked to others and gotten opinions. What do you think?

Mr. Boruchin. My personal opinion would be that by removing my freedoms to advance their beliefs, I don't believe that is protected by free speech.

Senator Inhofe. The idea of the listing, and Mr. Bernard, of course, we want to hear from you on this, but do you think that it is a costly thing either to you, or you might answer the same thing, Mr. Bibi, on not achieving the listing that you had anticipated you would receive?

Mr. Bibi. Obviously, the postponement of our listing has had a very negative effect on our company and our stockholders. The confidential review process that Mr. Bernard alluded to was in fact conducted in connection with our application early in the process. That would have been the time, obviously, for any issues or concerns to have been raised. In fact it was not, and we were affirmatively told in writing that we had cleared the eligibility review process and were invited to submit the formal application.

The fact that our listing was postponed only after it had been made public has been nothing short of disastrous, quite frankly. Our stock price, for example, had traded consistently in the \$12 to \$14 range in the weeks leading up to the announcement of the listing, closing at \$14.05 on the day before that announcement. On the day of the listing, the stock traded up as high as \$18.30 a share, before closing at \$16 a share. On the day before the listing was postponed, we closed at \$17.50 a share. And then on the day when we announced the postponement, we fell \$2.50 to \$15.00 a share, or roughly \$30 million or so, immediately out of our shareholders' investment portfolios as a direct result of that.

For a couple of weeks after the announcement, three or four weeks after the announcement, the stock held roughly in the \$14 range, and I can only speculate that the investment community believed that the New York Stock Exchange simply had to list us. It was inconceivable that that would not be the case. Regrettably, it appears that the investment community is now losing faith in the likelihood of the Stock Exchange doing the right thing, as our stock has now traded down to about \$10 a share.

So roughly \$100 million of market value has been lost, as well, if we are ultimately denied the listing, we would lose all the benefits that the New York Stock Exchange offers, in terms of increased liquidity, better stock platform.

Senator Inhofe. And I would assume, Mr. Boruchin, that you have suffered similar types of economic loss.

Mr. Boruchin. I'm a little confused. As I understood, the company met all the requirements of the New York Stock Exchange. I know there are two other companies that do similar testing in their business, and they are on the Exchange.

For me personally, it probably would have resulted in a loss of income, because as a market maker, I am not on the New York Stock Exchange. However, the other side is, the target on my back probably would have been eliminated. I question why they are not on the Exchange, and am concerned, as you are, whether the terrorists, SHAC, had any influence on that.

Senator Inhofe. We have a witness we will be asking those questions of.

Before we do that, I would like to ask my two colleagues if there is any objection to taking a little bit longer on each one. We do have a vote at 4:15, and if we could just have a little bit longer than the five minutes, if that's all right.

Mr. Bernard, you had used the term postponing and deferring the listing. Is it your anticipation that the process is still ongoing, or would you like to respond to any of the comments that have been made concerning the Exchange?

Mr. Bernard. The process is ongoing, and I otherwise have no comment.

Senator Inhofe. Okay. Dr. Vlasak, do your fellow animal rights activists understand that animal testing is required by law and therefore the people who are performing this testing are merely following the law. Do they understand that, and do you understand that?

Dr. Vlasak. I understand that they are merely following the law, and the law in this case is wrong, just like the law that allowed slavery was wrong at one time.

Senator Inhofe. Well, you mentioned slavery, you also mentioned slavery in several of the comments that you made, as well as your testimony. You analogized the plight of animals to that of the African-American slaves of early American history, asserting that the animal rights movement is similar to that of the Underground Railroad. You even at one time or several times have talked about the Jews in Nazi Germany.

It sounds to me, in looking at this, like you're evaluating the lives of human beings in a similar way that you are animals. Do you think animals' lives are as precious as human life?

