



GREED UNLEASHED:

PetSmart, BC Partners, and what happens when private equity preys on workers and pets

SEPTEMBER 2021

UNITEDfor
RESPECT

EXECUTIVE SUMMARY

Private equity is a particularly predatory industry within the financial sector that has grown exponentially over the last decade thanks to legal loopholes and massive capital investment by public and private pension funds, endowments, and high net worth individuals. The typical private equity playbook includes imposing high-debt loads on companies acquired via leveraged buyouts, extracting additional fees and dividends from the acquired companies, and stripping companies of core assets needed to remain competitive.

While private equity-driven bankruptcies and job losses have made headlines and garnered public outcry, private equity-owned companies currently employ 11.7 million workers¹, making the industry a major employer in the United States. Assets held by private equity firms have grown from \$1 trillion prior to the 2008 financial crisis to nearly \$4.5 trillion today.²

From housing to health care, private equity has its tentacles in nearly every sector of our economy and the \$100 billion US pet store industry³ is no exception. The top three pet specialty retailers in the United States⁴ - PetSmart, Petco, and Pet Retail Brands - were all private equity owned until CVC Capital Partners took Petco public in January 2021.⁵ Atlanta based Roark Capital created Pet Retail Brands, the third largest pet retailer in North America, in 2019 by merging Pet Valu and Pet Supermarkets.⁶ A consortium led by London-based BC Partners acquired PetSmart for \$8.7 billion⁷ in March 2015 and retains ownership of the company today.⁸

These pet specialty retailers are competing to capture a bigger piece of the growing “pet parent” market by offering high-touch, high priced services⁹ like grooming, boarding, and training. Services whose provision depends on well-trained, well-compensated employees. Yet, PetSmart, the largest among them, is cutting corners on the staffing, training, supplies, and equipment needed to provide quality petcare. Sadly, it is PetSmart associates, customers, and pets who pay the price for BC Partners’ extractive ownership practices.

United for Respect conducted original research and interviews with PetSmart employees between April 2020 and July 2021. Our findings reveal how the harmful impacts of private equity ownership coupled with a laissez-faire regulatory environment degrades working conditions and the quality of petcare at the largest pet specialty retailer in the country, particularly during the COVID-19 pandemic.

Our findings also underscore the need for company executives to tap the expertise of frontline employees in corporate policy making and implementation to ensure the provision of exceptional pet care, long-term industry competitiveness, and to safeguard employee and pet health and safety.

The PetSmart employees who agreed to be quoted in this report did so out of a sincere desire to make PetSmart a high-road employer and a safe place for animals, big and small.

Report Images: All images throughout report are stock photos.

KEY FINDINGS



Many of the PetSmart associates we spoke with expressed concerns about understaffing and insufficient training making it difficult to properly handle customer traffic and provide professional petcare.

PetSmart failed to adequately protect frontline workers during the COVID-19 pandemic.

Many of the PetSmart associates we spoke to recounted working during the pandemic pet boom¹⁰ under conditions they feared put workers and animal welfare in jeopardy. In July 2020, hundreds of current and former PetSmart employees wrote to BC Partners asking them to provide proper personal protective equipment, hazard pay, and to ensure store management effectively implemented recommended protocols in stores, like social distancing and mask mandates.¹¹ As of the publication of this report, employees have yet to receive a response from BC Partners.

BC Partners' operational mismanagement degrades working conditions and puts animals at risk.

Many of the PetSmart associates we spoke with expressed concerns about understaffing and insufficient training making it difficult to properly handle customer traffic and provide professional petcare. Employees also reported ongoing supply shortages and frequent malfunction of proprietary equipment that further undercut their ability to care for animals.

Dog deaths have more than doubled since BC Partners acquired PetSmart in 2015.

At least 36 dogs have died since 2015 while receiving care at PetSmart or shortly thereafter. Between 2008 and 2014, only 15 dogs died under PetSmart's care.¹² In addition, PetSmart has been cited for animal neglect and abuse in Colorado¹³, North Carolina¹⁴, and Tennessee¹⁵ while under BC Partners' ownership.

Minimal federal and state oversight of pet retailers and pet grooming further jeopardizes employees and pets.

Regulatory oversight of pet retailers is minimal across the 50 states and there are no federal regulations requiring training or certification of pet groomers.¹⁶ Minimal state and federal oversight of the pet industry - pet grooming in particular - further jeopardizes employees and animal welfare by leaving the pet industry and its private equity owners to define standards of care. Six states have attempted unsuccessfully to regulate pet grooming over the last decade. Nearly all proposed legislation was prompted by instances of pet injury or death during grooming sessions.¹⁷

KEY RECOMMENDATIONS

Private equity owners of pet specialty retailers have a responsibility to protect employees and public health, create quality jobs, and ensure the provision of exceptional pet care.

To protect frontline employees and pets, BC Partners must guarantee:

- **Quality Jobs for All Frontline Employees**
Guaranteed \$15 minimum wage, fair scheduling, access to full-time hours, a safe work environment, and a \$5/hour essential worker pay increase.
- **Healthcare for All**
Provide quality employer-paid healthcare and cover premiums for all employees, including part-timers.
- **Prioritize Pet Safety**
Provide employees with functioning equipment, proper supplies, and adequate staffing and training that allows employees to safely give animals the caring services they deserve.
- **Job Protections**
Establish a severance policy for all employees in the event of bankruptcy or change of ownership that would result in layoffs, with at least one week of pay per year of employment, two weeks minimum. Any layoffs should be done in order of reverse seniority and employees should get at least 90 days notice.
- **Worker Representation on the Board of Directors**
Frontline employees should have input into corporate policies that directly impact them and the pets they care for. Pet care professionals bring unique knowledge and perspectives that are essential to the provision of exceptional pet care and customer service as well as the long-term competitiveness of PetSmart.

Federal policy makers must reign in private equity excess and protect employees who organize to improve their working conditions:

- Pass the **Stop Wall Street Looting Act (SWSLA)** to protect workers, communities, and businesses from private equity extraction and excess. Private equity executives pay themselves fees for nonexistent services and quickly convert the assets of acquired companies into dividends for the private equity firm. This leaves the companies without resources to invest in sustaining and growing their businesses, or paying workers fairly.
- Pass the **Protecting the Right to Organize (PRO) Act** to remove obstacles that impede workers from exercising their rights to improve their livelihoods and working conditions. Defending these rights is crucial in lessening the plight of economic inequality, as it allows workers to come together and fight for safe working conditions, enhanced wages and benefits, and equalizes the power imbalance between workers and their employers.

State policy makers must protect pet store workers and regulate pet specialty retailers:

- Ensure pet service workers have access to **rigorous training and certification programs** that prepare them to provide safe, quality pet care.
- Require pet specialty stores to **report instances of pet death and injury**, empower a State Agency to investigate these incidents, and **prohibit** pet specialty retailers from entering into **non-disclosure agreements** with customers.
- Encourage pet service workers to **report unsafe working conditions** and company practices and policies that can seriously injure animals under their care.



INTRODUCTION



The growing

\$100 billion

US pet store industry
has not escaped private
equity's grasp.

Private equity's role in retail bankruptcies and massive job losses has been well documented.¹⁸ Less talked about are the significant number of people employed by companies owned by private equity. Nearly every sector of our economy has come under private equity control, from retail and media to grocery, health care, and housing.

The industry has grown exponentially over the past decade thanks to legal loopholes and massive capital investment by public and private pension funds, endowments, and high net worth individuals. Assets held by private equity firms have grown from \$1 trillion prior to the 2008 financial crisis to nearly \$4.5 trillion today.¹⁹ Private equity-owned companies currently employ 11.7 million workers²⁰, making private equity a major employer in the United States.

The growing \$100 billion US pet store industry²¹ has not escaped private equity's grasp. The top three pet specialty retailers in the United States²² - PetSmart, Petco, and Pet Retail Brands - were all private equity owned until CVC Capital Partners took Petco public in January 2021.²³ Atlanta based Roark Capital created Pet Retail Brands, the third largest pet retailer in North America, in 2019 by merging Pet Valu and Pet Supermarkets.²⁴ PetSmart, owned by a consortium led by London-based BC Partners, employs 55,000 people across 1,650 stores in the US, Canada, and Puerto Rico including over 200 in-store PetHotels facilities.²⁵

When BC Partners acquired PetSmart for \$8.7 billion²⁶ in March 2015 it was the largest private equity buyout of the year.²⁷ Within 10 months of the takeover, PetSmart paid a whopping \$800 million dividend to its new owners (about 38% of total acquisition cost).²⁸

A year into its tenure over PetSmart, BC Partners acquired its e-commerce competitor Chewy.²⁹ The purchase was scrutinized by lenders for saddling an additional \$2 billion onto PetSmart's existing \$6 billion debt load³⁰ and despite PetSmart's relatively weak e-commerce position, BC Partners chose to keep Chewy and PetSmart operations separate, minimizing the companies'

ability to realize synergies.³¹ BC Partners then relinquished PetSmart's entire stake in Chewy through a recapitalization initiated in 2020.³² While the spilt substantially reduced PetSmart's debt, much of which was the result of BC Partners' leveraged buyout,³³ it left the company vulnerable to e-commerce competition and enhanced the need for PetSmart to deliver exceptional, personalized services to customers and their pets to remain the industry leader.³⁴

In the face of mounting competition from supermarkets, mass merchandisers, and online retailers that offer similar products at competitive prices, PetSmart - and its now public competitor Petco - has positioned itself as the exclusive provider of high-quality food and service offerings like grooming, training, and boarding.³⁵ In fact, PetSmart's investment in services is credited with bringing to a near-halt a long sales decline at the company.³⁶ While other retailers have slowed or halted new store openings, PetSmart continues to open brick and mortar stores. New PetSmart stores were opened in North Carolina, West Virginia, Louisiana, and Wisconsin in 2021 demonstrating the company's continued investment and commitment to in-store services.³⁷

By every measure, 2020 was a wildly successful year for the pet industry. Sales surpassed \$100 billion for the first time³⁸ and analysts predict the post-pandemic pet industry will be even bigger and more consolidated.³⁹ PetSmart reported increased sales and foot traffic in the Spring of 2020⁴⁰ and stands to benefit from continued growth and consolidation.

As the largest pet retailer in North America, PetSmart is well-positioned to raise industry standards. Yet, BC Partners seems to be taking a page out of the private equity playbook by underinvesting in critical elements of PetSmart's operation and core business which impacts employees, pets, and the company's long term competitiveness.

We hope the findings in this report spur pet parents and policy makers to join PetSmart employees in their effort to make PetSmart a better place to work and a safer place for animals, big and small.



PETSMART FAILED TO ADEQUATELY PROTECT EMPLOYEES DURING THE COVID-19 PANDEMIC

When state and local governments began issuing stay-at-home orders forcing non-essential businesses to shutter their doors, PetSmart successfully lobbied to secure an “essential business” designation⁴¹ and continued to operate in every state in which it was not legally barred from doing so.

“PetSmart didn’t care if we got COVID-19 and died. We could be replaced as if we meant nothing. We were tools to be used until we couldn’t anymore.”

— Joy, Petcare Associate in Tennessee

PetSmart employees described a palpable uptick in customer traffic during the Spring of 2020 and expressed concern about the failure of store management to effectively implement and enforce policies and procedures recommended by the CDC to protect employees and customers from COVID-19 exposure.

Nearly 30% of Americans adopted a new furry friend during the pandemic.⁴² Animal shelters across the United States faced a unique problem for the first time; the high demand for animal adoptions meant shelters were running low on supply.⁴³ According to the American Pet Products Association (APPA),

Americans spent \$103.6 billion on their pets in 2020 - over \$30 billion of which was spent on pet supplies, over-the-counter medications, and pet services such as pet boarding, grooming, insurance, training, pet sitting, and walking services.⁴⁴

PetSmart cut corners while profiting from the pandemic pet boom. Between March and April of 2020 the pet retailer saw a 36% increase in sales and in-store foot traffic growth of 6%.⁴⁵ Despite this spike in demand, PetSmart temporarily furloughed and then permanently laid off employees across multiple stores in April and May 2020⁴⁶ resulting in an abrupt loss of income and health insurance. The company did not provide severance pay to laid-off employees, even though the job losses came during an economically crippling pandemic.

PetSmart associates who continued to work did so with fewer staff than before and without hazard pay. Major retailers, some of them direct competitors of PetSmart — Amazon⁴⁷, Target⁴⁸, Costco⁴⁹, and RiteAid⁵⁰ — boosted hourly wages in recognition of the increased risk to frontline employees. In contrast to many other companies, PetSmart also did not voluntarily provide paid COVID-19 leave to employees.

“Our shift leader was supposed to text us and ask if we were having any symptoms of COVID-19. They were supposed to ask in person, in the store every day, and I never got asked that. Never.”

— Crista, Pet Bather in Texas

As the magnitude of the COVID-19 crisis began to crystalize, current and former PetSmart associates began to speak out about unsafe conditions, insufficient paid leave, and loss of their livelihoods. In July 2020, over 500 current and former PetSmart employees wrote to BC Partners alerting them to ongoing hazardous conditions in stores including insufficient personal protective equipment, lax enforcement of social distancing protocols, and a refusal to provide severance pay to laid off employees or hazard pay to employees who continued to work at great risk to themselves and their families⁵¹.

It has been over a year since PetSmart employees reached out to BC Partners. As of the publication of this report, BC Partners has yet to respond to any of the people who signed onto that letter.

PetSmart’s ineffective health and safety protocols inspired Crista, a former pet bather in Texas, to abruptly quit their job in January 2021 after two months of anxiety over contracting the disease at work. In an interview with VOX, Crista stated, “I was weighing the risk of, do I potentially bring COVID home to myself and my family for what amounts to basically poverty wages?”⁵²

“They don’t even tell anyone when people get COVID-19. They just bring in a cleaning crew, then someone is gone for two weeks and they’ll tell us that person is on vacation.”

— Michelle, Retail Sales Associate in California

PetSmart’s lax COVID-19 protocols also prompted complaints with the Occupational Safety and Health Administration (OSHA) in March and April of 2020:⁵³

- **March 2020:** A complaint was filed against a PetSmart store in Staten Island, NY after a PetSmart associate tested positive for COVID-19 and it was reported that only the back of the pet hospital was sanitized, not the entirety of shared common areas. The complaint detailed how other employees did not feel safe working there.
- **March 2020:** A complaint was filed in Salem, NH for not enforcing CDC guidelines for COVID-19.
- **April 2020:** A complaint was filed against a PetSmart store in Virginia for not protecting employees from contracting and spreading COVID-19 in the workplace. It was noted in the complaint that employees in grooming salons cannot social distance, nor could employees properly distance themselves from customers.
- **April 2020:** A complaint was filed against a PetSmart in Tacoma, WA for failing to enforce social distancing guidelines, not providing hand sanitizer to customers and employees, and not limiting the number of customers inside the store.
- **April 2020:** A complaint was filed in Daytona, FL for failure to implement CDC/OSHA guidelines for workplace protections against COVID-19.
- **April 2020:** A complaint was filed in Denver, CO against PetSmart for failing to implement COVID-19 precautions such as access to PPE, social distancing, limiting the amount of customers inside of the store at one time, or training workers about the hazards of COVID-19. **The complaint also stated that employees who were sick were required to report to work.**



“They don’t even tell anyone when people get COVID-19. They just bring in a cleaning crew, then someone is gone for two weeks and they’ll tell us that person is on vacation.”

— Michelle, Retail Sales Associate in California

- **April 2020:** A complaint was filed against a PetSmart store in Waterbury, Connecticut after **a worker tested positive for COVID-19 and risked exposing other workers in the store.**

While PetSmart clearly fell short in its attempts to safeguard stores from coronavirus, the company was grappling with health and safety issues well before the COVID-19 pandemic.

The federal OSHA and state occupational health agencies have conducted multiple inspections of stores across the country every year between 2015 and 2021, several of which resulted in violations and fines against PetSmart:

- **April 2015:** A PetSmart in Hermitage, TN was fined \$1,000 for multiple safety violations,⁵⁴ including **violation of hazard communication program requirements**, which require employers to provide employees with effective warnings, information, and training about hazardous chemicals.⁵⁵
- **March 2016:** PetSmart was fined \$2,459 for a serious health and safety violation at a store in Traverse City, MI.⁵⁶
- **August 2017:** A PetSmart in Vero Beach, FL was fined \$5,432⁵⁷ for violating vermin control requirements.⁵⁸
- **February 2018:** OSHA fined a PetSmart in Hyannis, MA \$11,034⁵⁹ for **failure to provide a workplace free from recognized hazards that were causing or likely to cause death or serious physical harm where employees were exposed to hazards associated with dog attacks.**⁶⁰
- **June 2019:** A PetSmart in Bangor, Maine was fined \$41,676 for multiple, serious and repeat safety violations⁶¹ including **violations of medical first aid requirements.**⁶²

- **November 2020:** PetSmart was fined \$9,535⁶³ for **not complying with Virginia’s COVID-19 emergency temporary standard**⁶⁴ at a store in Woodbridge, VA.
- **February 2021:** PetSmart was fined \$14,348 for multiple serious OSHA violations at a store in Williston, VT⁶⁵ including **improper hazard communications**⁶⁶ and **failure to keep records of workplace injuries, illnesses, and fatalities.**⁶⁷ This case is still open and fines are not final.