Dr. Vlasak. Non-human lives, non-human animal lives, are as precious as animal lives. At one time, racism and sexism and homophobia were prominent in our society. Today speciesism is prominent in our society. It is just as wrong as racism.

Senator Inhofe. So you do put them in the same category, the animals of non-human and human lives? Is that correct?

Dr. Vlasak. They are morally equal.

Senator Inhofe. They are morally equal?

Dr. Vlasak. They are.

Senator Inhofe. One of the statements you made at the animal rights convention when you were defending assassinating people, murdering people, you said, let me put it up here to make sure I'm not misquoting you, "I don't think you'd have to kill, assassinate too many. I think for five lives, ten lives, fifteen human lives, we could save a million, two million, or ten million non-human lives."

You're advocating the murder of individuals, isn't that correct?

Dr. Vlasak. I made that statement, and I stand by that statement. That statement is made in the context that the struggle for animal liberation is no different than struggles for liberation elsewhere, whether the struggle for liberation in South Africa against the apartheid regime, whether the liberation against the communists, whether it was the liberation struggles in Algeria, Viet Nam or Iraq today, liberation struggles occasionally or usually, I should say, usually end up in violence.

There is plenty of violence being used on the other side of the equation. These animals are being terrorized, murdered and killed by the millions every day. The animal rights movement has been notoriously non-violent up to this point.

But I don't believe that ___ I believe as my statement says ___

Senator Inhofe. Let me interrupt. You said it has been notoriously non-violent up to this time?

Dr. Vlasak. That is correct.

Senator Inhofe. You don't think there is violence in the testimony you've heard?

Dr. Vlasak. I think when you compare the 500 animals being murdered every single day at Huntingdon Life Sciences, which is just one company, I think when you look at the amount of violence that goes on at Mr. Boruchin's house, getting a little spray paint on the wall, I think if you look at the amount of violence that went on at this yacht club in New York, where again some spray paint was slapped up on a wall, I don't think you can compare that kind of vandalism with the murder of millions of animals.

Senator Inhofe. And so you call for the murders of researchers and human life?

Dr. Vlasak. I said in that statement and I meant in that statement that people who are hurting animals and who will not stop when told to stop, one option would be to stop them using any means necessary and that was the context in which that statement was made.

Senator Inhofe. Including murdering them, is that correct?

Dr. Vlasak. Pardon?

Senator Inhofe. Including murdering them?

Dr. Vlasak. I said that would be a morally justifiable solution to the problem.

Senator Inhofe. Senator Lautenberg.

Senator Lautenberg. Dr. Vlasak, you approve of these dastardly acts in the name of liberation, of a liberation movement. Do you have any children?

Dr. Vlasak. I have no children. And just to be clear, I don't approve of any unnecessary suffering. And I wish these things didn't have to happen.

Senator Lautenberg. Fine. You do. And what you have said confirms it. So I just want to go there. I want to know who you are, what makes you tick. Because it is so revolting to hear what you say about the murder. These aren't extermination camps. What's being done, whether you like it or not, is to try and improve the quality of life for human beings. This isn't Germany.

How do you feel about people, you said you think people who have a cause have a right to violence. How about the guys who kill our soldiers and who killed the people in the Trade Towers? They have a cause. Is that okay with you?

Dr. Vlasak. No. Unnecessary loss of life is never okay with me. I extend that loss of life to animal life, non-human animal life as well.

Senator Lautenberg. You're the super moralist, you're deciding where it's right and where it's wrong. Many people who have causes, some of them justified, but to take tactics like the intimidation of people to spoil their lives or spoil their ability to make a living is an outrageous thing to propose. You're anti-social in your behavior, obviously. But to sit here so smugly and be proud of the fact that you stand by this statement about five or ten lives, if those lives were your kids, well, maybe you don't have anybody you love. You don't have any kids.

Can I ask you a question? Mr. Boruchin's life has been exposed, credit card numbers, everything else. Where did you go to medical school?