Many of the PetSmart associates we spoke to recounted working during the pandemic under conditions they feared put workers and animal welfare in jeopardy and expressed frustration that BC Partners has not addressed many of the problems employees raised in July 2020. In addition, the number of OSHA inspections conducted and complaints filed against PetSmart for violations of workplace safety standards⁶⁸ underscores the need for PetSmart to strengthen internal protocols and policies during the COVID-19 crisis and beyond. With the rise of new, more aggressive coronavirus variants, PetSmart associates have renewed concerns about their well-being at work and the health and safety of customers and pets under their care. As PetSmart’s owner, BC Partners has a responsibility to ensure CDC and OSHA rules and recommendations are properly implemented and enforced across PetSmart’s fleet of stores and that employees are provided compensation commensurate with the level of risk associated with working a public-facing job during a global pandemic.

Many of the PetSmart associates we spoke to recounted working during the pandemic under **conditions they feared put workers and animal welfare in jeopardy** and expressed frustration that BC Partners has not addressed many of the problems employees raised in July 2020.



OPERATIONAL MISMANAGEMENT IS COMPROMISING JOB QUALITY, PET & CUSTOMER CARE

As animal adoptions skyrocketed during the pandemic⁶⁹ PetSmart associates were faced with a surge in customer demand. Customers needed advice on how to care and provide for their new animals as well as a host of supplies and services. Instead of investing in the workforce by hiring more staff, increasing pay, or offering flexible emergency leave, BC Partners cut staffing positions as demand for pet adoptions and supplies was soaring.⁷⁰ PetSmart associates also faced a number of operational issues that made providing quality pet care and customer service challenging. Under staffing, supply shortages, broken or improperly repaired equipment, and other operational troubles made day to day work at PetSmart unnecessarily difficult for frontline employees.

Zoe, a pet stylist-in-training, who performs grooming services in Massachusetts, had to deal with ongoing flooding in their PetSmart salon. According to Zoe, “there was a straight month going back and forth between either the salon [where dogs are bathed] was flooding or the bathroom was flooding.” To make matters worse Zoe’s store had parasitic worms growing in the flooded drains.

In addition to flooding, Zoe’s location had difficulties keeping temperatures in the salon within PetSmart’s own temperature guidelines, which state that heat in salons should not exceed 80 degrees. Zoe reported working in strenuous conditions at temperatures above 80 degrees.

“PetSmart is making huge profits and still doesn’t want to put in the money to make needed repairs. They just do little band-aid fixes so the problems don’t go away and we’re stuck working in conditions that are not safe for us or the pets.”

— Zoe, Pet Bather in Massachusetts

Additionally, Zoe said that PetSmart frequently ran out of specific shampoos and conditioners that were necessary to adequately perform their job. Malfunctioning equipment was rampant. The “Hydrosurge” bathing system at Zoe’s location was

defective for months at a time, which meant bathers had to spend more time manually washing pets with their hands without the assistance of the expensive equipment customers had paid for.

Adrian, the bather who is training to become a groomer in Georgia, echoed Zoe's experiences. Adrian recounted how when they started working for PetSmart in late November 2020, their store location went without FURminator®'s dog shampoo and FURminator® deshedding solution for the entirety of the holiday season. PetSmart offers a specialized service for an additional charge that helps reduce the shedding of animals with specific coats utilizing FURminator®, but when their store ran out for several months PetSmart did not stop offering the service and associates were told to use a cheaper alternative because they "smelled similar."

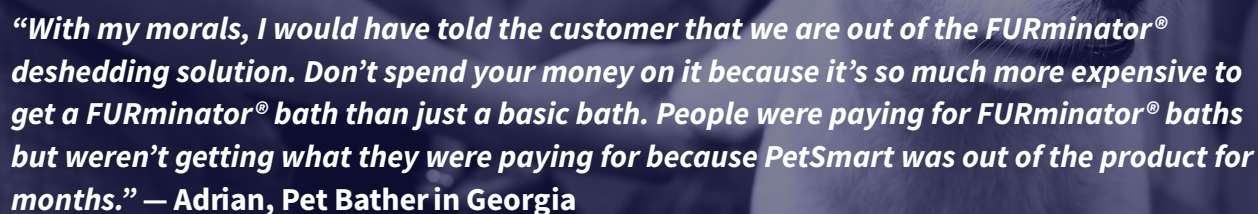
"With my morals, I would have told the customer that we are out of the FURminator® deshedding solution. Don't spend your money on it because it's so much more expensive to get a FURminator® bath than just a basic bath. People were paying for FURminator® baths but weren't getting what they were paying for because PetSmart was out of the product for months." — Adrian, Pet Bather in Georgia

PetSmart associates in Crista's store in Texas have had to constantly deal with equipment that would go out of service for long periods without being repaired and a lack of basic supplies. In an interview, Crista shared how when specialty pet shampoos and conditioners ran out groomers were forced to resort to whatever supplies they had on hand - even if it was not the expensive product pet parents thought was being used.

In addition to supply shortages, Crista's store had clogged drains in the dog bathing area, which would cause a terrible odor and floors in the room where dogs were groomed had a persistent algae growth issue.

Adrian, Zoe, and Crista's experiences indicate that PetSmart customers may be paying for a service they did not receive.

PetSmart associates continue to express concern about the impact these operational issues have on customers and pets. As frontline employees they have a unique understanding of what is and is not working in their stores. Yet, BC Partners continues to ignore PetSmart associates' call for needed changes in stores across the country.



"With my morals, I would have told the customer that we are out of the FURminator® deshedding solution. Don't spend your money on it because it's so much more expensive to get a FURminator® bath than just a basic bath. People were paying for FURminator® baths but weren't getting what they were paying for because PetSmart was out of the product for months." — Adrian, Pet Bather in Georgia

DOG DEATHS SPIKED AFTER BC PARTNERS ACQUIRED PETSMART

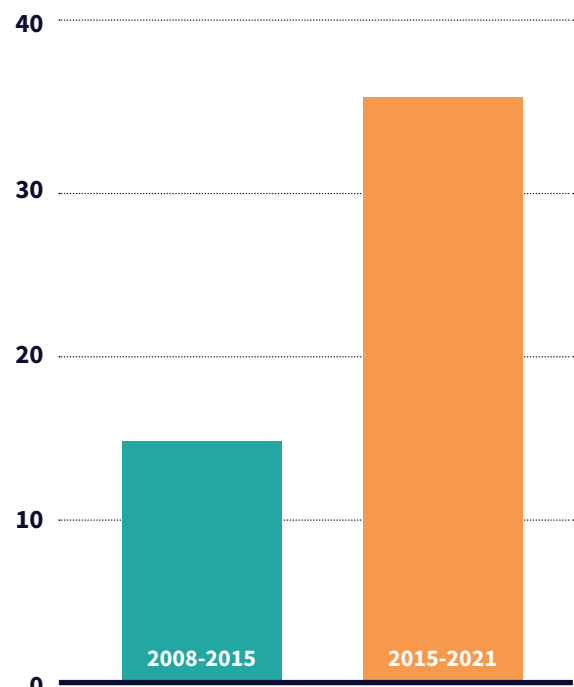


Since BC Partners acquired PetSmart in 2015, press reports show that dog deaths in PetSmart’s care have more than doubled. A groundbreaking 6-month investigation entitled “Groomed, then Gone: Dogs are dying after PetSmart visits and families struggle to understand why” by **NJ Advance Media**, found that the deaths, which typically occur during or immediately after grooming services at PetSmart, *surged after private equity took possession of the firm in 2015.*

From 2008 to 2014 there were only 15 pet deaths nationally for the company, but from 2015 to 2018 in the first three years that BC Partners owned the retailer, that number surged to over 30 deaths.⁷¹ In less than three years since the investigation, press reports show that an additional five dogs have died while in PetSmart custody or shortly thereafter, including a poodle that was **allegedly strangled while being groomed** and a bulldog that was **crushed under a PetSmart grooming table.**

PetSmart did not admit to wrongdoing in any of the deaths covered in the NJ Advance Media study, but the corporation has not been transparent and has refused to disclose the number of dog deaths in their custody - the true number of

Dog Deaths More Than Doubled After BC Partners Acquisition



dog deaths at PetSmart may actually be higher than those uncovered during the investigation.

Is Understaffing and Inadequate Training to Blame?

At the time of the NJ Advance Media report, they found that understaffing and under training might be factors that explain the high number of dog deaths in PetSmart's care:

“Some former employees allege PetSmart’s groomer training — which the company touts as the industry’s very best — can fall short of what’s advertised. They say they have seen unprepared trainees rushed into stores because of short-staffing, putting dogs at greater risk of injury.” And, “...many [PetSmart employees] felt either ignored or retaliated against when they spoke up about safety concerns or wrongdoing by colleagues.”

More recently, in a 2020 incident, PetSmart admitted that inadequate training as the reason a Maltese-shih tzu mix named Winter nearly died. What began as a routine trip to the groomer for Winter, ended with the dog being rushed into emergency surgery to save her life.⁷² In July 2020, Sherrilyn Miller took Winter to PetSmart for a run-of-the-mill bathing and grooming service, Miller then paid extra to have bows placed on her 2-year-old emotional support dog. The next day, Miller noticed Winter's behavior change, Winter was sluggish and liquid was oozing from her ears. Miller said, “her ears looked like black coal,” in an interview with *Mercury News*. The pup was then rushed to emergency surgery in which a veterinarian would apply multiple punctures with an 18-gauge needle to the dog's ear. As stated by the vet, if another four hours passed, Winter could have lost her ears and in 24 hours, the dog could have been dead.

According to a press report inadequate training is to blame in the near-death of Winter: “A managing agent at PetSmart

immediately admitted wrongdoing, saying that the employee was new and had undergone “expedited” training.”⁷³

In a separate May 2020 incident where a poodle by the name of Kobe was killed, a video surfaced showing the dog being asphyxiated by two leashes as he was having a routine nail clipping. “They used two separate leashes. One directly above the grooming table at a vertical angle, and the other leash was horizontal. So he’s tethered in two different directions. They begin to clip his nails, and there’s two of them and they’re lifting him up in a way that he can’t put his paws down on the table at all,” Kobe’s owner, AJ Ross, told *People Magazine*.⁷⁴ “It’s horrific to watch and [after a minute] he goes limp. They never put his feet down until after he goes limp.”

PetSmart terminated the employees involved in the incident, and in a statement said that the corporation’s investigation found an “...unintended failure to adhere to our pet safety processes”⁷⁵ raising questions about the adequacy of training procedures. After her dog’s death, Kobe’s owner Ross asked to view PetSmart’s grooming regulations, but according to press reports, PetSmart would only do so if she agreed to sign a nondisclosure agreement, which she refused to do.⁷⁶

When lawmakers have sought to standardize groomer training by requiring licensing, they have often faced stiff opposition. According to New Jersey Assemblywoman Valerie Huttle: “So I think the pushback is about the profits ... I would think all of us that have pets would say pets over profits.”⁷⁷

PetSmart employees continue to describe the need to improve employee training. Happy, a Retail Sales Associate in Tennessee who worked his way up to become a Pet Training Associate and started working at PetSmart before the acquisition by BC Partners, said he has witnessed how training standards have deteriorated over time since the private equity firm acquired the company. According to Happy, “new [PetSmart] leadership seems to value its bottom

“Some former employees allege PetSmart’s groomer training — which the company touts as the industry’s very best — can fall short of what’s advertised. They say they have seen unprepared trainees rushed into stores because of short-staffing, putting dogs at greater risk of injury.” And, “...many [PetSmart employees] felt either ignored or retaliated against when they spoke up about safety concerns or wrongdoing by colleagues.” — NJ Advance Media report

line over pet training and pet care.” When he first started working at PetSmart prior to BC Partners’ involvement, he underwent a meticulous training program that has since been “dumbed down” and he has seen older, experienced workers replaced by younger people who are paid a lower rate.

Adrian, a bather from Georgia who was recently accepted into PetSmart’s Grooming Academy, also expressed concerns about PetSmart training protocols, stating that they didn’t feel as “safety certified” as they could be because the initial training was so rushed and minimal. Oscar, a retail sales associate in Arizona, shared similar sentiment regarding lack of training, declaring, “they [PetSmart] never trained me how to properly deep clean the small animal enclosure. They just threw me at small animals because someone called out.”

“They [PetSmart after BC Partners’ acquisition] dumbed down the curriculum and got rid of all of the older, more experienced, career-trained workers and hired young people at their new really low commission rate. I almost felt like a lot of what we were doing with dogs and their clients wasn’t even relevant and certainly not considered best industry practices.”

— Happy, Pet Training Associate in Tennessee

In addition to mistreatment of dogs, allegations of animal abuse have continued to add up since BC Partners acquired PetSmart:

- **Between January 2019 and March 2020, PetSmart was cited for more than 70 violations of Colorado’s Pet Animal Care Facilities Act (PACFA)**, “which requires the bare minimum standards of animal care,” according to a review of state records by People for the Ethical Treatment of Animals (PETA). The violations occurred at 16 different PetSmart stores throughout the state.⁷⁸
- **In 2018, police raided a PetSmart in Bellevue, TN** after allegations of animal neglect. According to a **Nashville news station**, “... Metro Health

Department and Metro Animal Care and Control received information, photos and video detailing an alleged “lack of care” for animals at the store.”

- **20 PetSmart stores in North Carolina were ordered to “improve conditions for animals in order to comply with the state’s Animal Welfare Act”** according to **a review of records** from the North Carolina Department of Agriculture and Consumer Services (NCDA&CS) between June 2018 and February 2020 by PETA.

The 2018 NJ Advance Media investigative report highlighted a spike in dog deaths at PetSmart in the years following BC Partners’ 2015 acquisition of the company. Since that report was published, more dogs have died under PetSmart’s care and citations for animal neglect and abuse have piled up. PetSmart employees report many of the issues exposed in 2018 - understaffing, inadequate training, and poor in-store management- persist today. Ironically, in-store services like grooming and boarding are PetSmart’s best hope for accessing the high-spend “pet parent” market currently driving the pet industry,⁷⁹ but these services can only be delivered by well-trained, well-paid employees working in safe, healthy conditions.

“They [PetSmart after BC Partners’ acquisition] dumbed down the curriculum and got rid of all of the older, more experienced, career-trained workers and hired young people at their new really low commission rate. I almost felt like a lot of what we were doing with dogs and their clients wasn’t even relevant and certainly not considered best industry practices.”

— Happy, Pet Training Associate in Tennessee



MINIMAL FEDERAL & STATE OVERSIGHT OF THE PET INDUSTRY FURTHER JEOPARDIZES THE QUALITY OF PET CARE

A review of the federal and state legislative landscape for pet groomers and pet stores found no federal regulation or oversight of the industry, significant variation in the regulation of pet stores across the fifty states, and a complete absence of laws governing the licensing or certification of individual pet groomers.⁸⁰ (See Appendix I for summary of state licensing regulations)

State oversight and regulations that are in place vary widely. In some states the licensure required of pet stores amounts to little more than registration and a means of fee-collection, with no requirements for standards of care. For example, in Alabama and Alaska pet retailer licensing requirements are housed within the tax code. Pet stores are lumped together with other “miscellaneous store retailers” like florists, novelty, art, and tobacco retailers, and licensure comes with no regulation specific to the pet industry.⁸¹ Delaware only regulates the boarding and selling of dogs. The states of Florida, Indiana, Montana, Washington, and Maryland devolve oversight of the pet industry to municipal governments.

Even states whose laws impose some standards of care on pet stores fail to regulate the services provided to pets - training, grooming, and boarding. Across the board, training and certification of individual pet groomers is an indication of technical skill that might make a groomer a more attractive hire, but not subject to any aptitude test or legal requirement. There is no regulation stopping a pet store from employing an untrained groomer or one whose grooming training took place entirely online without oversight.⁸²

In the last decade, only six states - California, Massachusetts, New Jersey, New York, Pennsylvania, and Rhode Island - have attempted to regulate pet grooming. Nearly all proposed legislation was prompted by instances of pet injury or death during or shortly after grooming sessions.⁸³ All of the proposed legislation failed to become law.

The harmful impacts of private equity ownership are compounded by minimal oversight of the pet industry and the services pet retailers provide. Without stronger regulation of private equity and the pet industry as a whole, the responsibility for protecting animal welfare will be left to the pet industry’s private equity owners who seem more interested in short-term gain than protecting the pets under their care.