Dr. Vlasak. I attended medical school at the University of Texas, in Houston.

Senator Lautenberg. And where do you practice now?

Dr. Vlasak. I practice in the Los Angeles area.

Senator Lautenberg. At a hospital?

Dr. Vlasak. I do. A number of hospitals.

Senator Lautenberg. What is your favorite, what is your dominant hospital activity?

Dr. Vlasak. I practice at several hospitals in the Riverside and San Bernadino area.

Senator Lautenberg. Name one.

Dr. Vlasak. Loma Linda University.

Senator Lautenberg. Mr. Chairman, first of all, I think in terms of the New York Stock Exchange, a place I am familiar with through my earlier business life, ADP, and also my company, my ex-company, provided restoration of activities after 9/11. The assault took place

on a Tuesday and by Monday, my company, my ex- company, without contract, without pricing discussions, had a company named Cantor Fitzgerald back and operating, in less than six days, never had any business with them before.

So I am directly involved, have been, and we listed on the New York Stock Exchange. We could subpoena records, I guess, Mr. Chairman, and find out why it is that the New York Stock Exchange decided not to permit this company's listing. Because if all things are in order, this isn't the local golf club or something. Someone applies and they have the qualifications financially and there is no scandal attached, I assume that you have no right not to list. Is that so, Mr. Bernard?

Mr. Bernard. No, sir, that's not so. Those so-called blackline criteria are the minimum bar, and the Exchange has the right, in its rules approved by the SEC, to bring in other factors in making a listing decision.

Senator Lautenberg. Right. But if they meet the criteria that's established, is someone saying, I don't like the way he combs his hair or something?

Mr. Bernard. Well, it's certainly not to be trivialized, but the Exchange has minimum criteria that are financial and corporate governance.

Senator Lautenberg. Right.

Mr. Bernard. After that, it's making a business decision, just as ADP would in choosing to help Cantor Fitzgerald, for which ADP should be very much appreciated.

Senator Lautenberg. I think we ought to go further.

Dr. Vlasak, how do you feel about animals like rats and mice? The use of experimentation on them to see how they react to different medications, things of that nature, would you permit that?

Dr. Vlasak. I think it's a hugely wasteful use of scarce resource dollars that we have in the medical industry. We have much better ways of showing whether a drug is toxic to a human being or not, rather than choking it down a rat's or a mouse's throat.

I think from a scientific standpoint __

Senator Lautenberg. If they are injected __

Dr. Vlasak. Pardon?

Senator Lautenberg. If they are injected with a material, is that okay?

Dr. Vlasak. As I was trying to explain to you, I think from a scientific standpoint, there is so little validity to doing that that we're wasting hundreds of millions of scarce health care dollars. Even if it did work, though, and it doesn't, but even if it did, I'd still be against it. Because the same

reason I'm against the experimentation that happened on human beings against their will, whether it was in Nazi concentration camps or whether it was here in the United States ___

Senator Lautenberg. We shouldn't experiment on human beings.

Dr. Vlasak. There were people who were experimented on against their will. They got good, useful results and they published it in the same medical journals that I read today. But it was wrong. Whether it worked or not doesn't matter.

Senator Lautenberg. Since I have the mic on this side, I would prefer that we follow my line. So you would say, there is something called the Lautenberg Cancer Research Center. I helped establish that, because my father died when he was 43 years old. He got sick at age 42, he worked in a mill in Patterson, New Jersey, as did his brother, my uncle. He died when he was 52, also cancer, their father died also of cancer when he was 56.

And when I had the good fortune of success in business, I put some resources into a group of New Jersey scientists who were moving abroad, to learn more about cancer research. After watching my father suffer for a year, 13 months, he was athletic, he was strong, he exercised, he was very careful about his diet, I had enlisted in the Army when my dad finally died, and I made the decision then that I would do whatever I can to try and prevent another family from undergoing the same torture and grief, the same individual.