“So I think the pushback is about the profits ... I would think all of us that have pets would say pets over profits.” — NJ Assemblywoman Valerie Huttle

CONCLUSION

Private equity ownership of PetSmart degrades working conditions and negatively impacts the quality of animal care at the largest pet retailer in the country. Sadly, it is PetSmart associates, customers, and pets who pay the price for BC Partners' extractive ownership practices.

As detailed above, under BC Partners' stewardship, PetSmart has not done enough to protect employees during the coronavirus pandemic, resulting in numerous occupational health and safety complaints. With the rise of new, more aggressive coronavirus variants PetSmart associates are once again concerned about their well-being at work and the health and safety of customers and pets under their care.

The operational management of PetSmart's fleet of stores has also suffered under BC Partners' ownership. Associates shared the difficulties and challenges of working without rigorous training, functioning equipment, or sufficient supplies. Those who had worked at PetSmart before private equity took over reported a marked deterioration of job quality and pet care standards.

Since BC Partners' 2015 acquisition, at least 36 dogs have died under PetSmart's care and citations for animal neglect and abuse have piled up. Despite several high-profile cases linked to poor or rushed training of new hires, PetSmart employees continue to report operational issues that hinder their ability to provide loving, professional pet care. According to the associates we spoke to, problems of understaffing, inadequate training, and poor in-store management persist today.

Minimal state and federal oversight of the pet industry - pet grooming in particular - further jeopardizes employees and animal welfare by leaving the pet industry and its private equity owners to define standards of care.

While the problems outlined in this report are serious, there is a path to making PetSmart a better place to work and a safer place for animals.

State policy makers can ensure pet service workers have access to rigorous training and certification programs that prepare them to provide safe, quality pet care. They can also impose reporting requirements on pet specialty retailers, empower state agencies to investigate pet deaths and injuries, and prohibit pet specialty retailers from entering into non-disclosure agreements with customers.

Federal policy makers have an opportunity to reign in private equity mismanagement and excess, and to support frontline employees who speak out about animal neglect and unsafe working conditions. The Stop Wall Street Looting Act will restrict private equity's ability to saddle acquired companies with debt and extract fees and dividends which deprives companies of assets needed to remain competitive.⁸⁴ The Protecting the Right to Organize Act will ensure workers can push for workplace changes without fear of retaliation.⁸⁵

Ultimately the responsibility to protect employees, create quality jobs, and ensure the provision of exceptional animal care at PetSmart falls to BC Partners. As the owners of the largest pet specialty retailer in the United States, BC Partners must prioritize petcare and the people working in their stores over short-term profits.

This report offers a series of recommendations for BC Partners and public policy makers.

KEY RECOMMENDATIONS

Private equity owners of pet specialty retailers have a responsibility to protect employees and public health, create quality jobs, and ensure the provision of exceptional pet care.

To protect frontline employees and pets, BC Partners must guarantee:

- **Quality Jobs for All Frontline Employees**
Guaranteed \$15 minimum wage, fair scheduling, access to full-time hours, a safe work environment, and a \$5/hour essential pay increase.
- **Healthcare for All**
Provide quality employer-paid healthcare and cover premiums for all employees, including part-timers.
- **Pet Care Over Profit**
Provide employees with functioning equipment, proper supplies, and adequate staffing and training that prepares employees to give animals the caring services they deserve.
- **Job Protections**
Establish a severance policy for all employees in the event of bankruptcy or change of ownership that would result in layoffs, with at least one week of pay per year of employment and two weeks minimum. Any layoffs should be done in order of reverse seniority and employees should get at least 90 days' notice.
- **Worker Representation on the Board of Directors**
Frontline employees should have input into corporate policies that directly impact them and the pets they care for. Pet care professionals bring unique knowledge and perspectives that are essential to the provision of exceptional pet care and customer service as well as the long-term competitiveness of PetSmart.

Federal policy makers must reign in private equity excess and protect employees who organize to improve their working conditions:

- Pass the **Stop Wall Street Looting Act** to protect workers, communities, and businesses from private equity extraction and excess. Private equity executives pay themselves fees for nonexistent services and quickly convert the assets of acquired companies into dividends for the private equity firm. This leaves the companies without resources to invest in sustaining and growing their businesses, or paying workers fairly.
- Pass the **Protecting the Right to Organize Act** to remove obstacles that impede workers from exercising their rights to improve their livelihoods and working conditions. Defending these rights is crucial to lessening the plight of economic inequality, as it allows workers to collectively come together and fight for dignified wages, adequate benefits, proper health and safety on the job, and balancing the power between workers and their employers.

State policy makers must protect pet store workers and regulate pet specialty retailers:

- Ensure pet service workers have access to **rigorous training and certification programs** that prepare them to provide safe, quality pet care.
- Require pet speciality stores to **report instances of pet death and injury**, empower a State Agency to **investigate these incidents**, and **prohibit** pet speciality retailers from entering into **non-disclosure agreements with customers**.
- Encourage pet service workers to **report unsafe working conditions** and company practices and policies that can seriously injure animals under their care.

NOTES ON METHODOLOGY

In July 2020, 550 current and former PetSmart employees wrote to BC Partners about unsafe conditions in stores including insufficient personal protective equipment, lax enforcement of social distancing protocols, and a refusal to provide severance pay to laid off employees or hazard pay to those who continued to work.

United for Respect interviewed 25 current and former PetSmart employees between April 2020 and July 2021 about their experiences and concerns while working at PetSmart. Tenure with PetSmart varied from between 4 months to over 10 years among associates whose experiences are highlighted in this report.

Associates we spoke to represented varied job classifications including:

- **Pet Stylist (groomer):** responsible for helping customers select grooming packages, cleaning the pet's teeth, trimming the pet's nails, and cutting the pet's hair.⁸⁶ Pet Stylists work in close proximity to bathers in the salons.
- **Pet Stylist Apprentice (bather):** prepare pets for bathing, nail trimming, teeth brushing, and perform assessments of pets (HOP) before their service.⁸⁷ Pet Stylist Apprentices work in close proximity to Pet Stylists (groomers) in the salons as this is the first of 4 steps to becoming a fully certified groomer within PetSmart's internal structure.⁸⁸
- **Petcare Associate:** oversee and care for all living pets in stores (fish, reptiles, birds, small animals). They help clean, feed, and keep pets healthy.⁸⁹
- **Retail Sales Associate:** provide numerous services to PetSmart including expediting the check out process as a cashier, providing pet care to all living pets in stores (fish, reptiles, birds, and other small animals), and are responsible for merchandising, inventory, and stocking goods.⁹⁰
- **Pet Hotel Associate:** interact directly with the pets - playing with them during Doggie Day Camp and ensuring they get exercise and food. Night shift associates take care of pets throughout their overnight stay — providing food and medication, and, occasionally, a bedtime story.⁹¹

We calculated the number of pet deaths at PetSmart post BC Partners acquisition by using the NJ Advance Media investigative report⁹² findings (32) as a base but subtracted the Danielle DiNapoli/Scruffles incident due to an ultimately successful defamation lawsuit brought by PetSmart and Ms. DiNapoli's subsequent retraction, bringing the total number of deaths between 2015 and 2108 to thirty-one (31).⁹³ We then conducted a Lexis-Nexis news and litigation search to identify any instances that occurred after September 2018 and found documentation of five additional deaths of dogs while under PetSmart's care or shortly after the service was provided, bringing the updated total to thirty-six (36). Note, PetSmart has refused to disclose the number of dogs that have died in their care, the true number may be much higher.

The five additional deaths we identified are listed below:

- 10/29/18 - A mastiff broke free from its kennel in the grooming salon and attacked and killed another dog in Illinois.⁹⁴
- 11/25/18 - Thomas Cunningham brought his English Bulldog, Trinity, into PetSmart and shortly after her grooming service she passed away.⁹⁵
- 2/14/19 - Darren Harris lost his English Bulldog, Enzo, shortly after a grooming service.⁹⁶
- 12/26/19 - Vikki Seifert lost her Bulldog, Minnie, who was crushed under a table during a grooming service.⁹⁷
- 5/13/21 - Aj Ross lost her toy poodle, Kobe, after a grooming service went wrong.⁹⁸

Similarly, our analysis of the federal and state regulatory landscape for pet grooming and pet speciality stores is based on Lexis-Nexis and other research conducted in July 2021 that captured federal and state legislation.

References

1. <https://www.investmentcouncil.org/economicimpact/>
2. <https://www.pionline.com/private-equity/big-jump-private-equity-aum-expected-over-next-5-years>
3. <https://www.supermarketnews.com/winning-pet-care/pet-industry-sales-2020-surpass-100-billion-first-time>
4. <https://www.ibisworld.com/united-states/market-research-reports/pet-stores-industry/>
5. <https://corporate.petco.com/2021-01-13-Petco-Announces-Pricing-of-Initial-Public-Offering>
6. <https://www.businesswire.com/news/home/20160711005404/en/Pet-Valu-and-Pet-Supermarket-Merge-Forming-Largest-and-Fastest-Growing-Small-Format-Specialty-Pet-Retailer>
7. <https://money.cnn.com/2014/12/14/investing/petsmart-deal/>
8. <https://www.bcpartners.com/private-equity-strategy/portfolio/petsmart-chewy>
9. <https://www.prnewswire.com/news-releases/rise-in-pet-humanization-trend-drives-global-sales-in-premium-pet-care-products-300854095.html>
10. <https://www.supermarketnews.com/winning-pet-care/pet-industry-sales-2020-surpass-100-billion-first-time>
11. <https://united4respect.org/open-letter/open-letter-to-bc-partners-from-petsmart-frontline-employees/>
12. <https://projects.nj.com/investigations/petsmart/>
13. <https://www.peta.org/wp-content/uploads/2020/04/Colorado-PetSmart-Documents.pdf>
14. <https://www.wnct.com/local-news/peta-local-petsmart-stores-caught-violating-state-animal-welfare-regulations/>
15. <https://www.newschannel5.com/news/police-raid-confiscate-animals-from-bellevue-petsmart>
16. See Detailed Summary Of State Regulation Of Pet Retailers And Groomers in Appendix I
17. Ibid.
18. <https://ourfinancialsecurity.org/2020/12/news-release-new-study-documents-job-losses-in-retail-due-to-private-equity/> and <https://united4respect.org/wp-content/uploads/2019/07/Pirate-Equity-How-Wall-Street-Firms-are-Pillaging-American-Retail-July-2019.pdf>
19. <https://www.pionline.com/private-equity/big-jump-private-equity-aum-expected-over-next-5-years>
20. <https://www.investmentcouncil.org/economicimpact/>
21. <https://www.supermarketnews.com/winning-pet-care/pet-industry-sales-2020-surpass-100-billion-first-time>
22. <https://www.ibisworld.com/united-states/market-research-reports/pet-stores-industry/>
23. <https://corporate.petco.com/2021-01-13-Petco-Announces-Pricing-of-Initial-Public-Offering>
24. <https://www.businesswire.com/news/home/20160711005404/en/Pet-Valu-and-Pet-Supermarket-Merge-Forming-Largest-and-Fastest-Growing-Small-Format-Specialty-Pet-Retailer>
25. <https://www.petsmartcorporate.com/>
26. <https://money.cnn.com/2014/12/14/investing/petsmart-deal/>
27. <https://www.bcpartners.com/private-equity-strategy/portfolio/petsmart-chewy>
28. <https://www.forbes.com/sites/antoinagara/2016/02/18/petsmarts-8-7-billion-lbo-already-is-paying-off-for-consortium-led-by-bc-partners/?sh=2c439b86a92e>
29. <https://www.wsj.com/articles/how-petsmart-swallowed-chewyand-proved-the-doubters-wrong-11569858310>
30. <https://www.bloomberg.com/news/articles/2020-11-02/burned-by-bc-partners-before-resentful-creditors-stage-a-revolt?sref=AuDcg4ag>
31. <https://www.wsj.com/articles/how-petsmart-swallowed-chewyand-proved-the-doubters-wrong-11569858310>
32. <https://fortune.com/2020/10/23/petsmart-and-chewy-are-splitting-three-years-after-their-tie-up/>
33. <https://www.bloomberg.com/news/articles/2018-04-25/yielding-21-in-bond-market-the-no-1-retail-lbo-is-in-trouble>
34. <https://finance.yahoo.com/news/petsmart-llc-moodys-announces-completion-152414512.html>
35. <https://www.ibisworld.com/united-states/market-research-reports/pet-stores-industry/>

36. <https://fortune.com/longform/pet-stores-competition-petco-petsmart-coronavirus/>
37. <https://www.prnewswire.com/news-releases/petsmart-brings-largest-pet-retailer-to-shalotte-nc-with-new-store-opening-301238506.html> and <https://finance.yahoo.com/news/petsmart-brings-largest-pet-retailer-150000574.html> and <https://www.prnewswire.com/news-releases/petsmart-opens-new-store-in-hammond-la-301101673.html> and <https://patch.com/wisconsin/wauwatosa/petsmart-open-mayfair-collection-wauwatosa>
38. <https://www.supermarketnews.com/winning-pet-care/pet-industry-sales-2020-surpass-100-billion-first-time>
39. <https://webcache.googleusercontent.com/search?q=cache:YPdrkE-rJmQJ:https://www.reuters.com/article/us-health-coronavirus-pets-breakingviews/breakingviews-pandemic-pet-boom-keeps-running-for-new-top-dogs-idUSKBN28Y1FQ+&cd=2&hl=en&ct=clnk&gl=us>
40. <https://www.vmsd.com/content/covid-19-pet-stores-see-sales-spike>
41. <https://todaysveterinarybusiness.com/pijac-pet-stores-are-essential-during-crisis/>
42. <https://www.iii.org/fact-statistic/facts-statistics-pet-ownership-and-insurance>
43. <https://www.washingtonpost.com/dc-md-va/2021/01/06/animal-shelters-coronavirus-pandemic/>
44. https://www.americanpetproducts.org/press_industrytrends.asp
45. <https://www.vmsd.com/content/covid-19-pet-stores-see-sales-spike>
46. <https://www.wsj.com/articles/petsmart-workers-ask-retailers-private-equity-owner-for-coronavirus-protections-11594235984>
47. <https://www.vox.com/recode/2020/5/13/21256756/amazon-pay-increases-frontline-warehouse-workers-covid-19-coronavirus-pandemic-may>
48. <https://www.businessinsider.com/target-extends-its-coronavirus-hazard-pay-2020-5>
49. <https://www.businessinsider.com/costco-pays-workers-2-dollars-an-hour-more-coronavirus-2020-3>
50. <https://www.mercurynews.com/2020/04/06/coronavirus-rite-aid-hire-thousands-nationwide-raise-pay-economy-jobs-retail/>
51. <https://www.wsj.com/articles/petsmart-workers-ask-retailers-private-equity-owner-for-coronavirus-protections-11594235984>
52. <https://www.vox.com/22545398/jobs-quitting-retail-workers-pandemic-sales>
53. https://www.osha.gov/sites/default/files/Closed_Federal_and_State_Plan_Valid_Covid-19_Complaints_through_May_10-Receipt_Date_release.pdf
54. https://www.osha.gov/pls/imis/establishment.inspection_detail?id=1060447.015
55. <https://www.osha.gov/laws-regs/regulations/standardnumber/1910/1910.1200>
56. https://www.osha.gov/pls/imis/establishment.inspection_detail?id=1132068.015
57. https://www.osha.gov/pls/imis/establishment.inspection_detail?id=1260019.015
58. <https://www.osha.gov/laws-regs/regulations/standardnumber/1910/1910.141>
59. https://www.osha.gov/pls/imis/establishment.inspection_detail?id=1293720.015
60. https://www.osha.gov/pls/imis/establishment.violation_detail?id=1293720.015&citation_id=01001
61. https://www.osha.gov/pls/imis/establishment.inspection_detail?id=1409517.015
62. https://www.osha.gov/pls/imis/establishment.violation_detail?id=1409517.015&citation_id=01001
63. https://www.osha.gov/pls/imis/establishment.inspection_detail?id=1500288.015
64. https://www.osha.gov/pls/imis/establishment.violation_detail?id=1500288.015&citation_id=01001 and <https://www.doli.virginia.gov/wp-content/uploads/2020/07/RIS-filed-RTD-Final-ETS-7.24.2020.pdf>
65. https://www.osha.gov/pls/imis/establishment.inspection_detail?id=1514132.015
66. https://www.osha.gov/pls/imis/establishment.violation_detail?id=1514132.015&citation_id=01002
67. https://www.osha.gov/pls/imis/establishment.violation_detail?id=1514132.015&citation_id=02001
68. OSHA Establishment search for PetSmart inspections with violations between March 23, 2015 and August 23, 2021.
69. <https://www.theguardian.com/business/2020/nov/19/pet-adoption-booming-pandemic-workers-accuse-petsmart-petco-abuses>
70. <https://www.theguardian.com/business/2020/nov/19/pet-adoption-booming-pandemic-workers-accuse-petsmart-petco-abuses>
71. <https://projects.nj.com/investigations/petsmart/>