But you are so smug, if you'll forgive me, about what is right and what is wrong. If I asked you a question about mice, mice that are raised particularly, Mr. Chairman, for learning more about the anatomy of the animal and see if we can convert that. And right now, there is all kinds of talk about using, even using animal organs for life saving. You wouldn't permit that, would you?

Dr. Vlasak. Well, I'm sorry to say that your organization is wasting money on mice and rat experimentation, when we know much better ways to find cures for human beings.

Senator Lautenberg. I'll tell the scientists there about that.

Dr. Vlasak. Let me just address the transplantation issue that you brought up. As you know, transplantation, or placing animal organs into human beings, that's not going to work. It hasn't worked, and it's not going to work any time in the near future. We have a hard enough time transplanting human organs into human beings and all the immunosuppressives that are required to do that.

Senator Lautenberg. We can't find them all that we need.

Dr. Vlasak. Well, we could, if we had a presumed consent law, for instance. If you guys would pass a law that says everybody's an organ donor unless proven otherwise, or unless they declare they don't want to be. This has been done in Belgium, they get all the organs they need by doing laws like that.

There is not a shortage of organs absolutely, there is a shortage of organs that we can get at the last minute. I deal in trauma patients, I see people die every day. I save lives, but I lose lives sometimes as well.

Senator Lautenberg. But you're willing to take lives. That's the anomaly here. You are willing to say that somebody you don't know, somebody's kid, somebody's parent, somebody's brother, somebody's sister, take that life, that's okay.

Dr. Vlasak. These are not innocent lives.

Senator Lautenberg. You'll teach those SOBs a lesson about killing those mice or killing those animals, or doing experimentation that's going to make this world__why are we living longer? It is because we experimented in different ways. And for you to sit there and you decide what the proper course of action is in the sanctity of your practice and the rules of your club here, which is identified in your statement, "morally acceptable," I don't want to waste my own energy any more.

Mr. Chairman, this is an outrage to have an individual sit here and impose a standard that is supposed to fit all of society. I don't know whether, at Mr. Bibi's company, everything they do is exactly right. I know that what they're trying to do is to help us live better lives, all of us. And I hope that they continue.

And when I see a kid down here, at Walter Reed Hospital, who's lost a leg or lost a part of his body, and they find ways, because they have experimented with things, maybe to regrow even bone, it's fantastic, and I want it to continue. And you have no right to intimidate people who are engaged in a proper practice under our laws. You want the law changed? Write letters. Come down here and ask for a change in law about whether or not animal experimentation is right. Don't take the law into your own hands. That's a bad mistake.

Dr. Vlasak. HLS isn't trying to save human lives. They're trying to turn a profit, nothing else.

Senator Inhofe. Senator Lautenberg, thank you. I think you and I can go a long ways to correcting what we have seen here today with the law that we are introducing, and I look forward to working with you on the floor of the Senate to make sure that we get this thing passed and give the FBI and the Department of Justice the necessary tools to stop this type of perversion in our society.

My son called me up right before this hearing, he noticed we are having this hearing. He's a doctor. He said, at some point, you need to explain to them that it's either going to be the lives of these animals or human life. When I call him back, Dr. Vlasak, that we have a witness who equates animals lives with human lives, then that takes away all the argument. If you believe that in your own heart, what you do, and you have advocated the assassination, the murder of human lives, of human beings, of researchers, then I don't see any reason to go any further with this.

I can just assure you that we are going to give law enforcement the necessary tools to stop this type of thing from happening. I can assure you of that. That's not a maybe, that's a definite.

And the rest of you, for having the courage to come here and relate this to us today, I can assure you that there are many members who aren't here who are on this panel whose staff is here. They will be submitting questions for the record to all four of you. I hope that you will be able to respond to those, and I can assure you, this has been a very useful hearing. I appreciate your presence here.

We are adjourned.

[Whereupon, at 4:05 p.m., the committee was adjourned.]