72. <https://www.mercurynews.com/2020/07/08/petsmart-sued-for-dogs-near-death-after-grooming-gone-wrong/>
73. <https://www.eastbaytimes.com/2020/07/08/petsmart-sued-for-dogs-near-death-after-grooming-gone-wrong/>
74. <https://people.com/pets/petsmart-employees-charged-after-poodle-dies-during-grooming-visit/>
75. <https://www.oxygen.com/crime-news/charges-brought-against-petsmart-workers-after-aj-ross-dog-dies>
76. *ibid.*
77. <https://newyork.cbslocal.com/2021/05/17/pittsburgh-petsmart-dog-grooming-death-kobe-aj-ross/>
78. <https://www.peta.org/wp-content/uploads/2020/04/Colorado-PetSmart-Documents.pdf>
79. <https://www.prnewswire.com/news-releases/rise-in-pet-humanization-trend-drives-global-sales-in-premium-pet-care-products-300854095.html>
80. <https://www.cbs17.com/news/did-you-know-your-dogs-groomer-doesnt-need-a-license-and-there-are-no-regulations/>
81. <https://law.justia.com/codes/alabama/2020/title-11/title-2/chapter-51/article-2/division-1/section-11-51-90-2/>
82. <https://www.onlinegroomingschool.com/enroll.php>
83. See Detailed Summary Of State Regulation Of Pet Retailers And Groomers in Appendix I
84. <https://takeonwallst.com/private-equity-hedge-funds/>
85. <https://aflicio.org/how-pro-act-will-help-employees-advocate-improvements-work>
86. <https://careers.petsmart.com/jobs/81362797540-1213308489?lang=en-us>
87. <https://careers.petsmart.com/jobs/78500297161-85203311968?lang=en-us>
88. <https://careers.petsmart.com/jobs/95606547076-1213314781?lang=en-us>
89. <https://careers.petsmart.com/jobs/81362819792-77241463739?lang=en-us>
90. <https://careers.petsmart.com/jobs/81362819792-77241463739?lang=en-us>
91. <https://careers.petsmart.com/jobs/95606397497-1213315934?lang=en-us>
92. <https://projects.nj.com/investigations/petsmart/>
93. <https://www.nj.com/hunterdon/2020/02/petsmart-did-not-kill-my-dear-scruffles-grieving-pet-owner-says-in-public-apology-to-the-company.html>
94. <https://www.chicagotribune.com/news/breaking/ct-met-dog-killed-petsmart-20181028-story.html>
95. <https://philadelphia.cbslocal.com/2018/09/25/report-47-dogs-died-after-petsmart-grooming-over-past-decade/>
96. <https://fox2now.com/news/loved-puppy-dies-after-grooming-at-petsmart/>
97. <https://www.cnn.com/2020/01/08/us/dog-dies-at-petsmart-trnd/index.html>
98. <https://people.com/pets/petsmart-employees-charged-after-poodle-dies-during-grooming-visit/>

APPENDIX I: DETAILED SUMMARY OF STATE REGULATION OF PET RETAILERS AND GROOMERS

State	Individual Groomer Legal Requirements		Retailer Legal Requirements		Proposed Legislation
	License Required?	Certification?	Pet Store-Specific License Required?	Standards Imposed	
AL	None	None	No, only for tax AL Code 11-51-90.2 (Section 453)	None	-
AK	-	-	No, only for tax AS 43.70.020(a)	-	-
AZ	-	-	Yes	AZ ST 644-1799. Defines a pet dealer as one who owns a pet store, and regulates pet dealers' responsibility to provide sanitary housing conditions, water and nutrition, adequate space, decent flooring, veterinary care where necessary. Prevents sale of cats/dogs younger than 8 weeks.	-
AK	-	-	Yes	AK Code 4.97.104-109. Retailers must register with the State Board of Health. Any authorized person is entitled to inspect the premises, failure to make premises or records available to an authorized person is a Class A misdemeanor. Every retail pet store required to be registered shall post a public notice on each of its premises, failure to post notice is a Class A misdemeanor. It is unlawful for a retail pet store to knowingly give, sell, exchange, barter, or otherwise transfer an animal to any other person if the ultimate destination of the animal is research or killing for dissection punishable as a Class A misdemeanor.	-
CA	-	-	Yes	CA Health and Safety Code Section 122125 - 122220 (Lockyer-Polanco-Farr Pet Protection Act). Retailers are to examine dogs and cats received for sickness and cage contagious animals separately. Encourages pet dealers to offer customers incentives to use spaying and neutering services. Retailers must give customers a standardized receipt on sale including information on their pet's breeding, immunizations, health statement signed by a veterinarian, etc. Pet dealers must maintain a written record on status and health of pet for one year after sale. Violation of any of the above is subject to a civil penalty of up to \$1000 per violation. Must provide animals with adequate sanitation, water, nutrition, shelter, comfort, exercise, and socialization. Provides for consumer protection in the event that a customer discovers that their purchased animal was already sick before the sale.	2012: SB 969 Pet Grooming Act (Failed) Would have required groomers to complete 900 hours of training for a voluntary state certification.

State	Individual Groomer Legal Requirements		Retailer Legal Requirements		Proposed Legislation
	License Required?	Certification?	Pet Store-Specific License Required?	Standards Imposed	
CO	-	-	Yes	Individual groomers do not need a license, but many pet service facilities require a license, including pet grooming facilities, under Code of Colorado Regulations 8 CCR 1202-15 (\$320 for Pet Grooming facility). PACFA, the Pet and Animal Care Facilities Act , extensively governs all facilities that provide pet services, including pet retailers. Persons providing any of the following services exclusively do not require licensure with PACFA: dog and cat nail trims, pet animal oral hygiene, pet animal ear cleaning, or pet animal anal gland expression. Licensure involves a fee and application, but licensed businesses are subject to inspection and disciplinary measures should they violate any PACFA clauses. Complaints against pet facilities can be submitted to PACFA by the public.	-
CT	-	-	Yes	The General Statutes of Connecticut Chapter 435 Section 22-344c govern all pet facilities, which must be licensed, including pet stores/retailers. The standards to which pet stores are held are listed in the Department of Agriculture's Regulations Section 22-344-16a to 25c , covering structural standards, standards for enclosures, temperature, animal health, lighting, prohibited sales, and recordkeeping.	-
DE	-	-	Yes, for sale of dogs specifically	Under Title 16 Chapter 30F Subtitle IV of the Delaware Code, retail dog outlet owners must apply for a license from the state on an annual basis. Section § 3044F also stipulates the standards to which these stores will be held, including standards for housing, tethering, feeding, and compatible grouping.	-
FL	-	-	No	Florida Statute FL ST §828.28 devolves responsibility for licensure to county/municipality level. FL ST §828.29 governs the sale and transport of dogs and cats specifically. The regulations work to provide a health guarantee of the pets sold, and protections in the event that a customer is sold an unhealthy pet.	-
GA	-	-	Yes	Animal facilities are governed by Georgia's Animal Protection Act and its attached regulations . These regulations include standards for the operator's premises, disease control. Pet dealers must receive a license to operate, with the attached fee varying from \$100 to \$400 with volume of sales. Once licensed, dealers are subject to inspection at any time, and disciplinary penalties in the case of violation of the act.	-
HI	-	-	No	-	-
IL	-	-	Yes	Under Illinois' Animal Welfare Act , pet care facilities, including pet stores, must apply for a license from the state. The act governs the recordkeeping practices, sanitary conditions, ventilation, nutrition, and disease prevention requirements for licensees. The specific standards for premises and care are found in sections 25.20 and 25.30 .	-

State	Individual Groomer Legal Requirements		Retailer Legal Requirements		Proposed Legislation
	License Required?	Certification?	Pet Store-Specific License Required?	Standards Imposed	
ID	-	-	No	-	-
IN	-	-	No	None. Regulation of pet stores falls under local city/county law.	-
IA	-	-	Yes	<p>Pet shops require a \$175 license to operate in Iowa. Iowa Code Chapter 162 the standard of care for pets, inspection of licensees, and disciplinary actions for pet stores (and other commercial establishments that deal in pets).</p> <p>Under IA ST §552B.1-8, an animal broker must be registered with the States. A broker may not sell an animal unless the animal has been examined by a licensed veterinarian. Brokers must also display a statement of buyer's rights in their establishment. Violations of this Act punishable as a civil penalty of up to \$1,000.</p>	-
KS	-	-	Yes	The Pet Animal Act requires pet stores to have a state license to operate, and also requires licensees to adhere to Article 18's regulations on animal facilities, which cover license fees (\$600 for a pet store), recordkeeping, inspections of premises, housing and enclosure standards, sanitation, feeding, exercise, and grouping.	-
KY	-	-	No	-	-
LA	-	-	No	Louisiana Revised Statute 3:2511 regulate retail stores' sourcing of pets from breeders, the minimum age of cats/dogs sold, and the recordkeeping/presentation of information on the breed of the animals for sale.	-
ME	-	-	Yes	Maine Revised Statute Chapter 745 §4163 requires pet stores to apply for a vendor's license (\$150). Chapter 745 generally governs the sale of dogs and cats, and Chapter 739 generally governs animal welfare and the conditions of housing, sustenance, etc for owned/confined animals, but there is no specific law governing the conditions in a pet store.	-
MD	-	-	No	There is no state-level licensing of pet retailers, and it appears to be devolved to the municipal level .	-
MA	-	-	Yes	Chapter 129, Section 39A of Massachusetts General Law requires every pet store to be licensed by the state. The specific regulations on animal care, facilities, quarantine, isolation, and recordkeeping are stipulated in 330 CMR 12	<p>State Representative Carlos Gonzalez plans to draft new legislation this December that builds on former State House Representative Cheryl Coakley-Rivera's 2013 bill.</p> <p>Coakley-Rivera pushed for regulatory controls over the pet grooming industry in 2013. Coakley-Rivera's bill included a list of more than 50 regulations that included licensing requirements, yearly inspections of grooming facilities, and restrictions of the use of cage or box dryers, where heaters are used to dry a dog's coat while crated.</p>

State	Individual Groomer Legal Requirements		Retailer Legal Requirements		Proposed Legislation
	License Required?	Certification?	Pet Store-Specific License Required?	Standards Imposed	
MI	Depending on the type of product used, pet groomers must have a domestic animal pest management license if they provide flea baths for clients.	-	Yes	MCL 287.334 requires pet stores to be licensed, and 287.355 requires the director of agriculture to inspect the premises before approving the license, with 287.355a stipulating the prohibited conduct for a pet store.	-
MN	-	-		Minnesota Statutes ST §346.35-44 govern animal welfare in commercial animal facilities. Pet retailers would fall under their definition of a kennel . Following application for a license, the kennel must be inspected by the Board of Animal Health, to ensure that they conform to the regulations for animal health laid out in Chapter 1721 of the Minnesota Administrative Rules.	-
MS	-	-	No	-	MS SB 2206 was introduced in 2017 but died in committee. It would create a license requirement for kennels, stables, and animal shelters.
MO	-	-	Yes	Missouri Statute 273.327 requires pet stores to apply for licensure. Licensees are then required to adhere to the stipulations of the Rules of Department of Agriculture 2 CSR 30-9.010 to 9.030 .	-
MT	-	-	No	Local city and county offices provide all business licensing in Montana.	-
NE	-	-	Yes	Nebraska Revised Statute 54-627 requires pet stores to be licensed by the state, which will only be approved with a qualifying inspection, and all licensees will be inspected at least once in a 24-month period. The full regulations governing these inspections and standards are stipulated in the Nebraska Administrative Code Title 23, Chapter 18 (Commercial Dog and Cat Operator Inspection Regulations).	-
NV	-	-	Yes	Nevada Revised Statutes Chapter NRS 574.450-510 governs pet retailers, and NRS 574.360-440 govern the duties of all pet facility operators to maintain acceptable standards on their premises.	-
NH	-	-	Yes	New Hampshire Revised Statutes Chapter 437:1-10 governs pet stores, and requires that they be licensed with the state. License applications will only be approved with a satisfactory qualifying inspection. The specific regulations governing the inspection are stipulated in the New Hampshire Administrative Rules Agr 1704 .	NH HB376 was introduced and died in chamber in 2020. It would have established a committee to study best practices for companion animal groomers.
NJ	-	-	Yes	New Jersey Statutes 4:19-15.8 and 9 require that pet shops be licensed (\$10 annually). The specific regulations around the operation of animal facilities are stipulated in Chapter 23A of the New Jersey Administrative Code.	NJ A3044 was introduced and died in committee in 2018. It would have provided and required a system for licensing pet groomers.

State	Individual Groomer Legal Requirements		Retailer Legal Requirements		Proposed Legislation
	License Required?	Certification?	Pet Store-Specific License Required?	Standards Imposed	
NM	-	-	No	New Mexico title 19:30.9.6 established eligibility and application requirements for vendors specializing in the sale of wildlife. Commercial pet stores are required to submit an importation application and pay a specific fee depending on the amount of non-domesticated animals sold.	-
NY	-	-	Yes	Article 26-A of the New York's Consolidated Laws governs the care of animals by pet dealers, which includes pet stores. Section 403 mandates that pet stores must be licensed, and the other sections of 26-A stipulate the standards of care required of pet stores. Section 403 point 6 explicitly states that a satisfactory inspection must precede the issuance of a license.	S1569A was introduced in 2017 and was referred to consumer protection. It would require the registration and certification of pet groomers.
NC	-	-	Yes	North Carolina General Statute § 19A-27 requires pet shops to be licensed for \$75. The standards of care for pet shops are stipulated in the North Carolina Animal Welfare Administrative Code .	-
ND	-	-	No	North Dakota Century Code Chapter 36-21.2 governs the treatment of animals generally, but the state does not appear to have any specific regulation on pet stores.	-
OH	-	-	Yes	Ohio Revised Code Title 9 Section 956.21 requires pet stores to be licensed. Ohio Administrative Code 901:1-8 stipulates recordkeeping, licensing, and identification requirements for these licensees, but there does not appear to be any requirements for standards of care in these facilities	-
OK	-	-	No	Regulation and licensure of pet stores appears to be devolved to the municipal level, as in the example of Okmulgee .	-
PA	-	-	Yes	Pet stores are defined as kennels in Pennsylvania, and are therefore required to be licensed by Act 119, passed in 2008. Act 119 also specifies the standards of care that kennels must maintain to retain their license.	HB 2194 was introduced and referred to professional licensure in 2005. It would have provided a board for the licensure and regulation of pet groomers.
RI	-	-	Yes	Rhode Island statute 4-19 governs animal care, and 4-19-5 specifically requires that pet shops be licensed. Rhode Island's Rules and Regulations Governing Animal Care Facilities specify the standards of care that kennels must maintain to retain their license.	HB 7609 was introduced and died in committee in 2018. It would have established the registration of pet groomers and grooming facilities. HB 6504 was introduced in 2017. It would have required pet grooming facilities to be licensed by the state.
SC	-	-	No	-	-
SD	-	-	No	-	-
TN	-	-	Yes	Tennessee Code defines pet stores that sell dogs/cats as dog and cat dealers, which are governed by Tennessee Code 44-17-101 to 122 . As such, they must be licensed by the state. The Rules of the Tennessee Department of Agriculture provide more detail on requirements of licensees, who must pass an inspection before a license can be issued. For the specific standards of care expected of dog dealers, the Rules defer to federal standards stipulated in 9 CFR part 3 .	-

State	Individual Groomer Legal Requirements		Retailer Legal Requirements		Proposed Legislation
	License Required?	Certification?	Pet Store-Specific License Required?	Standards Imposed	
TX	-	-	No	Regulation and licensure of pet stores appears to be devolved to the municipal level, as in the example of Harris County .	-
UT	-	-	No	-	-
VT	-	-	Yes	Vermont Statute 20 V.S.A. § 3906 requires pet stores to be licensed by the state for \$175. Vermont's Animal Welfare Regulations specify the standards of care that kennels must maintain to retain their license.	-
VA	-	-	Yes	SB 891 , just signed in 2020, requires pet shops to be registered with the state, and requires at least one annual, unannounced inspection of each pet shop. Code of Virginia Chapter 65 Article § 3.2-6511 requires that pet shops provide adequate care.	-
WA	-	-	No	Regulation and licensure of pet stores appears to be devolved to the municipal level, as in the example of Thurston County .	-
WV	-	-	No	West Virginia Code §19-20-3 requires every kennel (wherein dogs are bred, kept, boarded or sold as a commercial venture for profit) to be registered with the state. Code does not appear to stipulate any standards or responsibilities of care for kennels.	-
WI	-	-	Yes	Pet stores that offer to sell at least 25 dogs must be licensed according to Wisconsin Statute 173.41 . The regulations that apply to licensees are stipulated in Administrative Code Chapter ATCP 16 .	-
WY	-	-	No	-	-

UNITEDfor
RESPECT

united4respect.org
PetSmartWorkers@united4respect.org